

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2023

OR

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

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

Date of event requiring this shell company report: Not applicable

For the transition period from _____ to _____

Commission file number: 001-41413

United Maritime Corp oration

(Exact name of Registrant as specified in its charter)

(Not Applicable)

(Translation of Registrant's name into English)

Republic of the Marshall Islands
(Jurisdiction of incorporation or organization)

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

Title of class	Trading Symbol(s)	Name of exchange on which registered
Shares of common stock, par value \$0.0001, including the Preferred Stock Purchase Rights	USEA	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

As of December 31, 2023, 8,694,630 shares of common stock, par value \$0.0001 per share, and 40,000 Series B Preferred Shares, par value \$0.0001 per share, were outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒
Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act. ☒

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17

☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes

☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. **N/A**

☐ Yes

☐ No

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains certain forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding our or our management's expectations, hopes, beliefs, intentions, or strategies regarding the future and other statements that are other than statements of historical fact. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would," and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements in this annual report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records, and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs, or projections. As a result, you are cautioned not to rely on any forward-looking statements.

Many of these statements are based on our assumptions about factors that are beyond our ability to control or predict and are subject to risks and uncertainties that are described more fully in "Item 3. Key Information—D. Risk Factors." Any of these factors or a combination of these factors could materially affect our future results of operations and the ultimate accuracy of the forward-looking statements. In addition to these important factors, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include among other things:

- changes in shipping industry trends, including charter rates, vessel values, and factors affecting vessel supply and demand;
- changes in seaborne and other transportation patterns;
- changes in the supply of or demand for dry bulk commodities, including dry bulk commodities carried by sea, generally or in particular regions;
- changes in the number of newbuildings under construction in the dry bulk shipping industry;
- changes in the useful lives and the value of our vessels and the related impact on our compliance with the covenants under our financing arrangements;
- the aging of our fleet and increases in operating costs;
- changes in our ability to complete future, pending, or recent acquisitions or dispositions;
- our ability to achieve successful utilization of our fleet;
- changes to our financial condition and liquidity, including our ability to pay amounts that we owe and obtain additional financing to fund capital expenditures, acquisitions, and other general corporate activities;
- risks related to our business strategy, areas of possible expansion, or expected capital spending or operating expenses;
- our dependence on Seenergy Maritime Holdings Corp. and our third-party managers to partly operate our business;
- changes in the availability of crew, number of off-hire days, classification survey requirements, and insurance costs for our vessels;

- changes in our relationships with our contract counterparties, including the failure of any of our contract counterparties to comply with their agreements with us;
- loss of our customers, charters, or vessels;
- damage to our vessels;
- potential liability from future litigation and incidents involving our vessels;
- our future operating or financial results;
- acts of terrorism, war, piracy, and other hostilities;
- public health threats, pandemics, epidemics, and other disease outbreaks, including but not limited to the COVID-19 pandemic (and various variants that may emerge) and governmental responses and other effects thereto;
- changes in global and regional economic and political conditions;
- general domestic and international political conditions or events, including "trade wars," the ongoing war between Russia and Ukraine (and related sanctions), the war between Israel and Hamas or the Houthi crisis in the Red Sea;
- changes in governmental rules and regulations or actions taken by regulatory authorities, particularly with respect to the marine transportation industry; and
- other factors discussed in "Item 3. Key Information—D. Risk Factors" and other important factors described from time to time in the reports we file with the U.S. Securities and Exchange Commission, or Commission.

Should one or more of the foregoing risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects, on us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable laws. If one or more forward-looking statements are updated, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements.

PART I

Unless the context otherwise requires, as used in this annual report, the terms “Company,” “we,” “us,” and “our” refer to United Maritime Corporation and any or all of its subsidiaries, and “United Maritime Corporation” refers only to United Maritime Corporation and not to its subsidiaries. We were incorporated under the laws of the Republic of the Marshall Islands on January 20, 2022 and did not commence operations until the consummation of the Spin-Off (as described below) on July 5, 2022. “United Maritime Predecessor” refers to the vessel-owning subsidiary of the M/V Gloriuship prior to its contribution to us, when it was owned by Seanergy Maritime Holdings Corp. (“Seanergy”). For the period from January 1, 2022 up to July 5, 2022, the accompanying financial statements reflect the financial position and results of the carve-out operations of United Maritime Predecessor. For the period from January 20, 2022 up to December 31, 2022 and for the period from January 1, 2023 up to December 31, 2023 the accompanying financial statements reflect the financial position and results of United Maritime Corporation and of its consolidated subsidiaries.

We use the term deadweight tons, or “dwt,” in describing the size of vessels. Dwt, expressed in metric tons, each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry. Unless otherwise indicated, all references to “U.S. dollars,” “dollars,” “U.S. \$” and “\$” in this annual report are to the lawful currency of the United States of America.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Some of the following risks relate principally to the industry in which we operate and others relate to our business in general or our common shares. If any of the following risks occur, our business, financial condition, operating results, and cash flows could be materially adversely affected and the trading price of our securities could decline.

Summary of Risk Factors

Below is a summary of the principal factors that make an investment in our common shares speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the headings “Risks Relating to Our Industry,” “Risks Relating to Our Company,” and “Risks Relating to Our Common Shares” and should be carefully considered, together with other information in this annual report on Form 20-F and our other filings with the Commission, before making an investment decision regarding our common shares.

The principal risk factors, as more particularly described in this “Item 3. Key Information—D. Risk Factors” below, include but are not limited to the following:

- general dry bulk market conditions, including fluctuations in charter hire rates, vessel values, vessel supply, and demand for vessels;
- general economic, political, and business conditions and disruptions, including sanctions, public health, war, piracy, terrorist attacks, and other measures;
- our dependence on index-linked charters;
- global economic conditions and disruptions in world financial markets and the resulting governmental action;
- compliance with, and our liabilities under, governmental, tax, environmental, and safety laws and regulations;
- changes in governmental regulation, tax, and trade matters and actions taken by regulatory authorities;
- inherent operational risks, weather damage, seasonal fluctuations, and inspection procedures of the dry bulk industry;
- increased scrutiny of environmental, social, and governance matters;
- reliance on information systems and potential security breaches;
- our borrowing availability under our loan agreements and other security agreements and compliance with the financial covenants therein, and ability to borrow new funds or refinance existing facilities;
- our use of available funds, and the banks in which such funds are held;
- capital expenditures and other costs, such as rising fuel prices, necessary to operate and maintain our fleet;
- our dependence on a limited number of customers for a large part of our revenue;
- our dependence on our charterers and other counterparties fulfilling their obligations;
- our ability to attract and retain key management personnel and potentially manage growth and improve our operations and financial systems and staff;
- delays or defaults by the shipyards in the construction of newbuildings, or defaults in constructions; or delays cancellations or non-completion of deliveries of purchased vessels;
- our ability to successfully and profitably employ our vessels;
- conflicts of interest which may arise from our officers’ and directors’ association with the Parent;
- labor interruptions, including failure of industry groups to renew industry-wide collective bargaining agreements;
- the aging of our fleet and vessel replacement;
- our vessels becoming unavailable or going off-hire;
- potential increased premium payments from protection and indemnity associations;
- technological innovation and quality and efficiency requirements from our customers;
- fluctuations in foreign currency exchange and interest rates, including volatility of SOFR and potential changes of the use of SOFR as a benchmark;
- effects of worldwide inflationary pressures;
- our dependence on the ability of our subsidiaries to distribute funds to us;
- our ability to compete for charters;

- our dependence on the Parent and its wholly-owned management subsidiaries to partly operate our business;
 - fraud, fraudulent, and illegal behavior, including the smuggling of drugs or other contraband onto our vessels;
 - arrest or requisition of our vessels;
 - potential cyber-attacks;
 - effects of U.S. federal tax on us and our shareholders;
 - volatility in the price of our common shares, the continuation of a liquid trading market, and dilution of shareholders;
 - the superior voting rights of our Series B Preferred Shares and any conflict of interest of the holder of such shares;
 - the effect of anti-takeover provisions of our organization documents;
 - our ability to pay dividends;
 - delisting of our common shares from the Nasdaq Capital Market;
 - compliance with economic substance requirements;
 - our ability to access the credit and capital markets at the times and in the amounts needed on acceptable terms;
 - other factors that may affect our financial condition, liquidity, results of operations, and ability to pay dividends; and
- other risk factors discussed under "Item 3. Key Information—D. Risk Factors."

Risks Relating to Our Industry

Charter hire rates for dry bulk vessels are cyclical and volatile and the dry bulk market remains significantly below its historic high. This may adversely affect our earnings, revenue, and profitability and our ability to comply with our loan covenants or covenants in other financing agreements.

The volatility in the dry bulk charter market, from which we currently derive part of our revenues, has affected the dry bulk shipping industry and has harmed our business. The Baltic Dry Index, or the BDI, a daily average of charter rates for key dry bulk routes published by the Baltic Exchange Limited, has long been viewed as the main benchmark to monitor the movements of the dry bulk vessel charter market and the performance of the entire dry bulk shipping market and has generally been very volatile. The BDI, declined from an all-time high of 11,793 in May 2008 to an all-time low of 290 in February 2016, which represents a decline of approximately 98%. In the preceding and following years volatility was less extreme, although there were still multiple instances where the index decreased or increased by more than 50% in short periods of time. In 2023, the BDI ranged from a low of 530 on February 16, 2023 to a high of 3,346 on December 4, 2023. Although the BDI was 1,821 as of March 28, 2024, due to its volatile nature, there can be no assurance of the future performance of the BDI.

The decline from historic highs and volatility in charter rates following 2008 is due to various factors, including the over-supply of dry bulk vessels, the lack of trade financing for purchases of commodities carried by sea, which resulted in a significant decline in cargo shipments and trade disruptions caused by natural or other disasters, such as those that resulted from the dam collapse in Brazil in 2019 and the outbreak of the coronavirus infection in China. Furthermore, since 2014, the US and the EU have imposed sanctions against Crimea and certain Russian individuals and entities, as a result of the crisis in Ukraine and the annexation of Crimea by Russia in 2014. These sanctions, which are still in force, have been greatly expanded due to Russia's invasion of Ukraine in February 2022. The US, the EU, the UK, and other countries have imposed expanded economic sanctions against Russia and certain disputed regions of Ukraine, as well as against certain Russian individuals, entities and business sectors. The sanctions imposed by the U.S. and other countries against Russia include, among others, restrictions on selling or importing goods, services, or technology in or from affected regions, travel bans, and asset freezes impacting connected individuals and political, military, business, and financial organizations in Russia, severing large Russian banks from U.S. and/or other financial systems, and barring some Russian enterprises from raising money in the U.S. market. The U.S., the EU, and other countries could impose wider sanctions as well as expand the scope of current sanctions programs, embargoes and other restrictions in the future (by designating additional countries and individuals), or might modify the interpretation or enforcement of current sanctions, which could affect and/or prevent our vessels from calling at ports in such sanctioned countries or could restrict cargo capabilities. Although initially the war in Ukraine has resulted in higher freight market volatility and while the initial effect on the dry bulk freight market was positive, the long-term effects so far remain unclear and uncertain. Recently, in October 2023, the global shipping industry faced another setback due to the outbreak of war between Israel and Hamas, which has resulted in increased tensions in the Middle East region, including missile attacks by the Houthis on vessels transiting the Red Sea. This situation has introduced uncertainty and risks to the shipping operations in the region and such circumstances have had and could in the future result in adverse consequences for dry bulk shipping, including, among others:

- decrease in available financing for vessels;
- no active secondhand market for the sale of vessels;
- decrease in demand for dry bulk vessels and limited employment opportunities;
- charterers seeking to renegotiate the rates for existing time charters;
- loan covenant defaults in the dry bulk shipping industry; and
- declaration of bankruptcy by some operators, charterers, and vessel owners.

The degree of charter hire rate volatility among different types of dry bulk vessels has varied widely. If we enter into a charter when charter hire rates are low, our revenues and earnings will be adversely affected and we may not be able to successfully charter our vessels at rates sufficient to allow us to operate our business profitably or meet our obligations. Further, if low charter rates in the dry bulk market decline further for any significant period, this could have an adverse effect on our vessel values and ability to comply with the financial covenants in our future loan agreements or other financing agreements. In such a situation, unless our future lenders are willing to provide waivers of covenant compliance or modifications to our covenants, our future lenders could accelerate our debt and we could face the loss of our vessels. We expect continued volatility in market rates for our vessels in the foreseeable future with a consequent effect on our short and medium-term liquidity. We cannot assure you that future charter rates will enable us to cover our costs, operate our vessels profitably, or pay dividends.

The factors that influence demand for dry bulk shipping capacity include:

- supply of and demand for energy resources, commodities, and semi-finished consumer and industrial products and the location of consumption versus the location of their regional and global exploration production or manufacturing facilities;
- the globalization of production and manufacturing;
- global and regional economic and political conditions and developments;
- armed conflicts and terrorist activities, including the ongoing war between Russia and Ukraine and the recent outbreak of war between Israel and Hamas;
- natural disasters and weather;
- public health threats, pandemics, such as the COVID-19 pandemic, epidemics, and other disease outbreaks and governmental responses thereto;

- embargoes and strikes;
- disruptions and developments in international trade, including trade disputes or the imposition of tariffs on various commodities or finished goods;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea;
- environmental and other legal or regulatory developments; and
- political developments, including changes to trade policies or trade wars, including the provision or removal of economic stimulus measures meant to counteract the effects of sudden market disruptions due to financial, economic, or health crises;

We anticipate that the future demand for our dry bulk vessels and charter rates will be dependent upon continued economic growth in the world's economies, seasonal and regional changes in demand and changes to the capacity of the global dry bulk vessel fleet and the sources and supply of dry bulk cargo to be transported by sea. Adverse economic, political, social, or other developments could negatively impact charter rates and therefore have a material adverse effect on our business, results of operations, and ability to pay dividends. We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

An over-supply of dry bulk vessel capacity may depress the current charter rates and vessel values and, in turn, adversely affect our profitability.

The market supply of vessels generally increases with deliveries of new vessels and decreases with the recycling of older vessels, conversion of vessels to other uses, such as floating production and storage facilities, and loss of tonnage as a result of casualties. In previous years, the market supply of dry bulk vessels had increased due to the high level of new deliveries. Dry bulk newbuildings were delivered in significant numbers starting at the beginning of 2006 and continued to be delivered in significant numbers through 2017. In addition, the dry bulk newbuilding orderbook, extending up to 2028, was approximately 8.66% of the existing world dry bulk fleet as of December 31, 2023, according to Clarksons Research, and the orderbook may increase further in proportion to the existing fleet. Even though the overall level of the orderbook has declined over the recent years, an over-supply of dry bulk vessel capacity could depress the current charter rates. Factors that influence the supply of vessel capacity include:

- the number of newbuilding orders and deliveries, including delays in vessel deliveries;
- the number of shipyards and their ability to deliver vessels;
- potential disruption, including supply chain disruptions, of shipping routes due to accidents or political events;
- scrapping and recycling rate of older vessels;
- vessel casualties;
- the price of steel and vessel equipment;
- product imbalances (affecting the level of trading activity) and developments in international trade;
- the number of vessels that are out of service, namely those that are laid-up, drydocked, awaiting repairs, or otherwise not available for hire;
- vessels' average speed;
- technological advances in vessel design and capacity;
- availability of financing for new vessels and shipping activity;

- the imposition of sanctions;
- changes in national or international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage;
- changes in environmental and other regulations that may limit the useful life of vessels;
- port or canal congestion; and
- changes in market conditions, including political and economic events, wars (including the ongoing conflict between Russia and Ukraine and between Israel and Hamas), acts of terrorism, natural disasters (including diseases, epidemics, and pandemics), and changes in interest rates or inflation rates.

In addition to the prevailing and anticipated charter rates, factors that affect the rates of newbuilding, scrapping, and laying-up include newbuilding prices, secondhand vessel values in relation to scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance costs, insurance coverage costs, the efficiency and age profile of the existing dry bulk fleet in the market, and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing, and degree of changes in industry conditions.

If dry bulk vessel capacity increases but the demand for vessel capacity does not increase or increases at a slower rate, charter rates could materially decline, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Outbreaks of epidemic and pandemic diseases, including COVID-19, and any relevant governmental responses thereto could adversely affect our business, results of operations, or financial condition.

Global public health threats, such as the COVID-19 outbreak, and its variants, influenza, and other highly communicable diseases or viruses, outbreaks which have from time to time occurred in various parts of the world in which we operate, including China, could disrupt global financial markets and economic conditions and adversely impact our operations, the timing of completion of any outstanding or future newbuilding projects, as well as the operations of our charterers and other customers.

For example, the outbreak of COVID-19 caused severe global disruptions, with governments in affected countries imposing travel bans, quarantines, and other emergency public health measures. Companies also took precautions, such as requiring employees to work remotely, imposing travel restrictions, and temporarily closing businesses. Although the incidence and severity of COVID-19 and its variants have diminished, similar restrictions, and future prevention and mitigation measures against outbreaks of epidemic and pandemic diseases, are likely to have an adverse impact on global economic conditions, which could materially and adversely affect our future operations. As a result of such measures, our vessels may not be able to call on or disembark from ports located in regions affected by the outbreak. In addition, we may experience severe operational disruptions and delays, unavailability of normal port infrastructure and services including limited access to equipment, critical goods and personnel, disruptions to crew changes, quarantine of ships or crew, counterparty solidity, closure of ports and custom offices, as well as disruptions in the supply chain and industrial production, which may lead to reduced cargo demand, among other potential consequences attendant to epidemic and pandemic diseases.

The extent to which our business, operating results, cash flows, financial condition, financings, value of our vessels, and ability to pay dividends may be negatively affected by a resurgence of COVID-19 or future pandemics, epidemics, or other outbreaks of infectious diseases is highly uncertain and will depend on numerous evolving factors that we cannot predict, including, but not limited to, (i) the duration and severity of the infectious disease outbreak; (ii) the imposition of restrictive measures to combat the outbreak and slow disease transmission; (iii) the introduction of financial support measures to reduce the impact of the outbreak on the economy; (iv) shortages or reductions in the supply of essential goods, services, or labor; and (v) fluctuations in general economic or financial conditions tied to the outbreak, such as a sharp increase in interest rates or reduction in the availability of credit. We cannot predict the effect that an outbreak of a new COVID-19 variant or strain, or any future infectious disease outbreak, pandemic, or epidemic may have on our business, operating results, cash flows, and financial condition, which could be material and adverse.

We are currently dependent on index-linked charters, while in the past a part of our fleet was employed on a spot voyage basis. Any decrease in spot freight charter rates or indices in the future may adversely affect our earnings.

We currently operate all of our vessels on time charters whose daily rates are linked to the Baltic Capesize Index, or BCI, and the Baltic Panamax Index, or BPI, respectively. Furthermore, we may operate any other vessels we may acquire on spot voyage or index-linked time charters.

Accounting for future acquisitions, although the number of vessels in our fleet that participate in the spot market or have index-linked charters will vary from time to time, dictated by a multitude of factors and the chartering opportunities before us, we anticipate that a significant portion of our fleet will be affected by the spot market or the relevant index rates. As a result, our financial performance will be significantly affected by conditions in the spot market or the relevant index rates and only vessels that operate under fixed-rate time charters would, during the period in which such vessels operate under such time charters, provide a fixed source of revenue to us. If future spot charter rates or indexes decline, we may be unable to operate our vessels profitably, and our business, operating results, cash flows, and financial condition will be significantly affected.

Historically spot charter rates and charter indices have been volatile as a result of the many conditions and factors that can affect the price of, supply of, and demand for capacity. The successful operation of our vessels in the competitive spot charter market depends upon, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. The spot market is very volatile, and, in the past, there have been periods when spot rates declined below the operating cost of vessels. If future spot charter rates or the relevant indexes decline, then we may be unable to operate our vessels that are trading in the spot market or on index-linked charters profitably or meet our other obligations, including payments on indebtedness.

Furthermore, as charter rates for spot charters are usually fixed for a single voyage, which may last up to several weeks, during periods in which spot charter rates are rising, we will generally experience delays in realizing the benefits from such increases. Spot charter rates are also not uniform globally and may vary substantially between different geographical regions; therefore, realizing opportunities in the spot market will also depend on the geographical location of our vessels at any given time.

Under a fixed rate time charter, if spot or short-term time charter rates fall significantly below the charter rates that our charterers are obligated to pay us, the charterers may have an incentive to default on, or attempt to renegotiate the charter, which would affect our ability to operate our vessels profitably. Meanwhile, under a fixed rate time charter, we may be unable to realize the benefits of market upswings and successfully take advantage of comparably favorable opportunities.

Additionally, if the spot market rates or short-term time charter rates become significantly lower than the time charter equivalent rates that some of our charterers are obligated to pay us under our existing charters, the charterers may have incentive to default under that charter or attempt to renegotiate the charter. If our charterers fail to pay their obligations, we would have to attempt to re-charter our vessels at lower charter rates, which would affect our ability to comply with our loan covenants and operate our vessels profitably. If we are not able to comply with our loan covenants and our lenders choose to accelerate our indebtedness and foreclose their liens, we could be required to sell vessels in our fleet and our ability to continue to conduct our business would be impaired.

If economic conditions throughout the world decline, it will negatively impact our results of operations, financial condition, and cash flows, and could cause the market price of our common shares to decline.

Various macroeconomic factors, including sustained inflation, higher interest rates, global supply chain constraints, and the effects of overall economic conditions and uncertainties, such as those resulting from the current and future conditions in the global financial markets, could adversely affect our business, results of operations, financial condition, and ability to pay dividends. Inflation and rising interest rates may negatively impact us by increasing our operating costs and our cost of borrowing. Interest rates, the liquidity of the credit markets, and the volatility of the capital markets could also affect the operation of our business and our ability to raise capital on favorable terms, or at all. Adverse economic conditions also affect demand for goods and oil. Reduced demand for these or other products could result in significant decreases in rates we obtain for chartering our vessels. In addition, the cost for crew members, oils and bunkers, and other supplies may increase. Furthermore, we may experience losses on our holdings of cash and investments due to failures of financial institutions and other parties. Difficult economic conditions may also result in a higher rate of losses on our accounts receivable due to credit defaults. As a result, downturns in the worldwide economy could have a material adverse effect on our business, results of operations, financial condition, and ability to pay dividends.

The world economy continues to face a number of actual and potential challenges, including the war between Ukraine and Russia and between Israel and Hamas, tensions in the Red Sea or Russia and NATO tensions, China and Taiwan disputes, the United States and China trade relations, instability between Iran and the West, hostilities between the United States and North Korea, political unrest and conflict in the Middle East, the South China Sea region, and other geographic countries and areas, terrorist or other attacks (including threats thereof) around the world, war (or threatened war) or international hostilities, and epidemics or pandemics, such as COVID-19 and its variants, and banking crises or failures, such as the recent Silicon Valley Bank, Signature Bank, and First Republic Bank failures. See also “—Outbreaks of epidemic and pandemic diseases, including COVID-19, and any relevant governmental responses thereto could adversely affect our business, results of operations, or financial condition.” In addition, the continuing war in Ukraine, the length and breadth of which remains highly unpredictable, has led to increased economic uncertainty amidst fears of a more generalized military conflict or significant inflationary pressures, due to the increases in fuel and grain prices following the sanctions imposed on Russia. Furthermore, it is difficult to predict the intensity and duration of the war between Israel and Hamas or the Houthi rebel attacks on vessels transiting the Red Sea and their impact on shipping and the world economy is uncertain. If such conditions are sustained, the longer-term net impact on the dry bulk market and our business would be difficult to predict with any degree of accuracy. Such events may have unpredictable consequences and contribute to instability in the global economy or cause a decrease in worldwide demand for certain goods and, thus, shipping transportation.

In Europe, concerns regarding the possibility of sovereign debt defaults by European Union, or EU, member countries, although generally alleviated, have in the past disrupted financial markets throughout the world, and may lead to weaker consumer demand in the EU, the U.S., and other parts of the world. The withdrawal of the UK from the EU, or Brexit, further increases the risk of additional trade protectionism. Brexit, or similar events in other jurisdictions, could impact global markets, including foreign exchange and securities markets; any resulting changes in currency exchange rates, tariffs, treaties, and other regulatory matters could in turn adversely impact our business, operating results, cash flows, and financial condition.

In addition, the recent economic slowdown in the Asia Pacific region, particularly in China, may exacerbate the effect of the weak economic trends in the rest of the world. Before the global economic financial crisis that began in 2008, China had one of the world's fastest growing economies in terms of gross domestic product, or GDP, which had a significant impact on shipping demand. China's GDP growth rate for the year ended December 31, 2022, was approximately 3.0%, one of its lowest rates in 50 years, thought to be mainly caused by the country's zero-COVID policy and strict lockdowns. For the year ended December 31, 2023, China's GDP growth rate recovered to 5.2%, but the economy continues to be weighed down by the ongoing crisis in the property market. It is possible that China and other countries in the Asia Pacific region will continue to experience volatile, slowed, or even negative economic growth in the near future. Changes in the economic conditions of China, and changes in laws or policies adopted by its government or the implementation of these laws and policies by local authorities, including with regards to tax matters and environmental concerns (such as achieving carbon neutrality), could affect vessels that are either chartered to Chinese customers or that call to Chinese ports, vessels that undergo drydocking at Chinese shipyards and Chinese financial institutions that are generally active in ship financing, and could have a material adverse effect on our business, operating results, cash flows, and financial condition.

Furthermore, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. There is significant uncertainty about the future relationship between the United States, China, and other exporting countries, including with respect to trade policies, treaties, government regulations, and tariffs. Protectionist developments, or the perception that they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Moreover, increasing trade protectionism may cause an increase in (i) the cost of goods exported from regions globally, particularly from the Asia-Pacific region, (ii) the length of time required to transport goods, and (iii) the risks associated with exporting goods. Such increases may further reduce the quantity of goods to be shipped, shipping time schedules, voyage costs, and other associated costs, which could have an adverse impact on our charterers' business, operating results, and financial condition and could thereby affect their ability to make timely charter hire payments to us and to employ our vessels. This could have a material adverse effect on our business, operating results, and financial condition.

Credit markets in the United States and Europe have in the past experienced significant contraction, deleveraging, and reduced liquidity, and there is a risk that the U.S. federal government and state governments and European authorities may continue to implement a broad variety of governmental action and/or introduce new financial market regulations. Global financial markets and economic conditions have been, and continue to be, volatile and we face risks associated with the trends in the global economy, such as changes in interest rates, instability in the banking and securities markets around the world, the risk of sovereign defaults, and reduced levels of growth, among other factors. Major market disruptions and the current adverse changes in market conditions and regulatory climate worldwide may adversely affect our business and operating results or impair our ability to borrow under our loan agreements or any future financial arrangements we may enter into contemplating borrowing from the public and/or private equity and debt markets. Many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced (or in some cases ceased to provide) funding to borrowers and other market participants, including equity and debt investors and, in some cases, have been unwilling to provide financing on attractive terms or even at all. Due to these factors, we cannot be certain that financing will be available if needed and to the extent required, on acceptable terms or at all. In the absence of available financing or financing on favorable terms, we may be unable to complete vessel acquisitions, take advantage of business opportunities, or respond to competitive pressures.

Political instability, terrorist or other attacks, war, and international hostilities could affect our business, results of operations, cash flows, and financial condition.

We conduct most of our operations outside of the United States and our business, operating results, cash flows, financial conditions, and available cash may be adversely affected by changing economic, political, and governmental conditions in the countries and regions in which our vessels are employed or registered. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of political conflicts, including the war between Ukraine and Russia and between Israel and Hamas, Russia and NATO tensions, China and Taiwan disputes, United States and China trade relations, instability between Iran and the West, hostilities between the United States and North Korea, political unrest and conflicts in the Middle East, the South China Sea region, the Red Sea region (including missile attacks controlled by the Houthis on vessels transiting the Red Sea), and other countries and geographic areas, geopolitical events, such as Brexit, terrorist or other attacks (or threats thereof) around the world, and war (or threatened war) or international hostilities.

The continuing war and recent developments in Ukraine, the Middle East, including tensions between the U.S. and Iran, the war between Israel and Hamas, and the conflict in the Red Sea, as well as other geographic countries and areas, terrorist or other attacks, and war (or threatened war) or international hostilities, such as the ones currently in progress between Russia and Ukraine, Israel and Hamas, China and Taiwan, and the U.S. and North Korea, have recently and may in the future lead to armed conflict or acts of terrorism around the world, which may contribute to further economic instability in the global financial markets and international commerce. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all.

The war between Russia and Ukraine may lead to further regional and international conflicts or armed action. This war has disrupted supply chains and caused instability in the energy markets and the global economy, with effects on shipping freight rates, which have experienced volatility. The United States, the United Kingdom, and the European Union, among other countries, have announced unprecedented economic sanctions and other penalties against certain persons, entities, and activities connected to Russia, including removing Russian-based financial institutions from the Society for Worldwide Interbank Financial Telecommunication payment system and restricting imports of Russian oil, liquefied natural gas, and coal. These sanctions have caused supply disruptions in the oil and gas markets and could continue to cause significant volatility in energy prices, which could result in increased inflation and may trigger a recession in the U.S. and China, among other regions. While much uncertainty remains regarding the global impact of the war in Ukraine, it is possible that such tensions could adversely affect our business, financial condition, operating results, and cash flows. Since we employ Ukrainian and Russian seafarers, we may face problems in relation to their employment, repatriation, and salary payments and be subject to claims to this respect. Moreover, we will be subject to additional insurance premiums in case we transit through or call to any port or area designated as listed areas by the Joint War Committee or other organizations. These factors may also result in the weakening of the financial condition of our charterers, suppliers, counterparties, and other agents in the shipping industry. As a result, our business, operating results, cash flows, and financial condition may be negatively affected since our operations are dependent on the success and economic viability of our counterparties.

The ongoing war between Russia and Ukraine could result in the imposition of further economic sanctions by the United States, the United Kingdom, the European Union, or other countries against Russia, trade tariffs, or embargoes with uncertain impacts on the markets in which we operate. In addition, the U.S. and certain other North Atlantic Treaty Organization (NATO) countries have been supplying Ukraine with military aid. U.S. officials have also warned of the increased possibility of Russian cyberattacks, which could disrupt the operations of businesses involved in the dry bulk industry, including ours, and could create economic uncertainty particularly if such attacks spread to a broad array of countries and networks. Although Ukraine and Russia reached an agreement to extend an arrangement allowing shipment of grain from Ukrainian ports through a humanitarian corridor in the Black Sea in November 2022, Russia terminated this agreement in July 2023. While much uncertainty remains regarding the global impact of the war in Ukraine, it is possible that such tensions could adversely affect our business, financial condition, operating results, and cash flows.

Furthermore, the intensity and duration of the recently declared war between Israel and Hamas is difficult to predict and its impact on the world economy and our industry is uncertain. Although our business is not directly impacted by the war between Israel and Hamas, the related missile attacks by the Houthis regime in the Red Sea area has led to the diversion of a large part of the world fleet away from the Red Sea, increasing the tone-mile demand for most shipping sectors, including dry bulk, and resulting in higher freight rates. Rerouting away from the most convenient route for connecting East trade to the West and vice versa may, however, lead to increased operational costs and higher revenues. In case our vessels trade or transit via the Red Sea, we may incur increased insurance costs. While much uncertainty remains regarding the global impact of the war between Israel and Hamas, it is possible that such tensions could result in the eruption of further hostilities in other regions, including the Red Sea, and could adversely affect our business, financial conditions, operating results, and cash flows.

In the past, political conflicts have also resulted in attacks on vessels, mining of waterways, and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. The ongoing war in Ukraine has previously resulted in missile attacks on commercial vessels in the Black Sea and the recent outbreak of conflict in the Red Sea has also resulted in missile attacks on vessels. Acts of terrorism and piracy have also affected vessels trading in regions such as the Gulf of Guinea, the Red Sea, the Gulf of Aden off the coast of Somalia, and the Indian Ocean. Any of these occurrences could have a material adverse impact on our future performance, operating results, cash flows, financial position, and our ability to pay cash distributions to our shareholders.

Risks associated with operating ocean-going vessels could affect our business and reputation, which could adversely affect our revenues and expenses.

The operation of an ocean-going vessel carries inherent risks. These risks include the possibility of:

- crew strikes and/or boycotts;
- acts of God;
- damage to or destruction of vessels due to marine disaster;
- terrorism, piracy, or other detentions;
- environmental accidents;
- cargo and property losses or damage; and

- business interruptions caused by mechanical failure, grounding, fire, explosions and collisions, human error, war, political action in various countries, labor strikes, epidemics or pandemics, adverse weather conditions, and other circumstances or events.

Any of these circumstances or events could increase our costs or lower our revenues. Such circumstances could result in death or injury to persons, loss of property or environmental damage, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties, or restrictions on conducting business, litigation with our employees, customers, or third parties, higher insurance rates, and damage to our reputation and customer relationships, generally, market disruptions, delays, and rerouting and could also subject us to litigation. Epidemics and other public health incidents may also lead to crew member illness, which can disrupt the operations of our vessels, or result in the imposition of public health measures, which may prevent our vessels from calling on ports or discharging cargo in the affected areas or in other locations after having visited the affected areas. Although we maintain hull and machinery and war risks insurance, as well as protection and indemnity insurance, which may cover certain risks of loss resulting from such occurrences, our insurance coverage may be subject to deductibles and caps or may not cover such losses, and any of these circumstances or events could increase our costs and lower our revenues. Furthermore, the involvement of our vessels in an environmental disaster may harm our reputation as a safe and reliable vessel owner and operator. Any of these circumstances or events could have a material adverse effect on our business, operating results, and financial condition, as well as our cash flows.

If our vessels suffer damage, they may need to be repaired at a drydocking facility. The time and costs of repairs are unpredictable and may be substantial. We may have to pay repair costs that our insurance does not cover in full. The loss of earnings while our vessels are being repaired and repositioned, as well as the actual cost of these repairs and repositioning, would decrease our earnings. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. We may be unable to find space at a suitable drydocking facility and be forced to travel to a drydocking facility that is not conveniently located to our vessels' positions. The loss of earnings while these vessels are forced to wait for space or to travel to more distant drydocking facilities, or both, would decrease our earnings.

Rising fuel prices may adversely affect our profits.

The cost of fuel is a significant factor in negotiating charter rates, although we generally do not directly bear the cost of fuel for vessels operating on time charters. As a result, an increase in the price of fuel may adversely affect our profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by members of the Organization of the Petroleum Exporting Countries, or OPEC, and other oil and gas producers, the imposition of new regulations adopted by the International Maritime Organization, or IMO, war and unrest in oil producing countries and regions, regional production patterns, and environmental concerns and regulations. While fuel prices remained generally lower in 2023 as compared to 2022, fuel has and may become much more expensive in the future, including as a result of the ongoing war in Ukraine and the sanctions against Russia, the imposition of sulfur oxide emissions limits in January 2020, and reductions of carbon emissions from January 2023 under new regulations adopted by the IMO, which may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

Upon redelivery of any vessels at the end of a period of time or voyage time charter, we may be obligated to repurchase bunkers on board at prevailing market prices, which could be materially higher than fuel prices at the inception of the charter period. However, given the current time charter agreements of our vessels and our chartering strategy, this cost is projected to be immaterial in the short to medium term. Our vessels may be chartered on the spot charter market in the future, either through trip charter contracts or voyage charter contracts. Voyage charter contracts generally provide that the vessel owner bears the cost of fuel in the form of bunkers, which is a material operating expense. We currently cannot guarantee that we will hedge our fuel costs on any prospective future voyage charters, and, therefore, an increase in the price of fuel may negatively affect our profitability and our cash flows.

Our revenues are subject to seasonal fluctuations, which could affect our operating results and ability to service our debt or pay dividends.

We operate in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. This seasonality may result in quarter-to-quarter volatility in our operating results. The dry bulk shipping market is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. In addition, unpredictable weather patterns in these months tend to disrupt vessel schedules and supplies of certain commodities. As a result, our revenues may be weaker during the fiscal quarters ending March 31 and June 30, and, conversely, our revenues may be stronger during the fiscal quarters ending September 30 and December 31. This seasonality should not affect our operating results if our vessels are employed on period time charters, but because our vessels are employed (and other vessels we may acquire may be employed) in the spot market or on index-linked charters, seasonality may increase the volatility of and materially affect our operating results and cash flows, as well as our ability to pay dividends, if any, in the future.

Climate change and greenhouse gas restrictions may be imposed.

Due to concern over the risk of climate change, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, the adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. For instance, the IMO imposed a global 0.5% sulfur cap on marine fuels, down from the previous cap of 3.5%, which came into force on January 1, 2020. In July 2023, IMO adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, which identifies a number of levels of ambition, including (1) decreasing the carbon intensity from ships through the implementation of further phases of EEDI for new ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, and (3) pursuing net-zero GHG emissions by or around 2050. These regulations and any additional regulations addressing similar goals could cause us to incur additional substantial expenses. See "Business Overview—Environmental and Other Regulations" for a discussion of these and other environmental regulations applicable to our operations.

Since January 1, 2020, ships have to either remove sulfur from emissions or buy fuel with low sulfur content, which may lead to increased costs and supplementary investments for ship owners. Shipowners may comply with this regulation by using 0.5% sulfur fuels on board; installing scrubber for cleaning of the exhaust gas; or by retrofitting vessels to be powered by liquefied natural gas. Currently our vessels do not have scrubbers installed. Costs of compliance with these regulatory changes for our vessels or any non-scrubber vessels we may acquire may be significant and may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

In addition, although the emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change (this task was delegated under the Kyoto Protocol to the IMO for action), which required adopting countries to implement national programs to reduce emissions of certain gases, a new treaty may be adopted in the future that includes restrictions on shipping emissions. Compliance with changes in laws, regulations and obligations relating to climate change could increase our costs related to operating and maintaining our vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions, or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

Furthermore, on January 1, 2024 the EU Emissions Trading Scheme, or the ETS, for ships sailing into and out of EU ports came into effect, and the FuelEU Maritime Regulation is expected to come into effect on January 1, 2025. The ETS is to apply gradually over the period from 2024 to 2026. 40% of allowances would have to be surrendered in 2025 for the year 2024; 70% of allowances would have to be surrendered in 2026 for the year 2025; and 100% of allowances would have to be surrendered in 2027 for the year 2026. Compliance is to be on a companywide (rather than per ship) basis and “shipping company” is defined widely to capture both the ship owner and any contractually appointed commercial operator/ship manager/bareboat charterer who has assumed all duties and responsibilities for the ship under the ISM Code, as well as the responsibility for full compliance under ETS. If the latter contractual arrangement is entered into this needs to be reflected in a certified mandate signed by both parties and presented to the administrator of the scheme. The cap under the ETS would be set by taking into account EU MRV system emissions data for the years 2018 and 2019, adjusted, from year 2021 and is to capture 100% of the emissions from intra-EU maritime voyages; 100% of emissions from ships at berth in EU ports and 50% of emissions from voyages which start or end at EU ports (but the other destination is outside the EU). Furthermore, the newly passed EU Emissions Trading Directive 2023/959/EC makes clear that all maritime allowances would be auctioned and there will be no free allocation. 78.4 million emissions allowances are to be allocated specifically to maritime. If we do not have allowances, we will be forced to purchase allowances from the market, which can be costly, especially if other shipping companies are similarly looking to do the same. New systems, including personnel, data management systems, costs recovery mechanisms, revised service agreement terms and emissions reporting procedures will have to be put in place, at significant cost, to prepare for and manage the administrative aspect of ETS compliance. The cost of compliance, and of our future EU emissions and costs to purchase an allowance for emissions (if we must purchase in order to comply) are unknown and difficult to predict, and are based on a number of factors, including the size of our fleet, our trips within and to and from the EU, and the prevailing cost of allowances.

Adverse consequences of climate change, including growing public concern about the environmental impact of climate change, may also adversely affect demand for our services. For example, increased regulation of greenhouse gases or other concerns relating to climate change may reduce the demand for coal in the future, one of the primary cargoes carried by our dry bulk vessels. In addition, the physical effects of climate change, including changes in weather patterns, extreme weather events, rising sea levels, and scarcity of water resources, may negatively impact our operations. Any long-term economic consequences of climate change could have a significant financial and operational adverse impact on our business that we cannot predict with certainty at this time.

Our operations may be adversely impacted by severe weather, including as a result of climate change.

Tropical storms, hurricanes, typhoons, and other severe maritime weather events could result in the suspension of operations at the planned ports of call for our vessels and require significant deviations from planned routes. In addition, climate change could result in an increase in the frequency and severity of these extreme weather events. The closure of ports, rerouting of vessels, damage of production facilities, as well as other delays caused by increasing frequency of severe weather, could stop operations or shipments for indeterminate periods and have a material adverse effect on our business, operating results, and financial condition.

Pending and future tax law changes may result in significant additional taxes to us.

Pending and future tax law changes may result in significant additional taxes to us. For example, the Organization for Economic Cooperation and Development published a “Programme of Work,” which was divided into two pillars. Pillar One focused on the allocation of group profits among taxing jurisdictions based on a market-based concept rather than the historical “permanent establishment” concept. Pillar Two, among other things, introduced a global minimum tax. The foregoing proposals (in the event international consensus is achieved and implementing laws are adopted) and other possible future tax changes may have an adverse impact on us. Any requirement or legislation that requires us to pay more tax could have a material adverse effect on our business, results of operations, cash flows and financial condition and our ability to pay dividends.

Increased regulation and scrutiny of environmental, social, and governance matters may impact our business and reputation.

In addition to the importance of their financial performance, companies are increasingly being judged by their performance on a variety of environmental, social, and governance matters, or ESG, which are considered to contribute to the long-term sustainability of a company’s performance.

A variety of organizations measure the performance of companies on such ESG topics and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the company’s efforts and impact on climate change and human rights, ethics, and compliance with laws, and the role of our board of directors in supervising various sustainability issues.

In light of investors' increased focus on ESG matters, there can be no certainty that we will manage such issues successfully, or that we will successfully meet societal expectations as to our proper role. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our business, share price, financial condition, or operating results, including the sustainability of our business over time.

On March 6, 2024, the SEC adopted final rules to enhance and standardize climate-related disclosures by public companies and in public offerings. The final rules will become effective 60 days following publication of the adopting release in the Federal Register. As a non-accelerated filer, we will be required to provide the enhanced climate-related disclosures in our annual reports for the year ending December 31, 2027. On March 15, 2024, the Fifth Circuit Court of Appeals stayed application of these rules pending further judicial review, but on March 25, 2024, the Fifth Circuit Court of Appeals ordered the transfer of the petition to the Eighth Circuit Court of Appeals and the dissolution of the administrative stay. The impact of the ongoing litigation with respect to these rules on the content of these rules or the timing of their effectiveness is uncertain. Costs of compliance with these new rules may be significant and may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Moreover, from time to time, we may incur additional costs, establish and publicly announce goals and commitments in respect of certain ESG items. While we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. If we fail to achieve or improperly report on our progress toward achieving our environmental goals and commitments, the resulting scrutiny from market participants or regulators could adversely affect our reputation and/or our access to capital.

Our vessels may call on ports located in or may operate in countries that are subject to restrictions or sanctions imposed by the United States, the European Union or other governments that could result in fines or other penalties imposed on us and may adversely affect our reputation and the market price of our common shares.

During the year ended December 31, 2023, none of our vessels called on ports located in countries subject to comprehensive sanctions and embargoes imposed by the U.S. government or countries identified by the U.S. government or other authorities as state sponsors of terrorism; however, our vessels may call on ports in these countries from time to time in the future on our charterers' instructions. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time.

We believe that we are currently in compliance with all applicable sanctions and embargo laws and regulations. In order to maintain compliance, we monitor and review the movement of our vessels on a daily basis.

We endeavor to provide that all or most of our future charters include provisions and trade exclusion clauses prohibiting the vessels from calling on ports where there is an existing U.S. embargo. Furthermore, as of the date hereof, neither the Company nor its subsidiaries have entered into or have any plans to enter into, directly or indirectly, any contracts, agreements or other arrangements with the governments of Iran, Syria, North Korea, Cuba or any entities controlled by the governments of these countries.

Due to the nature of our business and the evolving nature of the foregoing sanctions and embargo laws and regulations, there can be no assurance that we will be in compliance at all times in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or refrain from investing, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our common shares may adversely affect the price at which our common shares trade. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into charters with individuals or entities in countries subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third parties that are unrelated to those countries or entities controlled by their governments.

Sulfur regulations to reduce air pollution from ships have required retrofitting of vessels and may cause us to incur significant costs.

Since January 1, 2020, IMO regulations have required vessels to comply with a global cap on the sulfur in fuel oil used on board of 0.5%, down from the previous cap of 3.5%. The interpretation of “fuel oil used on board” includes use in main engine, auxiliary engines and boilers. Compliance with this regulation is achieved by (i) using 0.5% sulfur fuels on board, which are available at a higher cost; (ii) installing “scrubbers” for cleaning of the exhaust gas; or (iii) retrofitting vessels to be powered by liquefied natural gas (LNG), which may not yet be an economically viable option due to the lack of supply network and high costs involved in this process. Our vessels comply by burning low sulfur fuel (0.5% or 0.1%). We have further developed ship specific implementation plans for safeguarding the smooth transition with the usage of compliant fuels for vessels we may acquire that will not be equipped with scrubbers. Costs of ongoing compliance may have a material adverse effect on our future performance, results of operations, cash flows and financial position. See “Business—Environmental and Other Regulations—The International Maritime Organization.”

We are subject to regulation and liability under environmental laws that could require significant expenditures and affect our cash flows and net income.

Our business and the operation of our vessels are materially affected by government regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which the vessels operate, as well as in the country or countries of their registration, including those governing oil spills, discharges to air and water, ballast water management, and the handling and disposal of hazardous substances and wastes. These requirements include, but are not limited to, EU regulations, the U.S. Oil Pollution Act of 1990, or OPA, the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, the U.S. Clean Air Act, including its amendments of 1977 and 1990, or the CAA, the U.S. Clean Water Act, or the CWA, the U.S. Maritime Transportation Security Act of 2002, or the MTSA, and regulations of the IMO, including, but not limited to, the International Convention on Civil Liability for Oil Pollution Damage of 1969, as from time to time amended and generally referred to as CLC, the IMO International Convention for the Prevention of Pollution from Ships of 1973, as from time to time amended and generally referred to as MARPOL, including the designation of emission control areas, or ECAs, thereunder, the IMO International Convention for the Safety of Life at Sea of 1974, as from time to time amended and generally referred to as SOLAS, the IMO International Convention on Load Lines of 1966, as from time to time amended and generally referred to as the LL Convention, the International Convention on Civil Liability for Bunker Oil Pollution Damage, generally referred to as the Bunker Convention, the IMO's International Management Code for the Safe Operation of Ships and for Pollution Prevention, generally referred to as the ISM Code, the International Convention for the Control and Management of Ships' Ballast Water and Sediments, generally referred to as the BWM Convention, and the International Ship and Port Facility Security Code, or ISPS.

We may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to the 0.5% sulfur cap on marine fuels, air emissions including greenhouse gases, the management of ballast water, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of our ability to address pollution incidents. These costs could have a material adverse effect on our business, results of operations, cash flows and financial condition and our available cash. Because such conventions, laws and regulations are often revised, we cannot predict the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the resale price or useful life of vessels we may acquire in the future. Additional conventions, laws and regulations may be adopted which could limit our ability to do business or increase the cost of our doing business and which may materially adversely affect our operations.

Regulations relating to ballast water discharge may adversely affect our revenues and profitability.

The IMO has imposed updated guidelines for ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. Depending on the date of the IOPP renewal survey, existing vessels constructed before September 8, 2017 must comply with the updated D-2 standard on or after September 8, 2019. For most vessels, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ships constructed on or after September 8, 2017 are to comply with the D-2 standards on or after September 8, 2017. Vessels are required to meet the discharge standard D-2 by installing an approved Ballast Water Management System (or BWMS). Pursuant to the BWM Convention, BWMSs installed on or after October 28, 2020 shall be approved in accordance with BWMS Code, while BWMSs installed before October 23, 2020 must be approved taking into account guidelines developed by the IMO or the BWMS Code. Ships sailing in U.S. waters are required to employ a type-approved BWMS which is compliant with USCG regulations. Amendments to the BWM Convention entered into force in June 2022 concerning commissioning testing of BWMS and the form of the International Ballast Water Management Certificate. All of our vessels are equipped with Ballast Water Treatment Systems ensuring compliance with the new environmental regulations. Additionally, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S., for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. Amendments to the BWM Convention concerning commissioning testing of BWMS and the form of the International Ballast Water Management Certificate became effective in June 2022.

Furthermore, United States regulations are currently changing. Although the 2013 Vessel General Permit, or VGP, program and U.S. National Invasive Species Act, or NISA, are currently in effect to regulate ballast discharge, exchange and installation, the Vessel Incidental Discharge Act, or VIDA, which was signed into law on December 4, 2018, requires that the U.S. Coast Guard develop implementation, compliance, and enforcement regulations regarding ballast water. On October 26, 2020, the EPA published a Notice of Proposed Rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA, and in November 2020, held virtual public meetings. On October 18, 2023, the EPA published a Supplemental Notice to the Vessel Incidental Discharge National Standards of Performance, which shares new ballast water information that the EPA received from the USCG. Comments to the Supplemental Notice were due by December 18, 2023. Under VIDA, all provisions of the VGP 2018 and the USCG ballast water regulations remain in force and effect as currently written until the EPA publishes standard. The new regulations could require the installation of new equipment, which may cause us to incur substantial costs. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to VIDA. Several U.S. states have added specific requirements to the Vessel General Permit and, in some cases, may require vessels to install ballast water treatment technology to meet biological performance standards. Compliance with the EPA, U.S. Coast Guard and state regulations could require the installation of ballast water treatment equipment on our vessels or the implementation of other port facility disposal procedures at potentially substantial cost, or may otherwise restrict our vessels from entering U.S. waters.

Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and disrupt our business.

International shipping is subject to security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. Since the events of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security, such as the MTSA. These security procedures can result in delays in the loading, discharging or trans-shipment and the levying of customs duties, fines or other penalties against exporters or importers and, in some cases, vessels. Future changes to the existing security procedures may be implemented that could affect the dry bulk sector. These changes have the potential to impose additional financial and legal obligations on vessels and, in certain cases, to render the shipment of certain types of goods uneconomical or impractical. These additional costs could reduce the volume of goods shipped, resulting in a decreased demand for vessels and have a negative impact on our business, revenues and customer relations.

Acts of piracy on ocean-going vessels could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the Red Sea, the Gulf of Aden off the coast of Somalia, the Indian Ocean, and the Gulf of Guinea region off the coast of Nigeria, which has experienced increased incident of piracy in recent years. Sea piracy incidents continue to occur, particularly in the South China Sea, the Indian Ocean, the Gulf of Guinea, and the Strait of Malacca, with dry bulk vessels particularly vulnerable to such attacks. Acts of piracy could result in harm or danger to the crews that man our vessels. Additionally, if piracy attacks result in regions in which our vessels are deployed being characterized as “war risk” zones by insurers or if our vessels are deployed in Joint War Committee “war and strikes” listed areas, premiums payable for insurance coverage could increase significantly and such insurance coverage may be more difficult to obtain, if available at all. In addition, crew and security equipment costs, including costs that may be incurred to employ onboard security armed guards, could increase in such circumstances. Furthermore, while we believe the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this and withhold charter hire until the vessel is released. A charterer may also claim that a vessel seized by pirates was not “on-hire” for a certain number of days and is therefore entitled to cancel the charterparty, a claim that we would dispute. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, any detention hijacking as a result of an act of piracy against our vessels, or an increase in cost or unavailability of insurance for our vessels could have a material adverse impact on our business, financial condition, and operating results.

The operation of dry bulk vessels has particular operational risks.

The operation of dry bulk vessels has certain unique risks. With a dry bulk vessel, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, dry bulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, dry bulk vessels are often subjected to battering treatment during discharging operations with grabs, jackhammers (to pry encrusted cargoes out of the hold), and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during discharging procedures may affect a vessel's seaworthiness while at sea. Hull fractures in dry bulk vessels may lead to the flooding of the vessel's holds. If a dry bulk vessel suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads, leading to the loss of a vessel.

If we are unable to adequately maintain our vessels, we may be unable to prevent these events. Any of these circumstances or events could negatively impact our business, financial condition, and operating results. In addition, the loss of a vessel could harm our reputation as a safe and reliable vessel owner and operator.

If our vessels fail to maintain their class certification or fail any annual survey, intermediate survey, or special survey, or if any scheduled class survey takes longer or is more expensive than anticipated, this could have a material adverse impact on our financial condition and results of operations.

The hull and machinery of every commercial vessel must be certified by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS.

A vessel must undergo annual, intermediate, and special surveys. The vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. At the beginning, during, and at the end of this cycle, every vessel is required to undergo inspection of her underwater parts that usually includes dry-docking. These surveys and dry-dockings can be costly and can result in delays in returning a vessel to operation.

If any vessel does not maintain its class, the vessel will not be allowed to carry cargo between ports and cannot be employed or insured. Any such inability to carry cargo or be employed, or any related violation of the covenants under our loans or other financing agreements, could have a material adverse impact on our financial condition and results of operations.

As we employ seafarers covered by industry-wide collective bargaining agreements, a failure of industry groups to renew such agreements may disrupt our operations and adversely affect our earnings.

We employ a large number of seafarers. All the seafarers employed on our vessels are covered by industry-wide collective bargaining agreements that set minimum standards in wages and labor conditions. We cannot assure you that these agreements will be renewed as necessary or will prevent labor interruptions. Any labor interruptions could disrupt our operations and harm our financial performance.

Maritime claimants could arrest or attach our vessels, which could interrupt our cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo, and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims, or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of our vessels could interrupt our cash flow and require us to pay large sums of funds to have the arrest lifted, which would have a material adverse effect on our financial condition and results of operations.

In addition, in some jurisdictions, such as South Africa, under the “sister ship” theory of liability, a claimant may arrest both the vessel that is subject to the claimant’s maritime lien and any “associated” vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert “sister ship” liability against one of our vessels for claims relating to another of our vessels.

Governments could requisition our vessels during a period of war or emergency, which could negatively impact our business, financial condition, results of operations, and available cash.

A government could requisition for title or hire our vessels. Requisition for title occurs when a government takes control of a vessel and becomes the owner. Also, a government could requisition a vessel for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Although we would be entitled to compensation in the event of a requisition, the amount and timing of payment of such compensation is uncertain. Government requisition of our vessels could have a material adverse effect on our financial condition and results of operations.

Risks Relating to Our Company

The market values of our vessels may decrease, which could limit the amount of funds that we can borrow in the future or trigger breaches of certain financial covenants under any current or future loan agreements and other financing agreements, and we may incur an impairment or, if we sell vessels following a decline in their market value, a loss.

The fair market values of our vessels are related to prevailing freight charter rates. While the fair market value of vessels and the freight charter market have a very close relationship as the charter market moves from trough to peak, the time lag between the effect of charter rates on market values of ships can vary. A decrease in the market value of our vessels could require us to raise additional capital in order to remain compliant with our loan covenants or the covenants in the other financing agreements and could result in the loss of our vessels (including through foreclosure by our lenders and lessors) and adversely affect our earnings and financial condition.

The market value of dry bulk vessels has historically exhibited great volatility. From 2010 until today, the standard 182,000 dwt Capesize yard resale prices have fluctuated from \$74 million in March 2010 to \$35 million in March 2016, according to Clarksons Research. Very similar trends have also been witnessed in the Kamsarmax and Panamax sectors.

The fair market value of our vessels is dependent on other factors as well, including:

- prevailing levels of charter rates;
- general economic and market conditions affecting the shipping industry, including changes in global dry cargo commodity supply;

- competition from other shipping companies;
- types, sizes, and age of vessels;
- sophistication and condition of the vessels;
- advances in vessel efficiency, such as the introduction of autonomous vessels;
- where the vessel was built, as-built specifications, and subsequent modifications and improvements;
- lifetime maintenance record;
- supply and demand for vessels;
- number of newbuilding deliveries;
- number of vessels scrapped or otherwise removed from the world fleet;
- scrap value of vessels;
- changes in environmental and other regulations that may limit the useful life of vessels;
- decreased costs and increases in use of other modes of transportation;
- whether the vessel is equipped with scrubbers or not;
- global economic or pandemic-related crises;
- ability of buyers to access financing and capital;
- technological advances; and
- the cost of retrofitting or modifying existing ships to respond to technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

In addition, as vessels age, they generally decline in value. If the fair market value of our vessels declines, we may not be in compliance with certain covenants in our current or future loan agreements and other financing agreements we may enter into, and our lenders or lessors could accelerate our indebtedness or require us to pay down our indebtedness to a level where we are again in compliance with such covenants, or foreclose their liens. If any of our future loan agreements and other financing agreements are accelerated, we may not be able to refinance our debt or obtain additional funding.

In addition, if vessel values decline, we may have to record an impairment adjustment in our financial statements, which could adversely affect our financial results. Furthermore, if we sell one or more of our vessels at a time when vessel prices have fallen, the sale price may be less than the vessel's carrying value on our carve-out financial statements, resulting in a loss on sale or an impairment loss being recognized, leading to a reduction in earnings.

If we fail to manage our planned growth properly, we may not be able to successfully expand our fleet.

As part of our growth strategy, we may acquire additional vessels in the future. Further, we may expand our fleet into other seaborne transportation sectors depending on available opportunities. Our ability to manage our planned growth will primarily depend on our ability to:

- generate excess cash flow so that we can invest without jeopardizing our ability to cover current and foreseeable working capital needs, including debt service;
- finance our operations;
- identify opportunities to enter other seaborne transportation sectors;
- locate and acquire suitable vessels;
- identify and consummate acquisitions or joint ventures;
- integrate any acquired businesses or vessels, including those operating in sectors in which we do not currently operate, successfully with our existing operations;
- hire, train, and retain qualified personnel and crew to manage and operate our growing business and fleet; and
- expand our customer base, including in new sectors.

Growing any business by acquisitions presents numerous risks and challenges, such as obtaining acquisition financing on acceptable terms or at all, handling undisclosed liabilities and obligations, obtaining and/or maintaining additional qualified personnel, managing relationships with customers and suppliers, and integrating newly acquired operations into existing infrastructures. We may not be successful in executing our growth plans and we may incur significant additional expenses and losses in connection therewith.

Newbuilding projects are subject to risks that could cause delays.

We may enter into newbuilding contracts in connection with our vessel acquisition strategy. Newbuilding construction projects are subject to risks of delay inherent in any large construction project from numerous factors, including shortages of equipment, materials, or skilled labor, unscheduled delays in the delivery of ordered materials and equipment or shipyard construction, failure of equipment to meet quality and/or performance standards, financial or operating difficulties experienced by equipment vendors or the shipyard, unanticipated actual or purported change orders, inability to obtain required permits or approvals, design or engineering changes, work stoppages and other labor disputes, adverse weather conditions, or any other events of force majeure. A shipyard's failure to deliver a vessel on time may result in the delay of revenue from the vessel. Any such failure or delay could have a material adverse effect on our operating results.

We may be unable to obtain financing for any vessels we may acquire.

We can offer no assurance that we will be able to obtain the necessary financing for the acquisition of any vessels we may acquire on attractive terms or at all. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our purchase price payment obligations and complete the acquisition of such vessels and expand the size of our fleet. If we fail to fulfill our commitments thereunder, due to an inability to obtain financing or otherwise, we may also be liable for damages for breach of contract. Our failure to obtain the funds for these capital expenditures could have a material adverse effect on our business, results of operations, and financial condition, as well as our cash flows.

We may acquire additional vessels in the future and, if those vessels are not delivered on time or are delivered with significant defects, our earnings and financial condition could suffer.

We may acquire additional vessels in the future. A delay in the delivery of any vessels to us, the failure of the contract counterparty to deliver a vessel at all, or us not taking delivery of a vessel could cause us to breach our obligations under the acquisition contract or under a related time charter and become liable for damages for breach of contract or could otherwise adversely affect our financial condition and results of operations. In cases where the fault lies with the contract counterparty, we would be entitled to compensation, but the amount and timing of payment of such compensation is uncertain. In addition, the delivery of any vessel with substantial defects could have similar consequences and, although we intend to inspect the condition of the vessels pre-acquisition, there is no assurance that we will be able to identify such defects. We have not received in the past, and do not expect to receive in the future, the benefit of warranties on any secondhand vessels we acquire. Any of these circumstances or events could have a material adverse effect on our business, operating results, cash flows, and financial condition.

Substantial debt levels could limit our flexibility to obtain additional financing and pursue other business opportunities.

As of December 31, 2023, we had approximately \$98.3 million in debt outstanding across our loan facilities, sale and leaseback transactions and financial leases. We may also incur further indebtedness in connection with the acquisition of additional vessels, although there can be no assurance that we will be successful in identifying further vessels or securing such debt financing. Significant levels of debt could have important consequences for us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions, or other purposes may be impaired, or such financing may be unavailable on favorable terms, or at all;
- we may need to use a substantial portion of our cash from operations to make principal and interest payments on our bank debt and financing liabilities, reducing the funds that would otherwise be available for operations, future business opportunities, and any future dividends to our shareholders;
- our debt level could make us more vulnerable to competitive pressures or a downturn in our business or the economy generally than our competitors with less debt; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our indebtedness will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory, and other factors, some of which are beyond our control, as well as the interest rates applicable to our outstanding indebtedness. If the value of our vessels does not sufficiently serve as security for our lenders, or if our operating income is not sufficient to service our indebtedness, we will be forced to take actions, such as reducing or delaying our business activities, acquisitions, investments, or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital. We may not be able to effect any of these remedies on satisfactory terms, or at all. In addition, a lack of liquidity in the debt and equity markets could hinder our ability to refinance our debt or obtain additional financing on favorable terms in the future.

Our financing arrangements contain, and we expect that other future financing arrangements will contain, restrictive covenants that may limit our liquidity and corporate activities, which could limit our operational flexibility and have an adverse effect on our financial condition and results of operations. In addition, because of the presence of cross-default provisions in our loan agreements, a default by us under one loan could lead to defaults under other loan agreements and financing agreements.

Our financing agreements contain, and we expect that other future financing arrangements will contain, customary covenants and event of default clauses, financial covenants, restrictive covenants, and performance requirements, which may affect operational and financial flexibility. Such restrictions could affect and, in many respects, limit or prohibit, among other things, our ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could limit our ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. There can be no assurance that such restrictions will not adversely affect our ability to finance our future operations or capital needs.

As a result of these restrictions, we may need to seek permission from our lenders and other financing counterparties in order to engage in some corporate actions. Our lenders' and other financing counterparties' interests may be different from ours and we may not be able to obtain their permission when needed. This may prevent us from taking actions that we believe are in our best interests, which may adversely impact our revenues, results of operations, and financial condition.

A failure by us to meet our payment and other obligations, including our financial covenants and any security coverage requirements, could lead to defaults under our financing arrangements. Likewise, a decrease in vessel values or adverse market conditions could cause us to breach our financial covenants or security requirements (the market values of dry bulk vessels have generally experienced high volatility). In the event of a default that we cannot remedy, our lenders and other financing counterparties could then accelerate their indebtedness and foreclose on the respective vessels comprising our fleet. The loss of our vessels could have a material adverse effect on our business, results of operations, and financial condition.

Our financing arrangements contain, and any financing arrangements we may enter into in the future are expected to contain, cross-default provisions, pursuant to which a default by us under a loan and the refusal of any one lender or financing counterparty to grant or extend a waiver could result in the acceleration of our indebtedness under any other loans and financing agreements we have entered into.

There can be no assurance that we will obtain waivers, deferrals, and amendments of certain financial covenants, payment obligations and events of default under our loan facilities with our lenders in the future, if needed.

Volatility of SOFR and potential changes of the use of SOFR as a benchmark could affect our profitability, earnings, and cash flow.

The calculation of interest in most financing agreements in our industry had been historically based on the London Interbank Offered Rate ("LIBOR"). LIBOR had been the subject of national, international, and other regulatory guidance and proposals for reform. In response thereto, the Alternative Reference Rate Committee, a committee convened by the Federal Reserve Board that includes major market participants, had proposed the CME Group's forward looking Secured Overnight Financing Rate ("SOFR") term rates ("SOFR Term Rates"), based on the SOFR rate published by the New York Federal Reserve, as an alternative rate to replace U.S. dollar LIBOR. In December 2022, the Federal Reserve adopted a final rule that implements the Adjustable Interest Rate (LIBOR) Act identifying SOFR-based rates as replacement rates to LIBOR in certain financial contracts that do not have clear or practicable provisions for replacing LIBOR after June 30, 2023, when ICE Benchmark Administration, the administrator of LIBOR, ceased the publication of U.S. dollar LIBOR. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities in the repurchase agreement (repo) market. SOFR has been adopted by most lenders in our industry as a replacement benchmark rate.

An increase in SOFR, including as a result of the interest rate increases effected by the Federal Reserve and the Federal Reserve's recent hike of U.S. interest rates in response to rising inflation, would affect the amount of interest payable under our existing loan agreements, which, in turn, could have an adverse effect on our profitability, earnings, cash flow, and ability to pay dividends. If SOFR performs differently than expected or if our lenders insist on a different reference rate to replace SOFR, that could increase our borrowing costs (and administrative costs to reflect the transaction), which would have an adverse effect on our profitability, earnings, and cash flows. Alternative reference rates may behave in a similar manner or have other disadvantages or advantages in relation to our future indebtedness and the transition to SOFR or other alternative reference rates in the future could have a material adverse effect on us.

In order to manage any future exposure to interest rate fluctuations, we may from time-to-time use interest rate derivatives to effectively fix any floating rate debt obligations, or we may maintain adequate cash balances in Euros. No assurance can, however, be given that the use of these derivative instruments, if any, may effectively protect us from adverse interest rate movements. The use of interest rate derivatives may affect our results through mark to market valuation of these derivatives. Also, adverse movements in interest rate derivatives may require us to post cash as collateral, which may impact our free cash position, and have the potential to cause us to breach covenants in our loan agreements that require maintenance of certain financial positions and ratios. Interest rate derivatives may also be impacted by the transition to SOFR or to other alternative rates.

We depend on officers and directors who are associated with Seanergy, which may create conflicts of interest.

Our officers and directors have fiduciary duties to manage our business in a manner beneficial to us and our shareholders. However, Stamatios Tsantanis, who serves as our Chairman and Chief Executive Officer, is also the Chairman and Chief Executive Officer of Seanergy. In addition, Stavros Gyftakis, who serves as our Chief Financial Officer and as a director, is the Chief Financial Officer of Seanergy, and Christina Anagnostara and Ioannis Kartsonas, who serve as independent directors, also serve as directors of Seanergy. These officers and directors have fiduciary duties and responsibilities to manage the business of Seanergy in a manner beneficial to it and its shareholders and may have conflicts of interest in matters involving or affecting us and our customers or shareholders, or when faced with decisions that could have different implications for Seanergy than they do for us. The resolution of these potential conflicts may not always be in our best interest or that of our shareholders and could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Vessel aging and purchasing and operating secondhand vessels, which currently compose our entire fleet, may result in increased operating costs and vessel off-hire, which could adversely affect our financial condition and results of operations.

The current vessels in our fleet are all secondhand vessels. Our inspection of these vessels or other secondhand vessels prior to purchase does not provide us with the same knowledge about their condition and the cost of any required or anticipated repairs that we would have had if these vessels had been built for and operated exclusively by us. We have not received in the past, and do not expect to receive in the future, the benefit of warranties on any secondhand vessels we acquire.

As our current vessels or other secondhand vessels we may acquire age, they may become less fuel efficient and costlier to maintain and will not be as advanced as recently constructed vessels due to improvements in design, technology, and engineering, including improvements required to comply with government regulations. Rates for cargo insurance, paid by charterers, also increase with the age of a vessel, making older vessels less desirable to charterers, which could result in lower utilization and, therefore, lower revenues.

In addition, charterers actively discriminate against hiring older vessels. Rightship, the dry bulk ship vetting service founded by Rio Tinto and BHP-Billiton, has become a major vetting service in the dry bulk shipping industry, which ranks the suitability of vessels based on a scale of one to five stars. There are carriers that may not charter a vessel that Rightship has vetted with fewer than three stars. Therefore, a potentially deteriorated star rating for our vessels may affect their commercial operation and profitability and vessels in our fleet with lower ratings may experience challenges in securing charters. Effective as of January 1, 2018, Rightship's age trigger for a dry cargo inspection for vessels over 8,000 dwt changed from 18 years to 14 years, after which an annual acceptable Rightship inspection will be required. Rightship may downgrade any vessel over 18 years of age that has not completed a satisfactory inspection by Rightship, in the same manner as any other vessel over 14 years of age, to two stars, which significantly decreases its chances of entering into a charter. Two, five and one dry bulk vessels in our fleet have four, three and two-star risk ratings from Rightship, respectively.

Governmental regulations and safety or other equipment standards related to the age or condition of vessels may require expenditures for alterations, or the addition of new equipment, to our vessels and may restrict the type of activities in which the vessels may engage. As our vessels age, market conditions may not justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives.

In addition, unless we maintain cash reserves for vessel replacement, we may be unable to replace the current vessels in our fleet upon the expiration of their useful lives. We estimate the useful life of our vessels to be 25 years from the date of initial delivery from the shipyard. Our cash flows and income are dependent on the revenues we earn by chartering our vessels to customers. If we are unable to replace the vessels in our fleet upon the expiration of their useful lives, our business, financial condition, and results of operations will be materially adversely affected. Any reserves set aside for vessel replacement would not be available for other cash needs or dividends.

We also face competition from companies with more modern vessels with more fuel-efficient designs than our current vessels. Competition from more technologically advanced vessels could adversely affect the chartering opportunities available to us and the charter rates we will be able to negotiate, therefore adversely affecting our business, operating results, cash flows, and financial condition, while also significantly decreasing the resale value of our vessels.

Worldwide inflationary pressures could negatively impact our results of operations and cash flows.

Inflation could have an adverse impact on our business, financial condition, and results of operations, both directly through the increase of the operating costs of our vessels and other vessels we may acquire and indirectly through its adverse impact on the world economy in terms of increasing interest rates and slowing global growth. Worldwide economies have in the recent past experienced significant inflationary pressures, with price increases seen across many sectors globally. In response to such inflationary pressures, central banks made steep increases in interest rates, which resulted in increases to the interest rates available to us for the financing of our operations and investment activity. If central banks continue to increase interest rates, the resulting increase to the interest rates available to us on both existing loans on floating rate and new debt financings or refinancings we may pursue could adversely affect our cash flows and our ability to complete vessel acquisitions, take advantage of business opportunities, or respond to competitive pressures. Furthermore, if inflationary pressures intensify further, we may be unable to raise our charter rates enough to offset the increasing costs of our operations, which would decrease our profit margins and result in deterioration of our financial condition.

Whether such inflationary pressures will transition to a long-term inflationary environment and the effect of such a development on charter rates, vessel demand, and operating expenses in the sector in which we operate are uncertain. Additionally, the monetary tightening implemented by a series of central banks around the world in order to curb inflationary pressures has also significantly increased the probability of an economic recession in the short- to medium-term future.

The failure of our current or future counterparties to meet their obligations under our contracts, including charter agreements, could cause us to suffer losses or otherwise adversely affect our business.

We have entered, and plan to enter, into various contracts, including charterparties with our customers, vessel management agreements and other agreements, which subject us to counterparty risks. The ability and willingness of each of our current or future counterparties to perform its obligations under these contracts with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the dry bulk shipping industry and the industries in which our counterparties operate, the overall financial condition of the counterparties, and the supply and demand for dry bulk commodities.

From time to time, those counterparties may account for a significant amount of our chartering activity and revenues. In addition, in challenging market conditions, there have been reports of charterers renegotiating their charters or defaulting on their obligations under charter agreements, and so our customers may fail to pay charter hire or attempt to renegotiate charter rates. Should a counterparty fail to honor its obligations under agreements with us, it may be difficult to secure substitute employment for such vessel on favorable terms or at all, and any new charter arrangements we secure in the spot market or on time charters could be at lower rates. If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, we could suffer significant losses, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Rising crew costs may adversely affect our profits.

Crew costs are expected to be a significant expense for us. Recently, the limited supply of and increased demand for highly skilled and qualified crew, due to the increase in the size of the global shipping fleet, has created upward pressure on crewing costs. Increases in crew costs may adversely affect our profitability if we are not able to increase our rates.

We may not be able to attract and retain key management personnel and other employees in the shipping industry, which may negatively affect the effectiveness of our management and our results of operations.

Our success will depend to a significant extent upon the abilities and efforts of our management team, including our ability to retain key members of our management team and the ability of our management to recruit and hire suitable employees. The loss of any of these individuals could adversely affect our business prospects and financial condition. Difficulty in hiring and retaining personnel could adversely affect our business and results of operations.

Our vessels may suffer damage, and we may face unexpected repair costs, which could adversely affect our cash flow and financial condition.

The operation of an ocean-going vessel carries inherent risks, which include the risk of the vessel or its cargo being damaged or lost because of events such as marine disasters, bad weather and other acts of God, business interruptions caused by mechanical failures, grounding, fire, explosions and collisions, human error, war, terrorism, piracy, labor strikes, boycotts, and other similar circumstances or events.

If our vessels suffer damage, they may need to be repaired at a shipyard facility. The time and costs of repairs are unpredictable and may be substantial. The loss of earnings while our vessels are being repaired and repositioned, as well as the actual cost of these repairs and any repositioning costs, would decrease our earnings and reduce the amount of any dividends in the future. We may also be unable to find space at a suitable drydocking facility and be forced to travel to a drydocking facility that is not conveniently located to the position of our vessels. For more information, see “—Risks associated with operating ocean-going vessels could affect our business and reputation, which could adversely affect our revenues and expenses.” We may not have insurance that is sufficient to cover all or any of these costs or losses and may have to pay repair costs not covered by our insurance.

We are exposed to U.S. dollar and foreign currency fluctuations and devaluations that could harm our reported revenue and results of operations.

We generate all of our revenues and incur the majority of our operating expenses in U.S. dollars, but we currently incur many of our general and administration expenses in currencies other than the U.S. dollar, primarily the euro. Because such portion of our expenses is incurred in currencies other than the U.S. dollar, our expenses may from time to time increase relative to our revenues as a result of fluctuations in exchange rates, particularly between the U.S. dollar and the euro, which could affect the amount of net income that we report in future periods. We may use financial derivatives to operationally hedge some of our currency exposure. Our use of financial derivatives involves certain risks, including the risk that losses on a hedged position could exceed the nominal amount invested in the instrument and the risk that the counterparty to the derivative transaction may be unable or unwilling to satisfy its contractual obligations, which could have an adverse effect on our results.

We maintain cash with a limited number of financial institutions, including financial institutions that are located in Greece, which will subject us to credit risk.

We maintain all of our cash with a limited number of financial institutions, including institutions that are located in Greece. These financial institutions located in Greece may be subsidiaries of international banks or Greek financial institutions. Although concerns relating to the sovereign debt crisis have largely been allayed and Greece has emerged from its bailout programs, the stand-alone financial strength of the banks and the anticipated additional pressures stemming from the legacy of the country's multi-year debt crisis and the COVID-19 pandemic continue to create uncertain economic prospects.

Generally, only a small portion of cash balances are covered by insurance in the event of default by these financial institutions in Greece or elsewhere. Several banks, including banks in the United States and Switzerland, have recently been subject to extraordinary resolution procedures or sale because of the risk of such a default. In the event of such a default by a financial institution, we may lose part or all of our cash that we hold deposited with such financial institution. Additionally, if any of our banks do not allow us to withdraw funds in the time and amounts that we want, we may not timely comply with contractual provisions in any of our contracts or our salary obligations, among other things. The occurrence of such a default of any of our banks could have a material adverse effect on our business, financial condition, results of operations and cash flows, and we may lose part or all of our cash that we deposit with such banks.

In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, which may adversely affect our results of operations.

We operate in a highly competitive market that is capital intensive and highly fragmented. Competition arises primarily from other vessel owners, some of whom may have substantially greater resources than we do. Competition for the transportation of dry bulk cargoes by sea is intense and depends on price, location, size, age, condition, and the acceptability of the vessel and its operators to the charterers. Due in part to the highly fragmented market, competitors with greater resources could enter the dry bulk shipping industry and operate larger fleets through consolidations or acquisitions and may be able to offer lower charter rates and higher quality vessels than we are able to offer. Although we believe that no single competitor has a dominant position in the markets in which we compete, we are aware that certain competitors may be able to devote greater financial and other resources to their activities than we can, resulting in a significant competitive threat to us. We cannot give assurances that we will continue to compete successfully with our competitors or that these factors will not erode our competitive position in the future.

We may be subject to litigation that, if not resolved in our favor and not sufficiently insured against, could have a material adverse effect on us.

We may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of our business. Although we intend to defend these matters vigorously, we cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on us. Insurance may not be applicable or sufficient in all cases or insurers may not remain solvent, which may have a material adverse effect on our financial condition.

The shipping industry has inherent operational risks that may not be adequately covered by our insurances. Further, because we obtain some of our insurances through protection and indemnity associations, we may also be retrospectively subject to calls or premiums in amounts based not only on our own claim records, but also on the claim records of all other members of the protection and indemnity associations.

We procure insurance for our fleet against risks commonly insured against by vessel owners and operators. Our current insurances include hull and machinery insurance, war risks insurance, demurrage and defense insurance, and protection and indemnity insurance (which includes environmental damage and pollution insurance). We do not expect to maintain for our vessels insurance against loss of hire, which covers business interruptions that result from the loss of use of a vessel, except in cases when our vessels transit through or call at high risk areas. We may not be adequately insured against all risks or our insurers may not pay a particular claim. Even if our insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement vessel in the event of a loss. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. Our insurance policies also contain deductibles, caps, limitations, and exclusions which, although we believe are standard in the shipping industry, may nevertheless increase our costs. If our insurances are not enough to cover claims that may arise, the deficiency may have a material adverse effect on our financial condition and results of operations. We may also be retrospectively subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage for tort liability, including pollution-related liability. Our payment of these calls could result in significant expenses to us.

Failure to comply with the U.S. Foreign Corrupt Practices Act of 1977, or FCPA, could result in fines, criminal penalties, and an adverse effect on our business.

We operate throughout the world, including countries with a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the FCPA. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take action determined to be in violation of such anti-corruption laws, including the FCPA. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

We depend on Seanergy and its wholly owned management subsidiaries to partly operate our business and our business could be harmed if they fail to perform such services satisfactorily.

We have entered into a master management agreement with Seanergy for the provision of technical, administrative, commercial, brokerage, and certain other services. Certain of these services are being contracted directly with Seanergy Management Corp. ("Seanergy Management") or Seanergy Shipmanagement Corp. ("Seanergy Shipmanagement" and together with Seanergy Management, the "Managers"). Our operational success partly depends upon the Managers' and Seanergy's satisfactory performance of these services. Our business would be harmed if the Managers or Seanergy failed to perform these services satisfactorily. In addition, if our management agreements with the Managers or Seanergy were to be terminated or if their terms were to be altered, our business could be adversely affected, as we may not be able to immediately replace such services, and even if replacement services were immediately available, the terms offered could be less favorable than those under our existing management agreements.

We depend on third-party managers to manage part of our fleet.

We have entered into technical and commercial management agreements with the Managers and third-party managers for the management of part of our fleet. The Managers may subcontract or arrange certain aspects of the technical, such as crewing, or the commercial management for our current vessels and any other vessels we may acquire to third parties, including, but not limited to, V.Ships Greece Ltd. ("V.Ships"), Fidelity Marine Inc. ("Fidelity"), and Global Seaways S.A. ("Global Seaways"). The loss of the services of such third parties or their failure to perform their obligations could materially and adversely affect the results of our operations. Although we may have rights against these managers if they default on their obligations, we may have no recourse against these parties. In addition, we might not be able to find replacement third-party managers on terms as favorable as those currently in place.

Management fees are payable to the Managers or our third-party managers regardless of our profitability, which could have a material adverse effect on our business, financial condition, and results of operations.

Pursuant to the management agreements, we are paying to Seanergy Shipmanagement a fixed technical management fee of \$14,000 per month for the M/V Gloriuship, M/V Chrisea, M/V Oasea, M/V Cretansea and M/V Goodship, and to Seanergy a fixed administration fee of \$325 per vessel per day. We pay our third-party technical managers a fixed management fee of \$10,000 per month for the M/V Tradership, M/V Synthessea and M/V Exelixsea. We are also paying to Seanergy Management a fee equal to 0.75% of the gross freight, demurrage, and charter hire collected from the employment of our vessels and a fee equal to 1% of the contract price of vessels bought, sold or bareboat chartered on our behalf (not including any vessels bought, sold or bareboat chartered from or to Seanergy). These management fees do not cover expenses such as voyage expenses, vessel operating expenses, maintenance expenses, and crewing costs, for which we will reimburse the technical managers. In addition, we have entered into a commercial management agreement with Fidelity, an independent third party, pursuant to which Fidelity provides commercial management services for the vessels in our fleet. For such services, we are paying to Fidelity (i) a monthly fee of \$5,000 and (ii) commission fees equal to 0.5% of the collected gross hire, freight and demurrage which may be increased to 1.25% in cases when there is no other ship brokerage firm involved in the negotiations, charterparty drafting and final agreement in regards to the employment of our vessels. Under such agreement, we reimburse Fidelity for all reasonable running and out-of-pocket expenses. These management fees, excluding the commission fees on the gross freight, demurrage and charter hire, are to some extent payable whether or not our vessels are employed and in any case regardless of our profitability, and we have no ability to require the Managers or our third-party managers to reduce these management fees if our profitability decreases, which could have a material adverse effect on our business, financial condition, and results of operations.

We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. holders of our common shares.

A foreign corporation will be treated as a "passive foreign investment company," or PFIC, for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests, "passive income" includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income." U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Based upon our current and anticipated method of operations, we believe that we should not be treated as a PFIC, and do not expect to be a PFIC in the future. In this regard, we intend to treat our gross income from time charters as active services income, rather than rental income. Accordingly, our income from our time chartering activities should not constitute "passive income," and the assets that we own and operate in connection with the production of that income should not constitute passive assets. There is substantial legal authority supporting this position, including case law and U.S. Internal Revenue Service, or IRS, pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the IRS or a court of law will accept this position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if the nature and extent of our operations change.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. shareholders would face adverse U.S. federal income tax consequences and certain information reporting requirements. Under the PFIC rules, unless those shareholders make an election available under the United States Internal Revenue Code of 1986 as amended, or the Code (which election could itself have adverse consequences for such shareholders), such shareholders would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common shares, as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of our common shares. See "Item 10.E. Tax Considerations – United States Federal Income Tax Consequences – United States Federal Income Taxation of U.S. Holders – Passive Foreign Investment Company Rules" for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. shareholders if we are treated as a PFIC.

We may have to pay tax on U.S. source income, which would reduce our earnings.

Under the Code, 50% of the gross shipping income of a vessel-owning or chartering corporation, such as us and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, exclusive of certain U.S. territories and possessions, or "U.S. source gross shipping income" may be subject to a 4% U.S. federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the applicable Treasury Regulations promulgated thereunder.

We believe that we qualified for exemption from the 4% tax under Section 883 of the Code for our 2023 taxable year and intend to take this position on our tax return. There are factual circumstances beyond our control that could cause us not to have the benefit of the tax exemption under Section 883 in 2024 or future years and thereby cause us to become subject to U.S. federal income tax on our U.S. source shipping income. For example, there is a risk that we could fail to qualify for exemption under Section 883 of the Code for a particular taxable year if "non-qualified" shareholders with a five percent or greater interest in our stock were, in combination with each other, to own 50% or more of the outstanding shares of our stock on more than half the days during the taxable year. See the description of the ownership tests which must be satisfied to qualify for exemption under Section 883 of the Code in "Item 10.E. Tax Considerations – United States Federal Income Tax Consequences – Exemption of Operating Income from United States Federal Income Taxation."

Because the availability of the exemption depends on factual circumstances beyond our control, we can give no assurances on the tax-exempt status of ourselves or that of any of our subsidiaries for our 2024 or subsequent taxable years. If we or our subsidiaries are not entitled to exemption under Section 883, we or our subsidiaries will be subject to the 4% U.S. federal income tax on 50% of any shipping income such companies derive that is attributable to the transport of cargoes to or from the United States. This tax is a cost, which, if unreimbursed, has a negative effect on our business and results in decreased earnings available for distribution to our shareholders.

We are a “foreign private issuer,” which could make our common shares less attractive to some investors or otherwise harm our share price.

We are a “foreign private issuer,” as such term is defined in Rule 405 under the Securities Act. As a “foreign private issuer” the rules governing the information that we disclose differ from those governing U.S. corporations pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We are not required to file quarterly reports on Form 10-Q or provide current reports on Form 8-K disclosing significant events within four days of their occurrence. In addition, our officers and directors are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchase and sales of our securities. Our exemption from the rules of Section 16 of the Exchange Act regarding sales of common shares by insiders means that you will have less data in this regard than shareholders of U.S. companies that are subject to the Exchange Act. Moreover, we are exempt from the proxy rules, and proxy statements that we distribute will not be subject to review by the Commission. Accordingly, there may be less publicly available information concerning us than there is for other U.S. public companies that are not foreign private issuers. These exemptions and scaled disclosure requirements are not related to our status as an emerging growth company, and will continue to be available to us even if we no longer qualify as an emerging growth company, but remain a foreign private issuer. These factors could make our common shares less attractive to some investors or otherwise harm our share price.

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands, and as such we are entitled to exemption from certain Nasdaq corporate governance standards. As a result, you may not have the same protections afforded to shareholders of companies that are subject to all of the Nasdaq corporate governance requirements.

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands. Therefore, we are exempt from many of Nasdaq’s corporate governance practices other than the requirements regarding the disclosure of a going concern audit opinion, submission of a listing agreement, notification of material non-compliance with Nasdaq corporate governance practices, and the establishment and composition of an audit committee and a formal written audit committee charter. For a list of the practices followed by us in lieu of Nasdaq’s corporate governance rules, we refer you to “Item 16G. Corporate Governance” in this annual report. To the extent we rely on these or other exemptions, you may not have the same protections afforded to shareholders of companies that are subject to all of the Nasdaq corporate governance requirements.

The Public Company Accounting Oversight Board inspection of our independent accounting firm could lead to adverse findings in our auditors’ reports and challenges to the accuracy of our published audited financial statements.

Auditors of U.S. public companies are required by law to undergo periodic Public Company Accounting Oversight Board, or PCAOB, inspections that assess their compliance with U.S. law and professional standards in connection with performance of audits of financial statements filed with the SEC. For several years, certain European Union countries, including Greece, did not permit the PCAOB to conduct inspections of accounting firms established and operating in such European Union countries, even if they were part of major international firms. Accordingly, unlike for most U.S. public companies, the PCAOB was prevented from evaluating our auditor’s performance of audits and its quality control procedures, and, unlike shareholders of most U.S. public companies, we and our shareholders were deprived of the possible benefits of such inspections. Since 2015, Greece agreed to allow the PCAOB to conduct inspections of accounting firms operating in Greece. In the future, such PCAOB inspections could result in findings in our auditors’ quality control procedures, question the validity of the auditor’s reports on our published financial statements and the effectiveness of our internal control over financial reporting, and cast doubt upon the accuracy of our published audited financial statements.

We conduct business in China, where the legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to us.

Our vessels may be chartered to Chinese customers and, from time to time on our charterers' instructions, our vessels may call on Chinese ports. Such charters and voyages may be subject to regulations in China that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Chinese government new taxes or other fees. Applicable laws and regulations in China may not be well publicized and may not be known to us or our charterers in advance of us or our charterers becoming subject to them, and the implementation of such laws and regulations may be inconsistent. Changes in Chinese laws and regulations, including with regards to tax matters, or changes in their implementation by local authorities, could affect our vessels if chartered to Chinese customers as well as our vessels calling to Chinese ports and could have a material adverse impact on our business, financial conditions, and results of operations.

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

Changing laws, regulations, and standards relating to reporting requirements, including the European Union General Data Protection Regulation, or GDPR, which relates to the collection, use, retention, security, processing, and transfer of personally identifiable information about our customers and employees, may create additional compliance requirements for us. To maintain high standards of corporate governance and public disclosure, we have invested in, and continue to invest in, reasonably necessary resources to comply with evolving standards.

GDPR broadens the scope of personal privacy laws to protect the rights of European Union citizens and requires organizations to report on data breaches within 72 hours and be bound by more stringent rules for obtaining the consent of individuals on how their data can be used. Non-compliance with GDPR or other data privacy laws may expose entities to significant fines or other regulatory claims, which could have an adverse effect on our business and results of operations.

A cyber-attack could materially disrupt our business.

We rely on information technology systems and networks in our operations and administration of our business. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. The safety and security of our vessels as well as our business operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, or to steal data. Despite our cybersecurity measures, a successful cyber-attack, including as a result of spam, targeted phishing-type emails, and ransomware attacks, or other breaches of or significant interruption or failure of our information technology systems, could materially disrupt our operations, including the safety of our operations, or lead to unauthorized release of information or alteration of information in our systems. Any such attack or other breach of our information technology systems could have a material adverse effect on our business and results of operations. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and results of operations to suffer. Any significant interruption or failure of our information systems or any significant breach of security could adversely affect or disrupt our business and could result in decreased performance and increased operating costs, causing our business and operating results to suffer.

Additionally, any changes in the nature of cyber threats might require us to adopt additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The war between Russia and Ukraine has been accompanied by cyber-attacks against the Ukrainian government and other countries in the region. It is possible that these attacks could have collateral effects on additional critical infrastructure and financial institutions globally, which could adversely affect our operations. We rely on industry-accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches and, therefore, it is difficult to assess the likelihood of such threat and any potential impact at this time.

In July 2023, the SEC adopted rules requiring the mandatory disclosure of material cybersecurity incidents, as well as cybersecurity governance and risk management practices. A failure to disclosure could result in the imposition of injunctions, fines and other penalties by the SEC. Complying with these obligations could cause us to incur substantial costs and could increase negative publicity surrounding any cybersecurity incident.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels will call in ports in South America and other areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. Under some jurisdictions, vessels used for the conveyance of illegal drugs could subject the vessels to forfeiture to the government of such jurisdiction. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessels and whether with or without the knowledge of any member of our crew, we may face reputational damage and governmental or other regulatory claims or penalties which could have an adverse effect on our business, results of operations, cash flows, and financial condition, as well as our ability to maintain cash flows, including cash available for distributions to pay dividends to our shareholders. Under some jurisdictions, vessels used for the conveyance of illegal drugs could subject result in forfeiture of the vessel to forfeiture to the government of such jurisdiction.

Risks Relating to Our Common Shares

The market price of our common shares may in the future be subject to significant fluctuations. Further, there is no guarantee of a continuing public market to resell our common shares.

The market price of our common shares may in the future be subject to significant fluctuations as a result of many factors, some of which are beyond our control. Among the factors that could in the future affect our share price are:

- quarterly variations in our results of operations;
- changes in market valuations of similar companies and stock market price and volume fluctuations generally;
- changes in earnings estimates or the publication of research reports by analysts;
- speculation in the press or investment community about our business or the shipping industry generally;
- strategic actions by us or our competitors such as acquisitions or restructurings;
- the thin trading market for our common shares, which makes it somewhat illiquid;
- regulatory developments;
- additions or departures of key personnel;
- general market conditions; and
- domestic and international economic, market, and currency factors unrelated to our performance.

The stock markets in general, and the markets for dry bulk shipping and shipping stocks in particular, have experienced extreme volatility that has sometimes been unrelated to the operating performance of individual companies. These broad market fluctuations may adversely affect the trading price of our common shares.

Additionally, there is no guarantee of a continuing public market to resell our common shares. We cannot assure you that an active and liquid public market for our common shares will continue.

We may issue additional common shares or other equity securities without your approval, which could dilute your ownership interests and may depress the market price of our common shares.

We may issue additional common shares or other equity securities of equal or senior rank in the future in connection with, among other things, future vessel acquisitions, repayment of outstanding indebtedness, or our equity incentive plan, without shareholder approval, in a number of circumstances.

In addition, as of March 28, 2024, we may be obliged to issue up to 6,962,770 additional common shares pursuant to the terms of our outstanding Class A Warrants at an exercise price of \$2.25 per common share, subject to adjustment pursuant to the terms of such warrants.

Our issuance of additional common shares or other equity securities of equal or senior rank would have the following effects:

- our existing shareholders' proportionate ownership interest in us will decrease;
- the amount of cash available for dividends payable per common share may decrease;
- the relative voting strength of each previously outstanding common share may be diminished; and
- the market price of our common shares may decline.

A possible "short squeeze" due to a sudden increase in demand of our common shares that largely exceeds supply may lead to further price volatility in our common shares.

Investors may purchase our common shares to hedge existing exposure in our common shares or to speculate on the price of our common shares. Speculation on the price of our common shares may involve long and short exposures. To the extent aggregate short exposure exceeds the number of common shares available for purchase in the open market, investors with short exposure may have to pay a premium to repurchase our common shares for delivery to lenders of our common shares. Those repurchases may in turn, dramatically increase the price of our common shares until investors with short exposure are able to purchase additional common shares to cover their short position. This is often referred to as a "short squeeze." Following such a short squeeze, once investors purchase the shares necessary to cover their short position, the price of our common shares may rapidly decline. A short squeeze could lead to volatile price movements in our shares that are not directly correlated to the performance or prospects of our company.

We may not have the surplus or net profits required by law to pay dividends. The declaration and payment of dividends will always be subject to the discretion of our board of directors and will depend on a number of factors. Our board of directors may not declare dividends in the future.

The declaration, timing, and amount of any dividend is subject to the discretion of our board of directors and will be dependent upon our earnings, financial condition, market prospects, capital expenditure requirements, investment opportunities, restrictions in our loan agreements, the provisions of Marshall Islands law affecting the payment of dividends to shareholders, overall market conditions, and other factors. In January 2023, we paid a special dividend of \$1.00 per common share, while since February 2023, we have initiated a regular quarterly dividend of \$0.075 per common share.

Further, Marshall Islands law generally prohibits the payment of dividends if the company is insolvent or would be rendered insolvent upon payment of such dividend, and dividends may be declared and paid out of our operating surplus. Dividends may also be declared or paid out of net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year. We may not have the required surplus or net profits to pay dividends, and we may be unable to pay dividends in any anticipated amount or at all.

The superior voting rights of our Series B Preferred Shares may limit the ability of our common shareholders to control or influence corporate matters and the interests of the holder of such shares could conflict with the interests of common shareholders

While our common shares have one vote per share, each of our 40,000 Series B Preferred Shares presently outstanding has 25,000 votes per share; however, the voting power of the Series B Preferred Shares is limited such that no holder of Series B Preferred Shares may exercise voting rights pursuant to any Series B Preferred Shares that would result in the total number of votes a holder is entitled to vote on any matter submitted to a vote of shareholders of the Company to exceed 49.99% of the total number of votes eligible to be cast on such matter. The Series B Preferred Shares, however, have no dividend rights or distribution rights, other than the right upon dissolution to receive a payment equal to \$0.0001 per share.

Our Chairman and Chief Executive Officer can therefore control 49.99% of the voting power of our outstanding capital stock. Our Chairman and Chief Executive Officer has substantial control and influence over our management and affairs and over matters requiring shareholder approval, including the election of directors and significant corporate transactions, even though he owns significantly less than 50% of the Company economically.

The superior voting rights of our Series B Preferred Shares may limit our common shareholders' ability to influence corporate matters. The interests of the holder of the Series B Preferred Shares may conflict with the interests of our common shareholders, and as a result, the holders of our capital stock may approve actions that our common shareholders do not view as beneficial. Any such conflicts of interest could adversely affect our business, financial condition, results of operations, and the trading price of our common shares.

Anti-takeover provisions in our amended and restated articles of incorporation and our amended and second amended and restated bylaws could make it difficult for our shareholders to replace or remove our current board of directors or could have the effect of discouraging, delaying, or preventing a merger or acquisition, which could adversely affect the market price of our common shares.

Several provisions of our amended and restated articles of incorporation and our second amended and restated bylaws may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control, and enhance the ability of our board to maximize shareholder value in connection with any unsolicited offer to acquire our company. However, these anti-take-over provisions could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of our management. In addition, the same provisions may discourage, delay, or prevent a merger or acquisition that some shareholders may consider favorable.

These provisions:

- authorize our board of directors to issue "blank check" preferred stock without shareholder approval, including preferred shares with superior voting rights, such as the Series B Preferred Shares;
- provide for a classified board of directors with staggered, three-year terms;
- permit the removal of any director only for cause;
- prohibit shareholder action by written consent unless the written consent is signed by all shareholders entitled to vote on the action;
- limit the persons who may call special meetings of shareholders; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at meetings of shareholders.

These anti-takeover provisions could substantially impede the ability of our shareholders to impose a change in control and, as a result, may adversely affect the market price of our common shares and your ability to realize any potential change of control premium.

Our second amended and restated bylaws provide that the High Court of the Republic of Marshall Islands shall be the sole and exclusive forum for certain disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our second amended and restated bylaws provide that, unless the Company consents in writing to the selection of an alternative forum, the High Court of the Republic of Marshall Islands shall be the sole and exclusive forum for (i) any shareholders' derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or employee of the Corporation to the Corporation or the Corporation's shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Business Corporations Act of the Republic of the Marshall Islands (as amended from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine. This forum selection provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits with respect to such claims.

We may not achieve the intended benefits of having a forum selection provision if it is found to be unenforceable.

Our second amended and restated bylaws include a forum selection provision as described above. However, the enforceability of similar forum selection provisions in other companies' governing documents has been challenged in legal proceedings, and it is possible that in connection with any action a court could find the forum selection provision contained in our second amended and restated bylaws to be inapplicable or unenforceable in such action. In particular, Section 27 of the Exchange Act, creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, Section 22 of the Securities Act of 1933, as amended (the "Securities Act"), creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Shareholders' derivative actions, including those arising under the Exchange Act or Securities Act, are subject to our forum selection provision. To the extent that the exclusive forum provision would apply to restrict the courts in which our shareholders may bring claims arising under the Exchange Act or the Securities Act and the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such a provision. Investors cannot waive compliance with the federal securities laws and the rules and regulations promulgated thereunder. If a court were to find the forum selection provision to be inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition, and results of operations.

Issuance of preferred shares, such as our Series B Preferred Shares, may adversely affect the voting power of our common shareholders and have the effect of discouraging, delaying, or preventing a merger or acquisition, which could adversely affect the market price of our common shares.

Our amended and restated articles of incorporation authorize our board of directors to issue preferred shares in one or more series and to determine the rights, preferences, privileges, and restrictions with respect to, among other things, dividends, conversion, voting, redemption, liquidation, and the number of shares constituting any series without shareholders' approval. Our board of directors issued prior to the Spin-Off (as described below), and may in the future issue, preferred shares with voting rights superior to those of the common shares, such as the Series B Preferred Shares. If our board of directors determines to issue preferred shares, such issuance may discourage, delay, or prevent a merger or acquisition that shareholders may consider favorable. The issuance of preferred shares with voting and conversion rights may also adversely affect the voting power of the holders of common shares. This could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common shares and our shareholders' ability to realize any potential change of control premium.

We may not be able to maintain compliance with the Nasdaq Capital Market's continued listing requirements.

Our common shares are listed on the Nasdaq Capital Market. There are a number of continued listing requirements that we must satisfy in order to maintain our listing on the Nasdaq Capital Market. We may not be able to maintain compliance with the Nasdaq Capital Market's continued listing requirements. If we fail to maintain compliance with all applicable continued listing requirements for the Nasdaq Capital Market and Nasdaq determines to delist our common shares, the delisting could adversely affect the market liquidity of our common shares and our ability to obtain financing to repay any debt and fund our operations.

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common shares less attractive to investors.

We are an "emerging growth company" as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. While we have elected to take advantage of some of the reduced reporting obligations, we are choosing to "opt-out" of the extended transition period relating to the exemption from new or revised financial accounting standards. We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

In addition, under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley, for so long as we are an emerging growth company. For as long as we take advantage of the reduced reporting obligations, the information that we provide shareholders may be different from information provided by other public companies.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law, which may negatively affect the ability of shareholders to protect their interests.

Our corporate affairs are governed by our amended and restated articles of incorporation, our second amended and restated bylaws, and the Marshall Islands Business Corporations Act, or the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, shareholders may have more difficulty in protecting their interests in the face of actions by the management, directors, or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction.

Additionally, the Republic of the Marshall Islands does not have a legal provision for bankruptcy or a general statutory mechanism for insolvency proceedings. As such, in the event of a future insolvency or bankruptcy, our shareholders and creditors may experience delays in their ability to recover for their claims after any such insolvency or bankruptcy. Further, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization, or similar proceeding involving us or any of our subsidiaries, bankruptcy laws other than those of the United States could apply. If we become a debtor under U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would be entitled to, or accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court's jurisdiction if any other bankruptcy court would determine it had jurisdiction.

As a Marshall Islands corporation with principal executive offices in Greece, and also having subsidiaries in the Republic of the Marshall Islands and other offshore jurisdictions such as the Republic of Liberia, our operations may be subject to economic substance requirements.

In March 2019, the Council of the European Union, or the Council, published a list of non-cooperative jurisdictions for tax purposes, or the 2019 Conclusions. In the 2019 Conclusions, the Republic of the Marshall Islands, among others, was placed by the E.U. on the list of non-cooperative jurisdictions for failing to implement certain commitments previously made to the E.U. by the agreed deadline. However, it was announced by the Council in October 2019 that the Marshall Islands had been removed from the list of non-cooperative jurisdictions. In February 2023, the Marshall Islands was added again to the list of non-cooperative jurisdictions, and removed again in October 2023. E.U. member states have agreed upon a set of measures, which they can choose to apply against the listed countries, including, inter alia, increased monitoring and audits, withholding taxes and non-deductibility of costs. The European Commission has stated it will continue to support member states' efforts to develop a more coordinated approach to sanctions for the listed countries. E.U. legislation prohibits E.U. funds from being channeled or transited through entities in non-cooperative jurisdictions.

We are a Marshall Islands corporation with principal executive offices in Greece. All of our subsidiaries are organized in the Republic of the Marshall Islands and the Republic of Liberia. The Marshall Islands has enacted economic substance regulations. The Marshall Islands economic substance regulations require certain entities that carry out particular activities to comply with a three-part economic substance test whereby the entity must show that it (i) is directed and managed in the Marshall Islands in relation to that relevant activity, (ii) carries out core income-generating activity in relation to that relevant activity in the Marshall Islands (although it is being understood and acknowledged by the regulators that income-generated activities for shipping companies will generally occur in international waters) and (iii) having regard to the level of relevant activity carried out in the Marshall Islands has (a) an adequate amount of expenditures in the Marshall Islands, (b) adequate physical presence in the Marshall Islands and (c) an adequate number of qualified employees in the Marshall Islands.

If we fail to comply with our obligations under such regulations or any similar law applicable to us in any other jurisdictions, we could be subject to financial penalties and spontaneous disclosure of information to foreign tax officials, or could be struck from the register of companies, in related jurisdictions. Any of the foregoing could be disruptive to our business and could have a material adverse effect on our business, financial conditions and operating results.

We do not know (i) if the E.U. will once again add the Marshall Islands to the list of non-cooperative jurisdictions, or add Liberia to the list, (ii) how quickly the E.U. would react to any changes in regulations of the Marshall Islands, or (iii) how E.U. banks or other counterparties will react while we or our subsidiaries remain as entities organized and existing under the laws of the Marshall Islands and Liberia. The effect of the E.U. list of non-cooperative jurisdictions, and any noncompliance by us with any legislation or regulations adopted by applicable countries to achieve removal from the list, including economic substance regulations, could have a material adverse effect on our business, financial conditions and operating results.

It may not be possible for investors to serve process on or enforce U.S. judgments against us.

We and all of our subsidiaries are incorporated in jurisdictions outside the U.S. and substantially all of our assets and those of our subsidiaries are located outside the U.S. In addition, most of our directors and officers are non-residents of the U.S., and all or a substantial portion of the assets of these non-residents are located outside the U.S. As a result, it may be difficult or impossible for U.S. investors to serve process within the U.S. upon us, our subsidiaries or our directors and officers or to enforce a judgment against us for civil liabilities in U.S. courts. In addition, you should not assume that courts in the country in which we or our subsidiaries are incorporated or where our assets or the assets of our subsidiaries are located (1) would enforce judgments of U.S. courts obtained in actions against us or our subsidiaries based upon the civil liability provisions of applicable U.S. federal and state securities laws or (2) would enforce, in original actions, liabilities against us or our subsidiaries based on those laws.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Overview

United Maritime Corporation is an international shipping company currently specializing in worldwide seaborne transportation services. We currently operate a fleet of eight dry bulk vessels, comprising three Panamax, three Capesize and two Kamsarmax vessels with an aggregate cargo-carrying capacity of approximately 922,054 dwt and an age of approximately 14.7 years. In February 2024, we entered into a bareboat charter agreement for a Kamsarmax dry bulk vessel, which is expected to be delivered to us between June and October 2024. Upon the delivery of this vessel, the Company's operating fleet will consist of nine dry bulk vessels, with an aggregate cargo carrying capacity of 1,004,289 dwt.

We were incorporated under the laws of the Republic of the Marshall Islands, pursuant to the BCA, on January 20, 2022. Our executive offices are located at 154 Vouliagmenis Avenue, 16674 Glyfada, Greece and our telephone number is +30 2130181507. Our website is www.unitedmaritime.gr. The Commission maintains a website that contains reports, proxy and information statements, and other information that we file electronically at www.sec.gov. The information contained on, or that can be accessed through, these websites is not incorporated by reference herein and does not form part of this annual report.

We were incorporated by Seanergy to serve as the holding company of the United Maritime Predecessor upon effectiveness of the spin-off (the "Spin-Off"). Pursuant to the Spin-Off, Seanergy contributed the United Maritime Predecessor to us and \$5.0 million in working capital in exchange for the distribution of all of our issued and outstanding common shares to Seanergy's shareholders, 40,000 of our Series B preferred shares ("Series B Preferred Shares"), par value \$0.0001 to the holder of all Seanergy's issued and outstanding Series B preferred shares and 5,000 of our 6.5% Series C Cumulative Convertible Perpetual Preferred Shares ("Series C Preferred Shares") to Seanergy.

While our common shares hold one vote per share, the Series B Preferred Shares hold 25,000 votes per share, subject to the limitation that no holder of Series B Preferred Shares may exercise voting rights pursuant to any Series B Preferred Shares that would result in the total number of votes such holder is entitled to vote on any matter submitted to a vote of shareholders to exceed 49.99% of the total number of votes eligible to be cast on such matter. The Series B Preferred Shares have no substantial economic rights but entitle our Chairman and Chief Executive Officer to exercise voting power equal to 49.99% of the total number of votes entitled to vote on any matter submitted to a vote of our shareholders.

The Series C Preferred Shares had a cumulative preferred dividend accruing at the rate of 6.5% per annum which could be paid in cash or, at our election, in kind, and contained a liquidation preference equal to their stated value of \$1,000 per share and were convertible into common shares at the holder's option commencing upon the first anniversary of the original issue date, at a conversion price equal to the lesser of \$9.00 and the 10-trading-day trailing VWAP of our common shares, subject to certain anti-dilution and other customary adjustments. We had the right, at our option, at any time three months after the original date of issuance of the Series C Preferred Shares, to redeem the Series C Preferred Shares, in whole or from time to time in part at a price per Series C Preferred Share equal to 105% of the stated value plus accrued and unpaid dividends up to the redemption date.

Additionally, prior to the Spin-Off, we entered into an agreement with Seanergy pursuant to which Seanergy has a right of first refusal with respect to any opportunity available to us to sell, acquire or charter-in any Capesize vessel as well as with respect to chartering opportunities, other than short-term charters available to us for Capesize vessels. In addition, we have a right of first offer with respect to any vessel sales by Seanergy (the "ROFR").

Following the Spin-Off, we and Seanergy became independent publicly traded companies. All references in this annual report to us for periods prior to the Spin-Off refer to the United Maritime Predecessor. The financial statements presented in this annual report for periods from January 1, 2022 to July 5, 2022 and for the fiscal year ended December 31, 2021 are carve-out financial statements of Seanergy's consolidated historical financial statements.

Our common shares are listed on Nasdaq and began trading on the Nasdaq Capital Market on July 6, 2022 under the symbol "USEA".

On July 11, 2022, we entered into separate memoranda of agreement with unaffiliated third parties, to acquire four secondhand tanker vessels, which were renamed M/T Parosea, M/T Bluesea, M/T Minoansea and M/T Epanastasea (the "Acquired Vessels"), for an aggregate purchase price of \$79.5 million. We took delivery of M/T Parosea, M/T Bluesea and M/T Minoansea in August 2022, and delivery of the M/T Epanastasea in September 2022. We have sold all four of these vessels as follows: (i) in October 2022, we sold the M/T Parosea and M/T Bluesea to an unaffiliated third-party for a gross sale price of \$62.5 million; (ii) in December 2022, we sold the M/T Minoansea to an unaffiliated third-party for a gross sale price of \$39.0 million; and (iii) in August 2023, we sold the M/T Epanastasea to an unaffiliated third party for a gross sale price of \$37.5 million.

On July 20, 2022, we completed an underwritten public offering of 8,000,000 units at a public offering price of \$3.25 consisting of (i) one common share (or one pre-funded warrant in lieu of one common share) and (ii) one Class A warrant to purchase one common share at an exercise price of \$3.25. The gross proceeds of the offering were approximately \$26.0 million. All the 1,200,000 pre-funded warrants issued in connection with the offering were exercised by the end of July 2022. As of March 28, 2024, 6,962,770 Class A warrants were outstanding expiring on July 20, 2027.

On July 26, 2022, we issued an additional 5,000 Series C Preferred Shares to Seanergy in exchange for \$5.0 million payable in cash in connection with the funding of the advance deposits payable for the Acquired Vessels.

In August and September 2022, our board of directors authorized two buyback programs of \$6.0 million in total pursuant to which 3,289,791 of our common shares were repurchased at an average price of \$1.81 per share. In October 2022, our board of directors authorized a third share buyback plan, pursuant to which we may repurchase up to an additional \$3.0 million of our outstanding common shares in the open market. As extended, this plan expires on December 31, 2024.

In October 2022, the Compensation Committee of our board of directors granted awards under the plan of an aggregate of 1,000,000 restricted common shares. Of the total 1,000,000 shares issued, 800,000 shares were granted to the members of the board of directors of the Company and 200,000 shares were granted to certain of the Company's service providers. The fair value of each share on the grant date was \$2.28. The shares vested as follows: 333,344 shares vested on October 14, 2022, 333,328 shares vested on January 5, 2023 and 333,328 shares vested on June 5, 2023.

In November 2022, we fully redeemed the 10,000 Series C Preferred Shares issued to Seanergy at a price equal to 105% of the original issue price for an aggregate amount of \$10.6 million, including all accrued and unpaid dividends up to the redemption date.

On November 29, 2022, we announced that our board of directors declared a special cash dividend of \$1.00 per common share in connection with the profitable sales of the M/T Bluesea and M/T Parosea. The dividend was paid around January 10, 2023. Pursuant to the provisions of the Class A warrants, the exercise price of the warrants was adjusted from \$3.25, pursuant to the provisions of the warrant agreement, by the dividend amount, to \$2.25 per common share effective January 11, 2023.

In December 2022, we entered into definitive agreements to acquire two Capesize vessels, the M/V Goodship and M/V Tradership from Seanergy for an aggregate purchase price of \$36.25 million. The purchase of the vessels was made pursuant to the ROFR and the acquisition was approved by a special independent committee of our board of directors.

In December 2022, the Compensation Committee of our board of directors approved the amendment and restatement of our 2022 Equity Incentive Plan to increase the aggregate number of common shares reserved for issuance under the plan to 1,500,000 shares and granted awards under the plan to our directors and certain service providers of an aggregate of 700,000 restricted common shares. Of the total 700,000 shares issued, 580,000 shares were granted to the members of our board of directors and 120,000 shares were granted to certain of the Company's service providers. The fair value of each share on the grant date was \$4.33. On December 28, 2022, 233,340 shares vested, while 233,330 shares vested on June 5, 2023 and 233,330 shares vested on October 5, 2023.

On February 7, 2023, we entered into agreements with two unaffiliated third parties to purchase two Kamsarmax dry bulk vessels for an aggregate purchase price of \$39.2 million, to be financed through a combination of cash on hand and proceeds from the Neptune sale and leaseback transactions described under "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources – Sale and Leaseback Transactions – March 2023 Neptune Sale and Leaseback" and "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources – Sale and Leaseback Transactions – April 2023 Neptune Sale and Leaseback." The first vessel, which was renamed M/V Oasea, was built in 2010 at Tsuneishi Zhoushan Shipbuilding, has a cargo-carrying capacity of 82,217 dwt and was delivered to the Company on March 27, 2023. The second vessel, which was renamed M/V Cretansea, was built in 2009 at Universal Shipbuilding in Japan, has a cargo-carrying capacity of 81,508 dwt and was delivered to the Company on April 26, 2023.

On February 9, 2023, we entered into a bareboat charter agreement with an unaffiliated third party for a secondhand Panamax vessel, which was renamed M/V Chrisea. The vessel was delivered to the Company on February 21, 2023 under an 18-month bareboat charter at a daily rate of \$7,300, a downpayment of \$7.0 million and a purchase option of \$12.4 million at the end of the charter period. In aggregate, the acquisition cost for the vessel, following the exercise of the purchase option, will be approximately \$23.4 million.

On February 10, 2023, we took delivery of the M/V Goodship. The acquisition of the M/V Goodship was financed by cash on hand and secured the amount of \$7.0 million of the August 2022 EnTrust Facility (as defined in Item 5) pursuant to an amendment and restatement of the subject facility which was signed on January 30, 2023.

On February 21, 2023, we declared the initiation of a regular quarterly cash dividend of \$0.075 per common share and the declaration of a dividend of \$0.075 per share for the fourth quarter of 2022. The quarterly dividend was paid on April 6, 2023 to all shareholders of record as of March 22, 2023.

On February 28, 2023, we took delivery of the M/V Tradership. The acquisition of the M/V Tradership was financed by cash on hand and secured the amount of \$8.2 million of the August 2022 EnTrust Facility (as defined in "Item 5. Operating and Financial Review and Prospects") pursuant to an amendment and restatement of the subject facility which was signed on January 30, 2023.

On March 31, 2023, following the delivery of the M/V Oasea, we entered into a \$12.25 million sale and leaseback agreement with a subsidiary of Neptune Maritime Leasing Ltd. ("Neptune"), for the purpose of partly financing the acquisition cost of M/V Oasea. For more information, see "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources—Sale and Leaseback Transactions—March 2023 Neptune Sale and Leaseback."

On April 26, 2023, following the delivery of the M/V Cretansea, we entered into a \$12.25 million sale and leaseback agreement with a subsidiary of Neptune, for the purpose of partly financing the acquisition cost of M/V Cretansea. For more information, see "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources—Sale and Leaseback Transactions—April 2023 Neptune Sale and Leaseback."

On May 17, 2023, we declared a quarterly cash dividend of \$0.075 per common share for the first quarter of 2023. The quarterly dividend was paid on July 6, 2023 to all shareholders of record as of June 22, 2023.

On August 1, 2023, we took delivery of the 78,020 dwt M/V Synthesea built in 2015 in Japan. The M/V Synthesea is chartered under a 12-month bareboat charter agreement, with a daily charter rate of \$8,000 over the period of the bareboat charter, a downpayment of \$7.0 million and a purchase option of \$17.1 million at the end of the bareboat charter. In aggregate, the acquisition cost for the vessel, following the exercise of the purchase option, will be approximately \$27.0 million.

On August 1, 2023, we declared a quarterly cash dividend of \$0.075 per common share for the second quarter of 2023. The quarterly dividend was paid on October 6, 2023 to all shareholders of record as of September 22, 2023.

On August 9, 2023, as part of the sale of the M/T Epanastasea and the acquisition of the M/V Exelixsea, we replaced the collateral under the respective tranche previously secured by the M/T Epanastasea in the August 2022 EnTrust Facility. For more information, see "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources— Loan Arrangements —August 2022 EnTrust Facility."

On August 29, 2023, we took delivery of the 76,361 dwt M/V Exelixsea built in 2011 in Japan. The M/V Exelixsea was acquired for a gross purchase price of \$17.8 million, which was funded by our cash reserves, including the cash-collateralized \$15.0 million of the August 2022 EnTrust Facility (as defined in "Item 5. Operating and Financial Review and Prospects") previously secured by the M/T Epanastasea.

On November 14, 2023, we declared a quarterly cash dividend of \$0.075 per common share for the third quarter of 2023 payable to all shareholders of record as of December 22, 2023.

On November 15, 2023, we entered into three separate and identical \$10.0 million sale and leaseback agreements for the M/Vs Gloriuship, Goodship and Tradership with a Chinese lessor, for the purpose of refinancing the outstanding indebtedness of the respective vessels under the August 2022 EnTrust Facility. For more information, see "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources—Sale and Leaseback Transactions—Huarong Sale and Leaseback."

Recent Developments

On January 10, 2024, we paid the previously announced quarterly cash dividend of \$0.075 per share, for the third quarter of 2023.

On February 9, 2024, we entered into a new time charter agreement at an improved index linked rate with the existing charterer of the M/V Chrisea, an international commodities trader, for a duration of about 12 to about 15 months. The charter will be in direct continuation from the current time charter agreement and is expected to commence in June 2024. All other terms of the time charter shall remain materially the same.

On February 19, 2024, we declared a quarterly cash dividend of \$0.075 per common share for the fourth quarter of 2023. The quarterly dividend will be paid on or about April 10, 2024 to all shareholders of record as of March 22, 2023.

On February 22, 2024, we entered into a \$13.8 million sale and leaseback agreement with an unaffiliated third party in order to refinance the August 2022 EnTrust Facility secured by the M/V Exelixsea. For more information, see "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources—Sale and Leaseback Transactions initiated after December 31, 2023—Village Seven Sale and Leaseback."

On March 6, 2024, we entered into a bareboat charter agreement for an 82,235 dwt Kamsarmax dry bulk carrier built in 2016 in Japan, which will be renamed Nisea and is expected to be delivered to the Company between June and October 2024. The vessel will be chartered-in under an 18-month bareboat charter agreement, with a down payment of \$7.5 million, at a daily charter rate of \$8,000. We also have the option to purchase the vessel at the end of the bareboat charter period for a purchase price of \$16.6 million. We made a down payment in the amount of \$3.75 million upon the signing of the agreement and a further down payment of \$3.75 million is payable prior to the expected date of delivery of the vessel. In aggregate, the acquisition cost for the vessel, assuming exercise of the purchase option, will be approximately \$28.4 million.

On March 11, 2024, we entered into a term sheet for a \$18.0 million sale and leaseback transaction to finance the expected exercise of a \$17.1 million purchase option, under the bareboat charter agreement of the M/V Synthesea. Under the term sheet, the vessel is expected to be sold and bareboat chartered back for a seven-year period. The financing's applicable interest rate will be 3-month term SOFR plus 2.70% per annum. Following the second anniversary of the bareboat charter, the Company will have continuous options to repurchase the vessel at predetermined prices as set forth in the agreement. The charterhire principal will amortize through eighty-four consecutive equal monthly installments of approximately \$0.1 million along with a purchase option of \$6.7 million at the expiration of the bareboat charter. At the end of the charter period, if the Company does not exercise its purchase option, the lessor may exercise their put option. The transaction is subject to board and committee approvals and completion of definitive documentation, and is expected to close between April to July 2024.

On March 27, 2024, the Compensation Committee of our board of directors approved the amendment and restatement of our 2022 Equity Incentive Plan to increase the aggregate number of common shares reserved for issuance under the plan to 400,000 shares, and granted awards under the plan of an aggregate of 260,000 common shares to the members of the Company's board of directors and 75,000 common shares to certain of the Company's service providers and to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$2.635. On March 27, 2024, 67,000 shares vested, while 100,500 shares will vest on September 27, 2024 and 167,500 shares will vest on March 27, 2025.

On March 27, 2024, the August 2022 EnTrust Facility was refinanced with the Village Seven Sale and Leaseback. All obligations under the facility were irrevocably and unconditionally discharged pursuant to the deed of release dated March 27, 2024. For more information, see "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources— Loan Arrangements —August 2022 EnTrust Facility."

B. Business Overview

We are an international shipping company currently specializing in worldwide seaborne transportation services. We currently operate three Capesize dry bulk vessels, two Kamsarmax dry bulk vessels and three Panamax dry bulk vessels, with an aggregate cargo-carrying capacity of approximately 922,054 dwt and an age of approximately 14.7 years. In February 2024, we entered into a bareboat charter agreement for a Kamsarmax dry bulk vessel, which is expected to be delivered to us between June and October 2024. Upon the delivery of this vessel, the Company's operating fleet will consist of nine dry bulk vessels, with an aggregate cargo carrying capacity of 1,004,289 dwt.

Our Current Fleet

The following table lists the vessel in our fleet as of the date of this annual report:

<i>Vessel Name</i>	<i>Sector</i>	<i>Year Built</i>	<i>Dwt</i>	<i>Flag</i>	<i>Yard</i>	<i>Type of Employment</i>
Goodship	Dry Bulk / Capesize	2005	177,536	Liberia	Mitsui	T/C Index Linked ⁽¹⁾
Tradership	Dry Bulk / Capesize	2006	176,925	Marshall Islands	Namura	T/C Index Linked ⁽²⁾
Gloriuship	Dry Bulk / Capesize	2004	171,314	Marshall Islands	Hyundai	T/C Index Linked ⁽³⁾
Oasea	Dry Bulk / Kamsarmax	2010	82,217	Marshall Islands	Tsuneishi	T/C Index Linked ⁽⁴⁾
Cretansea	Dry Bulk / Kamsarmax	2009	81,508	Marshall Islands	Universal	T/C Index Linked ⁽⁵⁾
Chrisea	Dry Bulk / Panamax	2013	78,173	Marshall Islands	Shin Kurushima	T/C Index Linked ⁽⁶⁾
Synthesea	Dry Bulk / Panamax	2015	78,020	Liberia	Sasebo	T/C Index Linked ⁽⁷⁾
Exelixsea	Dry Bulk / Panamax	2011	76,361	Marshall Islands	Oshima	T/C Index Linked ⁽⁸⁾

(1) Chartered by a drybulk operator and delivered to the charterer on October 17, 2023 for a period of about 11 to about 13 months. The daily charter hire is based on the BCI. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of between two and 12 months priced at the prevailing Capesize FFA for the selected period.

(2) Chartered by a major European charterer and delivered to the charterer on July 26, 2022 for a period employment of about 11 to about 15 months. On October 1, 2023, the charter period was extended for a period of about 11 to about 15 months and the daily charter hire is based on the BCI. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of between three and nine months priced at the prevailing Capesize FFA for the selected period.

(3) Chartered by an international commodities trader and delivered to the charterer on March 14, 2023 for a period employment of about 11 to about 15 months. The daily charter hire is based on the BCI. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of between two and 12 months priced at the prevailing Capesize FFA for the selected period.

(4) Chartered by a major European charterer and delivered to the charterer on April 24, 2023 for a period employment of minimum 11 to about 14 months. The daily charter hire is based on the BPI. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of minimum two months based on the prevailing Panamax FFA for the selected period.

(5) Chartered by an international commodities trader and delivered to the charterer on May 1, 2023 for a period employment of about 12 to about 14 months. The daily charter hire is based on the BPI. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of between one and six months priced at the prevailing Panamax FFA for the selected period.

(6) Chartered by an international commodities trader and delivered to the charterer on February 24, 2023 for a period employment of about 12 to about 15 months. The daily charter hire is based on the BPI. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of minimum two months based on the prevailing Panamax FFA for the selected period.

(7) Chartered by an international commodities trader and delivered to the charterer on August 3, 2023 for a period employment of minimum 14 to about 16 months. The daily charter hire is based on the BPI. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of minimum two months based on the prevailing Panamax FFA for the selected period.

(8) Chartered by an international commodities trader and delivered to the charterer on August 31, 2023 for a period employment of minimum 11 to about 14 months. The daily charter hire is based on the BPI. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of minimum two months based on the prevailing Panamax FFA for the selected period.

Our Business Strategy

Competitive Strengths

Opportunity for growth. We believe we are well positioned to continue to opportunistically expand and maximize our current fleet due to our competitive cost structure, strong customer relationships and experienced management team.

Demonstrated access to financing. We believe that we are well-placed to take advantage of business opportunities due to Seanergy's operational platform, which we aim to leverage, along with our management team's access to financing, as demonstrated through their course in Seanergy. We believe that our ability to access financing will continue to allow us to capture additional market opportunities when they arise.

Experienced management team. Certain officers and directors of Seanergy serve on our board of directors and management team and as such we believe that our management team's reputation and track record in building shipping fleets provides us with access to attractive acquisition, chartering and vessel-financing opportunities. Our management team has managed to repeatedly source vessel acquisition opportunities in the secondhand market for both ourselves and Seanergy, and then to profitably operate or dispose of such vessels, ensuring solid investment returns.

Strategies

Opportunistic and sector-agnostic vessel acquisition strategy. Shipping markets are divided into various key sectors including the dry bulk, tanker, gas and container markets, with each of them further segregated into sub-sectors. Our aim is to exploit opportunities in any sector and sub-sector that provides an attractive demand and supply profile as well as a positive market outlook in the medium to long-term by acquiring vessels trading on this sector. The decision to enter a new sector is based on robust fundamentals and thoughtful analysis of factors affecting both the demand side and the supply side, while the selection of the target vessel is subject to strict qualitative criteria including the environmental performance and energy efficiency of the acquisition candidates.

Expand our fleet through accretive acquisitions. We intend to grow our current fleet through timely and selective acquisitions of additional vessels at attractive valuations. In evaluating acquisitions, we consider and analyze, among other things, our expectation of fundamental developments in the shipping industry, the level of liquidity in the resale and charter market, the vessel condition and technical specifications, the expected remaining useful life, as well as the overall strategic positioning of our fleet and customers. For vessels acquired with charters attached, we also consider the credit quality of the charterer and the duration and terms of the contracts in place. Based on our management team's successful track record, commercial expertise and reputation in the marketplace as well as our transparent and public corporate structure, we believe that we are well-positioned to source off-market opportunities to acquire secondhand vessels. As a result, we may be able to acquire vessels on more favorable terms than what would be obtained without access to such opportunities.

Access to attractive chartering opportunities. Our senior management in combination with Fidelity, Seanergy's commercial manager, has established strong relationships with international miners, charterers and brokers. We believe that these relationships should provide us with access to attractive chartering opportunities. Furthermore, we aim to maintain our fleet at a level that meets or exceeds stringent industry standards as we believe that owning a high quality and well-maintained fleet provides us with a competitive advantage in securing favorable employment.

Environmental, Social, Governance, or ESG, Practices: We actively manage a broad range of ESG initiatives, taking into consideration their expected impact on the sustainability of our business over time, and the potential impact of our business on society and the environment. Existing Vessel Design Index, or EVDI, upgrades, and Energy Saving Devices ("ESDs") installations, weather routing, slow steaming, ballast and trim optimization during the ballast voyage legs and frequent propeller and hull cleaning policy constitute examples of the environmental practices our management team has deployed. Our fleet is fully equipped with Ballast Water Treatment Systems, while certain of our vessels are equipped with various ESDs like low friction hull paints, Ducts, VFDs, Boss Cap fins. Moreover, we remain committed to sustainable business practices and social responsibility. Our ESG initiatives are integral to our business strategy, encompassing measures to mitigate environmental impact, uphold social equity, and maintain strong governance standards. Notable efforts include the implementation of ESDs and other vessel upgrades to enhance efficiency and reduce emissions. Additionally, we prioritize the well-being of our workforce through measures such as gender equality initiatives, comprehensive training programs, and robust health benefits. As we anticipate future challenges and opportunities, we are committed to proactively manage both operational and ESG-related risks. By staying attuned to market dynamics and embracing sustainable practices, we aim to ensure the resilience and longevity of our business in an ever-evolving landscape.

Management of Our Fleet

Master Management Agreement

We have entered into a master management agreement with Seanergy pursuant to which Seanergy (directly or through the Managers) provides us with or arranges on our behalf (through unrelated third parties) administrative, accounting, finance, commercial management, technical management, brokerage and certain other services. Administrative functions that are being performed by Seanergy include but are not limited to investor relations, back-office, reporting, legal and secretarial services. The master management agreement provides for a fixed administration fee of \$325 per vessel per day payable to Seanergy. The initial term of the master management agreement will expire on December 31, 2024. Unless three months' notice of non-renewal is given by either party prior to the end of the current term, this agreement will automatically extend for additional 12-month periods. The master management agreement may be terminated immediately only for cause and at any time by either party with three months' prior notice, and no termination fee will be payable.

Commercial Management

Following the Spin-Off and up to April 1, 2023, we had appointed Seanergy Management for provision of certain commercial management services. Information regarding this agreement with Seanergy Management and the associated fees payable by the Company in 2023 is provided below in "Item 7. Major Shareholders and Related Party Transactions.". Seanergy Management had sub-contracted certain commercial management services to (i) Fidelity for the dry vessels in our fleet, effective up to April 1, 2023, and (ii) Elite Tankship Pte Ltd ("Elite") for the M/T Epanastasea, effective up to her sale to the new owners in August 2023. Pursuant to these agreements, we were paying to Fidelity commission fees equal to 0.15% calculated on the collected gross hire/freight/demurrage and to Elite a commission fee of 2.5% on freight, deadfreight and demurrage arising from or in connection with the employment of the vessel.

Effective April 1, 2023, United Management Corp. ("United Management"), a wholly-owned subsidiary of the Company, has entered into a services agreement with the Company's vessel-owning subsidiaries (the "SPVs") for acting as agent of the SPVs in relation to the vessels' commercial management services. Pursuant to the services agreement, the SPVs pay to United Management a fee equal to 1.25% of the collected gross freight, demurrage and charter hire for the employment of the vessels, which may be increased to 2% in cases where United Management appoints Fidelity to act solely as the chartering broker.

United Management has sub-contracted certain commercial management services, including postfixture, commercial operation, sale and purchase and bareboat chartering to Seanergy Management. Pursuant to this agreement, each SPV pays to Seanergy Management a commission fee equal to 0.75% of the collected gross hire, freight/ and demurrage and a fee equal to 1% of the contract price of any vessel bought, sold or bareboat chartered by Seanergy Management on United Management's behalf, except for any vessels bought, sold or bareboat chartered from or to Seanergy, or in respect of any vessel sale relating to a sale and leaseback transaction.

In addition, United Management has entered into a commercial management agreement with Fidelity for, among others, the chartering of our vessels. Pursuant to this agreement, the Company pays to Fidelity a monthly retained fee of \$5,000 and each SPV pays to Fidelity a commission fee equal to 0.5% of the collected gross hire, freight and demurrage, which may be increased to 1.25%, in cases where there is no other ship brokerage firm involved in the negotiations, charterparty drafting and final agreement in respect of the employment of the vessels.

Technical Management

We have entered into technical management agreements with Seanergy Shipmanagement for the M/V Goodship, M/V Gloriuship, M/V Chrisea, M/V Oasea and M/V Cretansea. Seanergy Shipmanagement is responsible for arranging, inter alia, the day-to-day operations, inspections, maintenance, repairs, drydocking, purchasing, insurance and claims handling. The technical management agreements with Seanergy Shipmanagement provide for a fixed monthly management fee of \$14,000 per vessel. In 2023, we were paying to Seanergy Shipmanagement a fixed monthly management fee of \$14,000 per vessel for the M/V Gloriuship, M/V Chrisea, M/V Oasea and M/V Cretansea. In relation to the M/V Goodship, we were paying to Seanergy Shipmanagement a fixed management fee of \$10,000 in 2023 and up to March 17, 2024.

Furthermore, we have appointed V. Ships as the technical managers of the M/Vs Tradership, Synthesea and Exelixsea. V. Ships' services are provided at a fixed monthly management fee of \$10,000 per vessel. In 2023 we were paying to V. Ships fixed management fees of \$9,625 for these vessels.

With respect to crewing services, we have also entered into crew management agreements with Global Seaways S.A. for the M/Vs Oasea, Chrisea, Cretansea and the M/V Gloriuship at monthly rates equal to \$2,170 per vessel. In addition, since March 18, 2024 V. Ships Greece provides crew management services to the M/V Goodship for a monthly fee of \$2,200.

Our vessels or additional vessels that we may acquire in the future may be managed by the Managers or by other unaffiliated management companies, including Fidelity, V. Ships and Global. These third-party managers will be supervised by the Managers.

Employment of Our Fleet

As of the date of this annual report, our three Capesize vessels are employed on time charters whose daily rates are linked to the BCI. Our three Panamax vessels and our two Kamsarmax vessels, are employed on time charters whose daily rates are linked to the BPI. A time charter is generally a contract to provide a ship for a predefined period to the charterer for an agreed daily rate, which can be fixed or index-linked. Spot charter agreements are charter hires, where a contract is made in the spot market for the use of a vessel for a specific voyage at a specified charter rate per ton of cargo. Fluctuations derive from imbalances in the availability of cargoes for shipment and the number of vessels available at any given time to transport these cargoes. Vessels operating in the time charter market ensure that there will be employment on the vessel for the defined period, while the index-linked hire rate may enable us to capture increased profit margins during periods of improvements in vessel charter rates. Vessels operating in the spot charter market generate revenues that are less predictable, but can yield increased profit margins during periods of improvements in rates. Spot charters also expose vessel owners to the risk of declining rates and rising fuel costs in case of voyage charters.

The Dry Bulk Shipping Industry

The global dry bulk vessel fleet is divided into four categories based on a vessel's carrying capacity. These categories are:

Capesize. Capesize vessels have a carrying capacity exceeding 100,000 dwt. Only the largest ports around the world possess the infrastructure to accommodate vessels of this size. Capesize vessels are primarily used to transport iron ore or coal and, to a much lesser extent, grains, primarily on long-haul routes.

Panamax/Kamsarmax. Panamax vessels have a carrying capacity of between 60,000 and 100,000 dwt. These vessels are designed to meet the physical restrictions of the Panama Canal locks (hence their name "Panamax" — the largest vessels able to transit the Panama Canal prior to its 2016 expansion, making them more versatile than larger vessels). Subsector of Panamax category is the Kamsarmax segment, a design with maximum LOA (length overall) of about 229 meters that can enter Kamsar Port in the Republic of Guinea. The DWT capacity of Kamsarmax vessels is about 82,000 dwt. These vessels carry coal, grains, and, to a lesser extent, minerals such as bauxite/alumina and phosphate rock.

Handymax/Supramax. Handymax vessels have a carrying capacity of between 30,000 and 60,000 dwt. These vessels operate on a large number of geographically dispersed global trade routes, carrying primarily grains and minor bulks. The standard vessels are usually built with 25-30 ton cargo gear, enabling them to discharge cargo where grabs are required (particularly industrial minerals), and to conduct cargo operations in countries and ports with limited infrastructure. This type of vessel offers good trading flexibility and can, therefore, be used in a wide variety of bulk and neobulk trades, such as steel products. Supramax are a sub-category of this category typically having a cargo carrying capacity of between 50,000 and 60,000 dwt.

Handysize. Handysize vessels have a carrying capacity of up to 30,000 dwt. These vessels are almost exclusively carry minor bulk cargo. Increasingly, vessels of this type operate on regional trading routes, and may serve as trans-shipment feeders for larger vessels. Handysize vessels are well suited for small ports with length and draft restrictions. Their cargo gear enables them to service ports lacking the infrastructure for cargo loading and discharging.

The supply of dry bulk vessels is dependent on the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or loss. The level of scrapping activity is generally a function of scrapping prices in relation to current and prospective charter market conditions, as well as operating, repair and survey costs.

The demand for dry bulk vessel capacity is determined by the underlying demand for commodities transported in dry bulk vessels, which in turn is influenced by trends in the global economy. Demand for dry bulk vessel capacity is also affected by the operating efficiency of the global fleet, with port congestion, which has been a feature of the market since 2004, absorbing tonnage and therefore leading to a tighter balance between supply and demand. In evaluating demand factors for dry bulk vessel capacity, we believe that dry bulk vessels can be the most versatile element of the global shipping fleets in terms of employment alternatives.

Charter Hire Rates

Charter hire rates fluctuate by varying degrees among vessel size categories. The volume and pattern of trade in a small number of commodities (major bulks) affect demand for larger dry bulk vessels. Therefore, charter rates and vessel values of larger vessels often show greater volatility. Conversely, trade in a greater number of commodities (minor bulks) drives demand for smaller dry bulk vessels. Accordingly, charter rates and vessel values for those vessels are subject to less volatility.

Charter hire rates paid for vessels are primarily a function of the underlying balance between vessel supply and demand, although at times other factors may play a role. Furthermore, the pattern seen in charter rates is broadly mirrored across the different charter types and the different vessel categories. However, because demand for larger dry bulk vessels is affected by the volume and pattern of trade in a relatively small number of commodities, charter hire rates (and vessel values) of larger ships tend to be more volatile than those for smaller vessels.

In the time charter market, rates vary depending on the length of the charter period and vessel specific factors such as age, speed and fuel consumption.

In the voyage charter market, rates are influenced by cargo size, commodity, port dues and canal transit fees, as well as commencement and termination regions. In general, a larger cargo size is quoted at a lower rate per ton than a smaller cargo size. Routes with costly ports or canals generally command higher rates than routes with low port dues and no canals to transit. Voyages with a load port within a region that includes ports where vessels usually discharge cargo or a discharge port within a region with ports where vessels load cargo also are generally quoted at lower rates, because such voyages generally increase vessel utilization by reducing the unloaded portion (or ballast leg) that is included in the calculation of the return charter to a loading area.

In pool arrangements, vessels are pooled together with a group of other similar vessels for economies of scale and the earnings are pooled and distributed to the vessel owners according to a prearranged agreement. Vessels in pool arrangements can be employed in either the time charter market or the spot charter market.

Vessel Prices

The prices of dry bulk vessels continued their increasing course that started in 2021 through the first half of 2022 benefiting from the increased ton-mile following Russia's invasion in Ukraine, however this trend reversed in the second half of the year as a result of the decreased demand due to the fears of a recession in the global economy and extensive Covid-19 related lockdowns in China. In the first half of 2023, the prices of dry bulk vessels stabilized and gradually started to increase following China's decision to rescind its zero-Covid policy and some signs of slowing inflation due to the coordinated action of central banks. However, since June, prices lost some momentum given the increased effective vessel supply and the slower than anticipated freight market recovery. Price declines were observed until the fourth quarter of 2023 when values rebounded once again on the back of stronger demand and soaring freight rates. In 2024 to date, dry bulk vessel prices have been following a significant upswing due to resilient ton-mile demand, limited effective supply of vessels and modest orderbook.

Competition

We operate in markets that are highly competitive and based primarily on supply and demand. We compete for charters on the basis of price, vessel location, size, age and condition of the vessel, as well as on its reputation. Our commercial manager negotiates the terms of our charters (whether voyage charters, period time charters, bareboat charters or pools) based on market conditions. We currently compete primarily with other owners of dry bulk vessels, many of which may have more resources than us and may operate vessels that are newer, and therefore more attractive to charterers than vessels we may operate. Ownership of dry bulk vessels is highly fragmented and is divided among publicly listed companies, state-controlled companies and independent vessel owners.

Customers

Our customers include regional and international companies.

For the period from January 1, 2022 through July 5, 2022, one charterer of the United Maritime Predecessor accounted for 100% of the Predecessor's revenues. During 2022, for the period from commencement of our vessels' operations (July 6, 2022), five of our charterers accounted for 94% of our revenues. During 2023, five of our charterers accounted for 77% of our revenues.

Seasonality

Coal, iron ore and grains, which are the major bulks of the dry bulk shipping industry, are somewhat seasonal in nature. The energy markets primarily affect the demand for coal, with increases during hot summer periods when air conditioning and refrigeration require more electricity and towards the end of the calendar year in anticipation of the forthcoming winter period. The demand for iron ore tends to decline in the summer months because many of the major steel users, such as automobile makers, reduce their level of production significantly during the summer holidays. Grain trades are seasonal as they are driven by the harvest within a climate zone. Because three of the five largest grain producers (the United States of America, Canada and the European Union) are located in the northern hemisphere and the other two (Argentina and Australia) are located in the southern hemisphere, harvests occur throughout the year and grains transportation requires dry bulk shipping accordingly.

Environmental and Other Regulations

Government regulations and laws significantly affect the ownership and operation of our fleet. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures.

A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the United States Coast Guard, or USCG, harbor master or equivalent), classification societies, flag state administrations (countries of registry), terminal operators and charterers. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the temporary suspension of the operation of one or more of our vessels.

Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. We are required to maintain operating standards for our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels has all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations frequently change and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

International Maritime Organization

The IMO, the United Nations agency for maritime safety and the prevention of pollution by vessels, has adopted the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as MARPOL, the International Convention for the Safety of Life at Sea of 1974, or SOLAS Convention, the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, or STCW, and the International Convention on Load Lines of 1966, or LL Convention. MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, the handling and disposal of noxious liquids and the handling of harmful substances in packaged forms. MARPOL is applicable to dry bulk, tanker and LNG carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions.

Resolution A.1049(27) adopted on November 30, 2011 by IMO, and its amendments thereafter, requires all bulk carriers of 500 gt and above, having single-side skin construction and double-side skin construction, regardless of the width of the wing space, and all oil tankers of 500 gt and above, having double hull construction and other than double-hull construction, to complete a survey planning questionnaire and to prepare an Enhanced Survey Programme (ESP), at least six months in advance of the special survey, which will have to be approved by the subject ship's Classification Society. Effective July 1, 2024, amendments to the International Code on the Enhanced Programme of Inspections during Surveys of Bulk Carriers and Oil Tankers, 2011 will become effective, addressing inconsistencies on examination of ballast tanks at annual surveys for bulk carriers and oil tankers.

The ESP, as approved by the ship's Classification Society, is being used as a guideline for shipping companies and owners to prepare their ships for special surveys to maintain the safety of the vessel while at sea or at a port and includes sections related to the thickness measurements of the ship, the use and extent of the ship's coatings and tank pressure testing, among other sections.

We may need to make certain financial expenditures to comply with these and future amendments.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits "deliberate emissions" of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile compounds from cargo tanks, and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, as explained below. Emissions of "volatile organic compounds" from certain vessels, and the shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls, or PCBs) are also prohibited. We believe that our vessels are currently compliant in all material respects with these regulations.

The MEPC adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. Effective January 1, 2020, there has been a global limit of 0.5% m/m sulfur oxide emissions (reduced from 3.50%). This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels, or certain exhaust gas cleaning systems. Ships are required to obtain bunker delivery notes and International Air Pollution Prevention, or IAPP, Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships became effective on March 1, 2020. Additional amendments to Annex VI became effective in April 2022, and revise, among other terms, the definition of "Sulphur content of fuel oil" and "low-flashpoint fuel" and pertaining to the sampling and testing of onboard fuel oil. These regulations subject ocean-going vessels to stringent emissions controls and may cause us to incur substantial costs.

Sulfur content standards are even stricter within certain "Emission Control Areas," or ECAs. As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1%. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated four ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area and United States Caribbean Sea area. Ocean-going vessels in these areas are subject to stringent emission controls. Recently at the MEPC78, the IMO approved a proposal for a new ECA for the Mediterranean Sea as a whole. These amendments will enter into force on May 1, 2024, however ships operating in this ECA will be exempted from compliance with the 0.1% m/m sulfur content standard for fuel oil until July 1, 2025. If other ECAs are approved by the IMO (e.g., in Japan and around the whole of the EU waters), or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency, or EPA, or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

Amended Annex VI also establishes new tiers of stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. Now Annex VI provides for a three-tier reduction in NOx emissions from marine diesel engines, with the final tier (or Tier III) to apply to engines installed on vessels constructed on or after January 1, 2016 and which operate in the North American ECA or the U.S. Caribbean Sea ECA as well as ECAs designated in the future by the IMO. At MEPC 70 and MEPC 71, the MEPC approved the North Sea and Baltic Sea as ECAs for nitrogen oxide (also known as NECAs) for ships built after January 1, 2021. The EPA promulgated equivalent (and in some senses stricter) emissions standards in late 2009. Additionally, amendments to Annex II, which strengthen discharge requirements for cargo residues and tank washings in specified sea areas (including North West European waters, Baltic Sea area, Western European waters and Norwegian Sea), came into effect in January 2021.

Regulation 22A of MARPOL Annex VI became effective as of March 1, 2018 and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection commencing on January 1, 2019. The IMO intends to use such data as the first step in its roadmap (through 2023) for developing its strategy to reduce greenhouse gas emissions from ships, as discussed further below.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships. All ships are now required to develop and implement Ship Energy Efficiency Management Plans, or SEEMP, and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index, or EEDI. Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014. Additionally, MEPC 75 adopted amendments to MARPOL Annex VI bringing forward the effective date of the EEDI's "phase 3" requirements to April 1, 2022, for several ship types, including gas carriers, general cargo ships, and LNG carriers.

Additionally, MEPC 76 adopted amendments requiring ships of 5,000 gross tonnage and above to revise their SEEMP to include methodology for calculating the ship's attained annual operation CII and the required annual operational CII, on or before June 1, 2023. MEPC 76 also approved amendments to MARPOL Annex I to prohibit the use and carriage for use as fuel of heavy fuel oil ("HFO") by ships in Arctic waters on and after July 1, 2024. MEPC 77 adopted a non-binding resolution which urges Member States and ship operators to voluntarily use distillate or other cleaner alternative fuels or methods of propulsion that are safe for ships and could contribute to the reduction of black carbon emissions from ships when operating in or near the Arctic.

MEPC 79 adopted amendments to Annex VI on the reporting of mandatory values related to the implementation of the IMO short-term GHG reduction measure, including attained EEXI, CII and rating values to the IMO DCS, which will become effective May 1, 2024. MEPC 80 adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships with enhanced targets to mitigate harmful emissions. The revised IMO GHG Strategy comprises a common ambition to ensure an uptake of alternative zero and near-zero GHG fuels by 2030 and to achieve net-zero emissions from international shipping by 2050. MEPC 81 will take place in spring 2024 in which the IMO will decide on the market-based mechanism to reach the emission reduction targets—either through a global emissions trading scheme for shipping or a global carbon levy.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Safety Management System Requirements

The SOLAS Convention was amended to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims, or the LLMC, sets limitations of liability for a loss of life or personal injury claim or a property claim against ship owners. We believe that our vessels are in substantial compliance with SOLAS and LLMC standards.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention, or the ISM Code, our operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. We rely upon the safety management system that we and our technical management team have developed for compliance with the ISM Code. The failure of a vessel owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

Amendments to SOLAS chapter II-2, intended to prevent the supply of oil fuel not complying SOLAS flashpoint requirements, requiring that ships carrying oil fuel must, prior to bunkering, be provided with a declaration certifying that the oil fuel supplied is in conformity with regulation SOLAS II.2/4.2.1, will enter into effect January 1, 2026.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. We have obtained applicable documents of compliance for our offices and safety management certificates for our vessels for which the certificates are required by the IMO. The document of compliance and safety management certificate are renewed as required.

Regulation II-1/3-10 of the SOLAS Convention governs ship construction and stipulates that ships over 150 meters in length must have adequate strength, integrity, and stability to minimize risk of loss or pollution. Goal-based standards amendments in SOLAS regulation II-1/3-10 entered into force in 2012, with July 1, 2016, set for application to new oil tankers and bulk carriers. The SOLAS Convention regulation II-1/3-10 on goal-based ship construction standards for bulk carriers and oil tankers requires that all oil tankers and bulk carriers of 150 meters in length and above, for which the building contract is placed on or after July 1, 2016, satisfy applicable structural requirements conforming to the functional requirements of the International Goal-based Ship Construction Standards for Bulk Carriers and Oil Tankers, or GBS Standards. Effective July 1, 2024, amendments to the International Code on the Enhanced Programme of Inspections during Surveys of Bulk Carriers and Oil Tankers, 2011 will become effective, addressing inconsistencies on examination of ballast tanks at annual surveys for bulk carriers and oil tankers.

Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code, or IMDG Code. Effective January 1, 2018, the IMDG Code includes (1) updates to the provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) new marking, packing and classification requirements for dangerous goods, and (3) new mandatory training requirements. Amendments which took effect on January 1, 2020, also reflect the latest material from the UN Recommendations on the Transport of Dangerous Goods, including (1) new provisions regarding IMO type 9 tank, (2) new abbreviations for segregation groups; and (3) special provisions for carriage of lithium batteries and of vehicles powered by flammable liquid or gas. Amendments to the IMDG Code relating to segregation requirements for certain substances, and classification and transport of carbon came into effect in June 2022. Updates to the IMDG Code, in line with the updates to the United Nations Recommendations on the Transport of Dangerous Goods, which set the recommendations for all transport modes, became effective on January 1, 2024.

The IMO has also adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, or STCW. As of February 2017, all seafarers are required to meet the STCW standards and be in possession of a valid STCW certificate. Flag states that have ratified SOLAS and STCW generally employ the classification societies, which have incorporated SOLAS and STCW requirements into their class rules, to undertake surveys to confirm compliance.

Actions by the IMO's Maritime Safety Committee and United States agencies indicate that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. For example, effective January 2021, cyber-risk management systems must be incorporated by shipowners and managers. This might cause companies to create additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The impact of such regulations is hard to predict at this time.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the IMO adopted the International Convention for the Control and Management of Ships' Ballast Water and Sediments, or the BWM Convention, in 2004. The BWM Convention entered into force globally on September 8, 2017. The BWM Convention requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of new or invasive aquatic organisms and pathogens within ballast water and sediments. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits, and require all ships to carry a ballast water record book and an international ballast water management certificate.

The IMO adopted the International Convention on Civil Liability for Oil Pollution Damage of 1969, as amended by different Protocols in 1976, 1984, and 1992, and amended in 2000, the CLC. Under the CLC and depending on whether the country in which the damage results is a party to the 1992 Protocol to the CLC, a vessel's registered owner may be strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject to certain exceptions. The 1992 Protocol changed certain limits on liability expressed using the International Monetary Fund currency unit, the Special Drawing Rights. The limits on liability have since been amended so that the compensation limits on liability were raised. The right to limit liability is forfeited under the CLC where the spill is caused by the shipowner's actual fault and under the 1992 Protocol where the spill is caused by the shipowner's intentional or reckless act or omission where the shipowner knew pollution damage would probably result. The CLC requires ships over 2,000 tons covered by it to maintain insurance covering the liability of the owner in a sum equivalent to an owner's liability for a single incident. We have protection and indemnity insurance for environmental incidents. P&I Clubs in the International Group issue the required Bunkers Convention "Blue Cards" to enable signatory states to issue certificates. We will ensure that our vessels are in possession of a CLC State issued certificate attesting that the required insurance coverage is in force as required by law.

The IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage, or the Bunker Convention, to impose strict liability on ship owners (including the registered owner, bareboat charterer, manager or operator) for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the LLMC). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

Ships are required to maintain a certificate attesting that they maintain adequate insurance to cover an incident. In jurisdictions such as the United States where the Bunker Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or on a strict-liability basis.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the "Anti-fouling Convention" which entered into force in September 2008, and prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced. In 2023, amendments to the Anti-fouling Convention came into effect which include controls on the biocide cybutryne; ships shall not apply or re-apply anti-fouling systems containing this substance from January 1, 2023. We have obtained Anti-fouling System Certificates for our vessels that are subject to the Anti-fouling Convention. MEPC 76 adopted amendments to the Anti-fouling Convention to include controls on the biocide cybutryne; ships shall not apply or re-apply anti-fouling systems containing that substance starting January 1, 2023. The amendments require ships to remove this substance or apply a coating to anti-fouling systems with this substance, at the next scheduled renewal of the anti-fouling system after January 1, 2023.

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and European Union authorities have indicated that vessels not in compliance with the ISM Code by applicable deadlines will be prohibited from trading in U.S. and European Union ports, respectively. As of the date of this annual report, our vessels are ISM Code certified. However, there can be no assurance that such certificates will be maintained in the future. The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

United States Regulations

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990, or OPA, established an extensive regulatory and liability regime for the protection and clean-up of the environment from oil spills. OPA affects all "owners and operators" whose vessels trade or operate within the U.S., its territories and possessions or whose vessels operate in U.S. waters, which includes the U.S.'s territorial sea and its 200 nautical mile exclusive economic zone around the U.S. The U.S. has also enacted the Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, which applies to the discharge of hazardous substances other than oil, except in limited circumstances, whether on land or at sea. OPA and CERCLA both define "owner and operator" in the case of a vessel as any person owning, operating or chartering by demise, the vessel. Both OPA and CERCLA impact our operations.

Under OPA, vessel owners and operators are "responsible parties" and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third-party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers (fuel). OPA defines these other damages broadly to include:

- (i) injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;
- (ii) injury to, or economic losses resulting from, the destruction of real and personal property;
- (iii) loss of subsistence use of natural resources that are injured, destroyed or lost;
- (iv) net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;
- (v) lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and

- (vi) net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct clean-up costs. On December 23, 2022, the USCG adjusted the limits of OPA liability for a tank vessel, other than a single-hull tank vessel, over 3,000 gross tons to the greater of \$2,500 per gross ton or \$21,521,300; for a single-hull tank vessel, over 3,000 gross tons to the greater of \$4,000 per gross ton or \$29,591,300; and for a non-tank vessel, over to the greater of \$1,300 per gross ton or \$1,076,000 (subject to periodic adjustment for inflation). These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for clean-up, removal and remedial costs, as well as damages for injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing the same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third-party, an act of God or an act of war. Liability under CERCLA is limited to the greater of \$300 per gross ton or \$5.0 million for vessels carrying a hazardous substance as cargo and the greater of \$300 per gross ton or \$500,000 for any other vessel. These limits do not apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a hazardous substance resulted from willful misconduct or negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA and CERCLA both require owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We comply and plan to comply going forward with the USCG's financial responsibility regulations by providing applicable certificates of financial responsibility.

The 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including higher liability caps under OPA, new regulations regarding offshore oil and gas drilling, and a pilot inspection program for offshore facilities. However, several of these initiatives and regulations have been or may be revised. For example, the U.S. Bureau of Safety and Environmental Enforcement's, or BSEE, revised Production Safety Systems Rule, or PSSR, effective December 27, 2018, modified and relaxed certain environmental and safety protections under the 2016 PSSR. Additionally, the BSEE released a final Well Control Rule, which eliminated a number of provisions which could affect offshore drilling operations. Compliance with any new requirements of OPA and future legislation or regulations applicable to the operation of our vessels could negatively impact the cost of our operations and adversely affect our business.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA and some states have enacted legislation providing for unlimited liability for oil spills. Many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states which have enacted this type of legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. The Company intends to comply with all applicable state regulations in the ports where the Company's vessels call.

We currently maintain pollution liability coverage insurance in the amount of \$1 billion per incident for our vessel. If the damages from a catastrophic spill were to exceed our insurance coverage, that could have an adverse effect on our business and results of operation.

Other United States Environmental Initiatives

The U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990), or CAA, requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA requires states to adopt State Implementation Plans, or SIPs, some of which regulate emissions resulting from vessel loading and unloading operations which may affect our vessels.

The U.S. Clean Water Act, or CWA, prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly issued permit or exemption, and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. In 2015, the EPA expanded the definition of “waters of the United States,” or WOTUS, thereby expanding federal authority under the CWA. On December 30, 2022, the EPA and U.S. Army Corps of Engineers announced the revised WOTUS rule, which was published on January 18, 2023. In August 2023, the EPA and Department of the Army issued a final rule to amend the revised WOTUS definition to conform the definition of WOTUS to the U.S. Supreme Court’s interpretation of the Clean Water Act in its decision dated May 25, 2023. The final rule became effective September 8, 2023 and operates to limit the Clean Water Act.

The EPA and the USCG have also enacted rules relating to ballast water discharge, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels from entering U.S. Waters. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to VIDA, which was signed into law on December 4, 2018 and requires that the U.S. Coast Guard develop implementation, compliance, and enforcement regulations regarding ballast water. It is intended to replace the VGP scheme and streamline the patchwork of federal, state, and local requirements for the commercial vessel community. The EPA has indicated that new federal discharge standards for vessels may be published in autumn 2024. In the meantime, the agency has seemingly strengthened its inspection and enforcement efforts to ensure compliance with the extended VGP scheme and warns that non-compliance can result in significant penalties. The VIDA gave the EPA two years to develop new national discharge standards for vessels and the U.S. Coast Guard another two years to develop regulations and best management practices to implement and enforce those standards. VIDA also specifies that the provisions of the VGP will continue to apply until EPA and the U.S. Coast Guard publish their final regulations, regardless of how long that takes, and that the permit cannot be modified during that time. On October 26, 2020, the EPA published a Notice of Proposed rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA, and in November 2020, held virtual public meetings. On October 18, 2023, the EPA published a Supplemental Notice to the Vessel Incidental Discharge National Standards of Performance, which shares new ballast water information that the EPA received from the USCG. Comments to the Supplemental Notice were due by December 18, 2023. Under VIDA, all provisions of the 2013 VGP and USCG ballast water regulations remain in force and effect as currently written until the EPA publishes standards. Several U.S. states have added specific requirements to the Vessel General Permit and, in some cases, may require vessels to install ballast water treatment technology to meet biological performance standards. In addition, several U.S. states have added specific requirements to the VGP, including submission of a Notice of Intent, or NOI, or retention of a PARI form and submission of annual reports. Any upcoming rule changes may have a financial impact on our vessels and may result in our vessels being banned from calling in US in case compliance issues arise.

European Union Regulations

In October 2009, the European Union amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or that of the ship is in danger. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 (amended by Regulation (EU) 2016/2071 with respect to methods of calculating, inter alia, emission and consumption) governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually, which may cause us to incur additional expenses. As of January 2019, large ships calling at EU ports have been required to collect and publish data on carbon dioxide emissions and other information. The system entered into force on 1 March 2018. July 2020 saw the European Parliament's Committee on Environment, Public Health and Food Safety vote in favor of the inclusion of vessels of 5,000 gross tons and above in the EU Emissions Trading System (in addition to voting for a revision to the monitoring, reporting and verification of CO₂ emissions). In April 2023, the European Parliament adopted the proposal from the European Commission to amend the regulation on monitoring carbon dioxide emissions from maritime transport.

On July 14, 2021, the European Commission published a package of draft proposals as part of its 'Fit for 55' environmental legislative agenda and as part of the wider EU Green Deal growth strategy. There are two key initiatives relevant to maritime arising from the proposals: (a) a bespoke emissions trading scheme for the maritime sector (Maritime ETS) which commenced in 2024 and which applies to all ships above a gross tonnage of 5,000; and (b) a FuelEU regulation which seeks to require all ships above a gross tonnage of 5,000 to carry on board a 'FuelEU certificate of compliance' from 30 June 2025 as evidence of compliance with the limits on the greenhouse gas intensity of the energy used on-board by a ship and with the requirements on the use of on-shore power supply (OPS) at berth. More specifically, following trialogue negotiations and a vote in December 2023, the EU's legislative bodies have reached an agreement on Maritime ETS. Maritime ETS applies fully to 5,000 GT ships transporting cargo or passengers for commercial purposes on a phased basis. This means that shipping companies will have to surrender 40% of allowances for 2024 in the year 2025; 70% of allowances for 2025 in the year 2026; and 100% of allowances for the year 2026 in the year 2027 and pay for emissions for the previous compliance year. Furthermore, the scope of emissions will now include not only CO₂ but also methane and nitrous oxides with a view to widening the list of greenhouse gases from 2026. The size of ships falling within ETS will also be expanded from 2027 to include ships between 400 GT and 5,000 GT. Offshore ships will be included from 2027. The cap under the ETS would be set by taking into account EU MRV system emissions data for the years 2018 and 2019, adjusted, from year 2021 and is to capture 100% of the emissions from intra-EU maritime voyages; 100% of emissions from ships at berth in EU ports; and 50% of emissions from voyages which start or end at EU ports (but the other destination is outside the EU). The EU Parliament also voted to approve an amendment for 100% of non-EU emissions to be caught if the IMO does not introduce a global market-based measure by 2028. Maritime allowances will be auctioned and there will be no free allocation. The FuelEU regulation was passed into law on July 25, 2023 and will apply from January 1, 2025.

Responsible recycling and scrapping of ships are becoming increasingly important issues for shipowners and charterers alike as the industry strives to replace old ships with cleaner, more energy efficient models. The recognition of the need to impose recycling obligations on the shipping industry is not new. In 2009, the IMO oversaw the creation of the Hong Kong Ship Recycling Convention (the "Hong Kong Convention"), which sets standards for ship recycling. The Convention was recently ratified and is due to enter into force on June 26, 2025. The EU published its own Ship Recycling Regulation 1257/2013 (SRR) in 2013, with a view to facilitating early ratification of the Hong Kong Convention both within the EU and in other countries outside the EU. As the Hong Kong Convention has yet to come into force, the 2013 regulations are vital to responsible ship recycling in the EU. SRR requires that, from 31 December 2020, all existing ships sailing under the flag of EU member states and non-EU flagged ships calling at an EU port or anchorage must carry on-board an Inventory of Hazardous Materials (IHM) with a certificate or statement of compliance, as appropriate. For EU-flagged vessels, a certificate (either an Inventory Certificate or Ready for Recycling Certificate) will be necessary, while non-EU flagged vessels will need a Statement of Compliance.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age, and flag as well as the number of times the ship has been detained. The European Union also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the European Union with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply. Furthermore, the EU has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. Since January 1, 2015, vessels have been required to burn fuel with sulfur content not exceeding 0.1% while within EU member states' territorial seas, exclusive economic zones and pollution control zones that are included in "SOx Emission Control Areas." EU Directive (EU) 2016/802 establishes limits on the maximum sulfur content of gas oils and heavy fuel oil and contains fuel-specific requirements for ships calling at EU ports.

EU Directive 2004/35/CE (as amended) regarding the prevention and remedying of environmental damage addresses liability for environmental damage (including damage to water, land, protected species and habitats) on the basis of the "polluter pays" principle. Operators whose activities caused the environmental damage are liable for the damage (subject to certain exceptions). With regard to specified activities causing environmental damage, operators are strictly liable. The directive applies where damage has already occurred and where there is an imminent threat of damage. The directive requires preventative and remedial actions, and that operators report environmental damage or an imminent threat of such damage.

On November 10, 2022, the EU Parliament adopted the Corporate Sustainability Reporting Directive ("CSRD"). EU member states have 18 months to integrate it into national law. The CSRD will create new, detailed sustainability reporting requirements and will significantly expand the number of EU and non-EU companies subject to the EU sustainability reporting framework. The required disclosures will go beyond environmental and climate change reporting to include social and governance matters (for example, respect for employee and human rights, anti-corruption and bribery, corporate governance and diversity and inclusion). In addition, it will require disclosure regarding the due diligence processes implemented by a company in relation to sustainability matters and the actual and potential adverse sustainability impacts of an in-scope company's operations and value chain. The CSRD will begin to apply for financial years starting in 2024 to large EU and non-EU undertakings subject to certain financial and employee thresholds being met. New systems, personnel, data management systems and reporting procedures will have to be put in place, at significant cost, to prepare for and manage the administrative aspect of CSRD compliance.

International Labor Organization

The International Labor Organization, or the ILO, is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006, or MLC 2006. A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with the MLC 2006 for all ships above 500 gross tons in international trade. We believe that our vessels are in substantial compliance with and are certified to meet MLC 2006.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change (this task having been delegated to the IMO), which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions with targets extended through 2020. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. The United States rejoined the Paris Agreement in February 2021.

At MEPC 70 and MEPC 71, a draft outline of the structure of the initial strategy for developing a comprehensive IMO strategy on reduction of greenhouse gas emissions from ships was approved. In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. At MEPC 80 in July 2023, the IMO adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, which identifies a number of levels of ambition, including (1) decreasing the carbon intensity from ships through implementation of further phases of energy efficiency for new ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030; and (3) pursuing net-zero GHG emissions by or around 2050. These regulations could cause us to incur additional substantial expenses.

IMO's MEPC 76 adopted amendments to Annex VI that will require ships to reduce their greenhouse gas emissions. Effective January 2023, the Revised MARPOL Annex VI includes carbon intensity measures (requirements for ships to calculate their Energy Efficiency Existing Ship Index (EEXI) following technical means to improve their energy efficiency and to establish their annual operational carbon intensity indicator and rating (CII). MEPC 76 also adopted guidelines to support implementation of the amendments. The EEXI is part of the technical approach taken by IMO to improve the operational efficiency of existing ships. The EEXI measures apply to newbuild ships and all existing ships above 400 GT and CII requirements apply to all ships of 5,000 GT or above. Ships to which the regulation applies will be required to calculate EEXI value of each individual ship (i.e., attained EEXI) and the value shall be equal to or less than the allowable maximum value (i.e., required EEXI). Furthermore, if attained EEXI cannot satisfy the required EEXI, the ship should implement any countermeasures, such as shaft/engine power limitation, retrofitting energy saving devices, etc. These amendments are in line with the IMO Greenhouse gas strategy of reducing the carbon intensity of shipping to at least 40% by 2030 & 70% by 2050 compared to 2008 levels and require ships to incorporate a technical and operational approach to reduce carbon intensity and total Greenhouse gas emissions. MEPC 79 adopted amendments to Annex VI on the reporting of mandatory values related to the implementation of the IMO short-term GHG reduction measure, including attained EEXI, CII and rating values to the IMO DCS, which will become effective May 1, 2024.

This means that the first annual reporting was to be completed in 2023, with the first rating to be awarded in 2024. The CII regulations state that a ship rated D for three consecutive years or E for one year will be required to submit a corrective action plan (CAP) showing how C or above will be achieved. Enforcement is expected to become more stringent from 2026 when the CII regulations are expected to be reviewed by the IMO.

As noted above, the 70th MEPC meeting in October 2016 adopted a mandatory data collection system (DCS) which requires ships above 5,000 gross tons to report consumption data for fuel oil, hours under way and distance travelled. Unlike the EU MRV (see below), the IMO DCS covers any maritime activity carried out by ships, including dredging, pipeline laying, ice-breaking, fish-catching and off-shore installations. The SEEMPs of all ships covered by the IMO DCS must include a description of the methodology for data collection and reporting. After each calendar year, the aggregated data are reported to the flag state. If the data have been reported in accordance with the requirements, the flag state issues a statement of compliance to the ship. Flag states subsequently transfer this data to an IMO ship fuel oil consumption database, which is part of the Global Integrated Shipping Information System (GISIS) platform. IMO will then produce annual reports, summarizing the data collected. Thus, currently, data related to the GHG emissions of ships above 5,000 gross tons calling at ports in the European Economic Area (EEA) must be reported in two separate, but largely overlapping, systems: the EU MRV – which applies since 2018 – and the IMO DCS – which applies since 2019. The proposed revision of Regulation (EU) 2015/757 adopted on 4 February 2019 aims to align and facilitate the simultaneous implementation of the two systems however it is still not clear when the proposal will be adopted.

In 2021, the EU adopted a European Climate Law (Regulation (EU) 2021/1119), establishing the aim of reaching net zero greenhouse gas emissions in the EU by 2050, with an intermediate target of reducing greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. In July 2021, the European Commission launched the Fit for 55 (described above) to support the climate policy agenda. As of January 2019, large ships calling at EU ports have been required to collect and publish data on carbon dioxide emissions and other information.

In the United States, the EPA issued a finding that greenhouse gases endanger the public health and safety, adopted regulations to limit greenhouse gas emissions from certain mobile sources, and proposed regulations to limit greenhouse gas emissions from large stationary sources. The EPA or individual U.S. states could enact environmental regulations that could negatively affect our operations.

Furthermore, on January 1, 2024 the EU Emissions Trading Scheme, or the ETS, for ships sailing into and out of EU ports came into effect, and the FuelEU Maritime Regulation is expected to come into effect on January 1, 2025. The ETS is to apply gradually over the period from 2024 to 2026. 40% of allowances would have to be surrendered in 2025 for the year 2024; 70% of allowances would have to be surrendered in 2026 for the year 2025; and 100% of allowances would have to be surrendered in 2027 for the year 2026. Compliance is to be on a companywide (rather than per ship) basis and “shipping company” is defined widely to capture both the ship owner and any contractually appointed commercial operator/ship manager/bareboat charterer who has assumed all duties and responsibilities for the ship under the ISM Code, as well as the responsibility for full compliance under ETS. If the latter contractual arrangement is entered into this needs to be reflected in a certified mandate signed by both parties and presented to the administrator of the scheme. The cap under the ETS would be set by taking into account EU MRV system emissions data for the years 2018 and 2019, adjusted, from year 2021 and is to capture 100% of the emissions from intra-EU maritime voyages; 100% of emissions from ships at berth in EU ports and 50% of emissions from voyages which start or end at EU ports (but the other destination is outside the EU). Furthermore, the newly passed EU Emissions Trading Directive 2023/959/EC makes clear that all maritime allowances would be auctioned and there will be no free allocation. 78.4 million emissions allowances are to be allocated specifically to maritime. If we do not have allowances, we will be forced to purchase allowances from the market, which can be costly, especially if other shipping companies are similarly looking to do the same. New systems, personnel, data management systems, costs recovery mechanisms, revised service agreement terms and emissions reporting procedures will have to be put in place, at significant cost, to prepare for and manage the administrative aspect of ETS compliance. The cost of compliance, and of our future EU emissions and costs to purchase an allowance for emissions (if we must purchase in order to comply) are unknown and difficult to predict, and are based on a number of factors, including the size of our fleet, our trips within and to and from the EU, and the prevailing cost of allowances.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol or Paris Agreement, that restricts emissions of greenhouse gases could require us to make significant expenditures which we cannot predict with certainty at this time. Even in the absence of climate control legislation, our business may be indirectly affected to the extent that climate change may result in sea level changes or certain weather events.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001 in the United States, there have been a variety of initiatives intended to enhance vessel security such as the U.S. Maritime Transportation Security Act of 2002, or MTSA. To implement certain portions of the MTSA, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities, some of which are regulated by the EPA.

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facilities Security Code, or the ISPS Code. The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate, or ISSC, from a recognized security organization approved by the vessel's flag state. Ships operating without a valid certificate may be detained, expelled from, or refused entry at port until they obtain an ISSC. The various requirements, some of which are found in the SOLAS Convention, include, for example, on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship's identity, position, course, speed and navigational status; on-board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore; the development of vessel security plans; ship identification number to be permanently marked on a vessel's hull; a continuous synopsis record kept onboard showing a vessel's history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and compliance with flag state security certification requirements.

The USCG regulations, intended to align with international maritime security standards, effectively exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISCC that attests to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code. Future security measures could have a significant negative financial impact on us. We intend to comply with the various security measures addressed by MTSA, the SOLAS Convention and the ISPS Code.

The cost of vessel security measures has also been affected by the escalation in the frequency of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area. Substantial loss of revenue and other costs may be incurred as a result of detention of a vessel or additional security measures, and the risk of uninsured losses could significantly and negatively affect our business. Costs may be incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP5 industry standard.

Inspection by Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Most insurance underwriters make it a condition for insurance coverage and lending that a vessel be certified "in class" by a classification society which is a member of the International Association of Classification Societies, the IACS. Our vessels are certified as being "in class" by their respective Classification Societies.

A vessel must undergo annual surveys, intermediate surveys, drydockings and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Every vessel above 15 years of age is also required to be drydocked every 30 to 36 months for inspection of the underwater parts of the vessel. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable which could cause us to be in violation of certain covenants in our loan agreements. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and results of operations.

Risk of Loss and Liability Insurance

General

The operation of any cargo vessel includes risks such as mechanical failure, physical damage, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, piracy incidents, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. OPA, which imposes virtually unlimited liability upon shipowners, operators and bareboat charterers of any vessel trading in the exclusive economic zone of the United States for certain oil pollution accidents in the United States, has made liability insurance more expensive for shipowners and operators trading in the United States market. We carry insurance coverage as customary in the shipping industry. However, not all risks can be insured, specific claims may be rejected and we might not be always able to obtain adequate insurance coverage at reasonable rates.

Hull & Machinery and War Risks Insurances

We maintain marine hull and machinery and war risks insurances, which include the risk of actual or constructive total loss, for our vessel. Each of our vessels is covered up to at least its fair market value with deductibles ranging between \$125,000 and \$150,000 per incident. We also maintain increased value coverage for our vessels. Under this increased value coverage, in the event of total loss of a vessel, we will be able to recover the sum insured under the increased value policy in addition to the sum insured under the hull and machinery policy. Increased value insurance also covers excess liabilities which are not recoverable under our hull and machinery policy by reason of under insurance.

Protection and Indemnity Insurance

Protection and indemnity insurance, provided by mutual protection and indemnity associations, or P&I Associations, covers our third-party liabilities in connection with our shipping activities. This includes related expenses of injury, illness or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property such as fixed and floating objects, pollution arising from oil or other substances, salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations, or “clubs.”

Our coverage limit is as per International Group's rules, where there are standard sub-limits for oil pollution at \$1 billion, passenger liability at \$2 billion and seamen liabilities at \$3 billion. The 12 P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities in excess of each association's own retention of \$10 million up to, currently, approximately \$8.9 billion. As a member of a P&I Association, which is a member of the International Group, we are subject to calls payable to the associations based on our claim records as well as the claim records of all other members of the individual associations and members of the shipping pool of P&I Associations comprising the International Group.

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our vessels. The kinds of permits, licenses and certificates required depend upon several factors, including the commodity transported, the waters in which our vessels operate, the nationality of the vessels' crew and the age of a vessel. We believe that we have obtained all permits, licenses and certificates currently required to permit our vessels to operate as planned. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of us doing business in the future.

C. Organizational Structure

We are a Marshall Islands corporation. Our significant wholly owned subsidiaries as of December 31, 2023 are listed in Exhibit 8.1 to this annual report on Form 20-F.

D. Property, Plants and Equipment

We do not own any real estate property. We maintain our principal executive offices at 154 Vouliagmenis Avenue, 166 74 Glyfada, Greece. Other than our vessels, we do not have any material property. See “*Item 4.B. Business Overview - Our Current Fleet.*”

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of the results of our operations and our financial condition should be read in conjunction with the financial statements and the notes to those statements included in “Item 18. Financial Statements.” We were incorporated under the laws of the Republic of the Marshall Islands on January 20, 2022 and did not commence operations until the consummation of the Spin-Off on July 5, 2022. For periods from January 1, 2022 up to July 5, 2022, the accompanying financial statements reflect the financial position and results of the carve-out operations of United Maritime Predecessor. For period from January 20, 2022 up to December 31, 2022 and for the year ended December 31, 2023, the accompanying financial statements reflect the financial position and results of United Maritime Corporation and of its consolidated subsidiaries.

This discussion contains forward-looking statements that involve risks, uncertainties, and assumptions. Actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth in "Item 3. Key Information–D. Risk Factors."

A. Operating Results

Principal Factors Affecting Our Business

The principal factors that affect our financial position, results of operations and cash flows include the following:

- number of vessels owned and operated;
- voyage charter rates;
- time charter trip rates;
- period time charter rates;
- the nature and duration of our voyage charters;
- vessels repositioning;
- vessel operating expenses and direct voyage costs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- issuance of our common shares and other securities;
- amount of debt obligations; and
- financing costs related to debt obligations.

We are also affected by the types of charters we enter into. Vessels operating on period time charters and bareboat time charters provide more predictable cash flows, but can yield lower profit margins than vessels operating in the spot charter market, either on trip time charters or voyage charters, during periods characterized by favorable market conditions.

Vessels operating in the spot charter market or on index-linked time charters generate revenues that are less predictable, but can yield increased profit margins during periods of improvements in dry bulk rates. Spot charters also expose vessel-owners to the risk of declining dry bulk rates and rising fuel costs in case of voyage charters.

Critical Accounting Policies

Critical accounting policies are those that are both most important to the portrayal of the company's financial condition and results, and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. We have described in Item 5. Operating and Financial Review and Prospects – E. Critical Accounting Estimates our critical accounting policies, because they potentially result in material different results under different assumptions and conditions. For a description of all our significant accounting policies, see Note 2 to our annual audited financial statements included in this annual report.

Results of Operations of United Maritime Corporation

(In thousands of U.S. Dollars, except for share and per share data)

	Year ended December 31, 2023	For the period from January 20, 2022 (date of inception) through December 31, 2022	Change	
			Amount	%
Revenues:				
Vessel revenue, net	36,067	22,784	13,283	58%
Expenses:				
Voyage expenses	(3,107)	(5,245)	2,138	(41)%
Vessel operating expenses	(20,338)	(5,179)	(15,159)	293%
Management fees-related party	(1,421)	(285)	(1,136)	399%
Management fees	(545)	(241)	(304)	126%
General and administration expenses	(6,018)	(5,524)	(494)	9%
Depreciation and amortization	(9,363)	(1,903)	(7,460)	392%
Gain on sale of vessel, net	11,804	36,095	(24,291)	(67)%
Operating income	7,079	40,502	(33,423)	(83)%
Other income / (expenses), net:				
Interest and finance costs	(7,183)	(2,452)	(4,731)	193%
Interest and other income	542	39	503	1,290%
Loss on extinguishment of debt	(85)	(593)	508	(86)%
Other, net	(132)	(6)	(126)	2,100%
Total other expenses, net:	(6,858)	(3,012)	(3,846)	128%
Net income	221	37,490	(37,269)	(99)%
Net income attributable to common stockholders	126	35,086	(34,960)	(100)%
Net income per common share				
Basic	0.02	7.79		
Diluted	0.02	4.92		
Weighted average number of common shares outstanding				
Basic	8,359,487	4,503,397		
Diluted	8,359,487	7,299,561		

Results of Operations of United Maritime Predecessor

(In thousands of U.S. Dollars)

For the period
from January 1,
2022 through July
5, 2022

Revenues:

Vessel revenue, net	2,327

Expenses:

Voyage expenses	(440)
Vessel operating expenses	(1,100)
Management fees – related party	(136)
Management fees	(66)
General and administrative expenses	(341)
Depreciation and amortization	(667)
Operating loss	(423)
Other (expenses) / income, net:	
Interest and finance costs	(324)
Other, net	10
Total other expenses, net	(314)
Net loss	(737)

Year ended December 31, 2023 as compared to Period from July 5, 2022 through December 31, 2022 (2022 Company Period) and Period from January 1, 2022 through July 5, 2022 (2022 Predecessor Period)

Vessel Revenue, Net – Vessel revenue, net increased by \$11.0 million or 44% in 2023 and is mainly attributable to the increase in the size of our fleet resulting to an increase of operating days from 726 days in 2022 to 2,143 days in 2023. This increase was partially offset by a decrease in TCE rate in 2023 compared of that of 2022. Please see the reconciliation of TCE rate to net revenues from vessels, the most directly comparable U.S. GAAP measure in “Item 5. Operating and Financial Review and Prospects – D. Trend Information – Key Performance Indicators”.

Voyage Expenses – Voyage expenses amounted to \$3.1 million in 2023 and \$5.7 million in 2022. The decrease is attributed to the 114 operating days that our fleet was chartered in the spot market in 2022 compared to 44 days in 2023, during which such expenses are borne by the owners. The decrease was partially offset by the increase in bunkers’ consumption during the ballast period until the delivery of the vessels to the charterers and the increased brokerage commission as a result of the increase in the size of our fleet.

Vessel Operating Expenses – Vessel operating expenses amounted to \$20.3 million in 2023 and \$6.3 million in 2022. The increase is primarily attributable to the increase in ownership days from 800 ownership days in 2022 to 2,339 in 2023.

Management Fees – related party – Management fees to related party amounted to \$1.4 million in 2023 and \$0.4 million in 2022. The increase is related to the increase in ownership days for vessels that were under related parties’ management, from 365 days in 2022 to 1,208 days in 2023.

Management Fees – Management fees amounted to \$0.5 million in 2023 and \$0.3 million in 2022. The increase in 2023 is attributable to the increase in ownership days for vessels under third party management from 435 days in 2022 to 1,131 days in 2023.

General and Administrative Expenses – General and administrative expenses amounted to \$6.0 million and \$5.9 million in 2023 and 2022, respectively.

Depreciation and amortization – Depreciation and amortization amounted to \$9.4 million in 2023 and \$2.6 million in 2022. The increase is attributable to the increase in ownership days from 800 days in 2022 to 2,339 days in 2023. Three vessels underwent drydocking in 2023.

Gain on sale of vessels – The gain of \$11.8 million recorded in the year ended December 31, 2023 is attributable to the sale of the M/T Epanastasea in August 2023. An aggregate amount of \$0.4 million was paid to Seenergy Management for this sale in 2023, representing 1% of the gross sale price. The gain of \$36.1 million in the year ended December 31, 2022 is attributable to the sale of three tanker vessels. An aggregate \$1 million commission fee was paid to Seenergy Management for the sale of the tankers in 2022, which was offset against the respective gain.

Interest and Finance Costs – Interest and finance cost amounted to \$7.2 million in 2023 and \$2.8 million in 2022. The increase is attributable to the financing obtained for the vessels Oasea, Cretansea, Gloriuship, Tradership and Goodship and the increase of the weighted average interest rate on our outstanding debt from approximately 7.9% in 2022 to 8.7% in 2023.

Interest and Other Income – Interest and other income amounted to \$0.5 million in 2023 and \$0.04 million in 2022. The increase is attributed to the improved rates earned in 2023 from our time deposits.

Loss on extinguishment of debt – The loss in the year ended December 31, 2023 is attributable to the loss of \$0.03 million following the repayment of the July 2022 EnTrust Facility and a loss of \$0.06 million following the repayment of the August 2022 EnTrust Facility. The loss in the year ended December 31, 2022 is attributable to the early prepayment of the EnTrust facility tranches associated with the tankers sold in the year.

Please see Item 5.A of our Form 20-F filed with the Commission on April 4, 2023 for a discussion of the year-to-year comparison between 2022 and 2021.

Implications of Being an Emerging Growth Company

We had less than \$1.235 billion in revenue during our last fiscal year, which means that we qualify as an “emerging growth company” as defined in the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- exemption from the auditor attestation requirement in the assessment of the emerging growth company's internal controls over financial reporting under Section 404(b) of Sarbanes-Oxley; and
- exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and financial statements.

We may take advantage of these provisions until the end of the fiscal year following the fifth anniversary of our initial public offering or such earlier time that we are no longer an emerging growth company. We will cease to be an emerging growth company if, among other things, we have more than \$1.235 billion in “total annual gross revenues” during the most recently completed fiscal year. We may choose to take advantage of some, but not all, of these reduced burdens. For as long as we take advantage of the reduced reporting obligations, the information that we provide shareholders may be different from information provided by other public companies. We are choosing to “opt out” of the extended transition period relating to the exemption from new or revised financial accounting standards and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth public companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

B. Liquidity and Capital Resources

As of December 31, 2023, we did not have any contractual obligations other than the loan agreements, finance leases, other financial liabilities and capital expenditures for vessels acquisitions described below. In January 2024, we distributed \$0.7 million as a quarterly cash dividend to our common shareholders. On February 19, 2024, we declared a cash dividend of \$0.075 per share for the fourth quarter of 2023. The quarterly dividend will be paid on or about April 10, 2024 to all shareholders of record as of March 22, 2024.

On March 6, 2024, we entered into a bareboat charter agreement for an 82,235 dwt Kamsarmax dry bulk carrier built in 2016 in Japan, which will be renamed Nisea and is expected to be delivered to the Company between June and October 2024. The vessel will be chartered-in under an 18-month bareboat charter agreement, with a down payment of \$7.5 million, at a daily charter rate of \$8,000. We also have the option to purchase the vessel at the end of the bareboat charter period for a purchase price of \$16.6 million. We made a down payment in the amount of \$3.75 million upon the signing of the agreement and a further down payment of \$3.75 million is payable prior to the expected date of delivery of the vessel. In aggregate, the acquisition cost for the vessel, assuming exercise of the purchase option, will be approximately \$28.4 million.

On March 11, 2024, we entered into a term sheet for a \$18.0 million sale and leaseback transaction to finance the expected exercise of a \$17.1 million purchase option, under the bareboat charter agreement of the M/V Synthesea. Under the term sheet, the vessel is expected to be sold and bareboat chartered back for a seven-year period. The financing's applicable interest rate will be 3-month term SOFR plus 2.70% per annum. Following the second anniversary of the bareboat charter, the Company will have continuous options to repurchase the vessel at predetermined prices as set forth in the agreement. The charterhire principal will amortize through eighty-four consecutive equal monthly installments of approximately \$0.1 million along with a purchase option of \$6.7 million at the expiration of the bareboat charter. At the end of the charter period, if the Company does not exercise its purchase option, the lessor may exercise their put option. The transaction is subject to board and committee approvals and completion of definitive documentation, and is expected to close between April to July 2024. The Company is currently evaluating financing alternatives to finance the expected exercise of a \$12.6 million purchase option under the bareboat charter agreement of the M/V Chrisea. The Company's management believes that securing financing for the M/V Chrisea purchase option is probable.

We will require capital to fund ongoing operations and capital expenditures for our vessels' scheduled surveys, vessel improvements to meet new regulations, for any future vessel acquisitions and to pay dividends.

Our principal source of funds has been our operating cash inflows, long-term borrowings from banks, sale and leaseback transactions, vessels sales and equity provided by the capital markets. Our principal use of funds has primarily been capital expenditures to establish our fleet, maintain the quality of our vessels, comply with international shipping standards and environmental laws and regulations, fund working capital requirements, dividend payments and make principal repayments and interest payments on our outstanding debt obligations, finance leases and other financial liabilities. As of the date of this annual report, our cash flow projections indicate that cash on hand and cash to be provided by operating activities, financing activities and investing activities or a combination of any of those (i.e. debt agreements, vessel sales, sale and leaseback activities and finance leases) will be sufficient to cover the liquidity needs that become due in the twelve-month period ending one year after the financial statements' issuance, including obligations arising from purchase options in finance lease agreements and for vessel acquisitions.

As at December 31, 2023, working capital deficit amounted to \$34.0 million, which is mainly driven from repayments due by December 31, 2024 of (i) \$9.3 million due under our long-term debts and other financial liabilities and (ii) \$31.4 million due under our finance lease liabilities.

Cash Flows of United Maritime Corporation

	Year ended December 31, 2023	From the date of inception (January 20, 2022) through December 31, 2022
Cash Flow Data:		
Net cash (used in) / provided by operating activities	(6,228)	7,875
Net cash (used in) / provided by investing activities	(59,138)	6,488
Net cash provided by financing activities	9,935	55,569

Cash and cash equivalents and restricted cash, non-current, as of December 31, 2023 were \$14.5 million. We consider highly liquid investments such as time deposits and certificates of deposit with an original maturity of around three months or less to be cash equivalents. Cash and cash equivalents are held primarily in U.S. dollars, with minimal amounts held in Euro .

Net Cash from Operating Activities

Net cash used in operating activities for the year ended December 31, 2023 amounted to \$6.2 million. Net cash provided by operating activities in the period from inception date (January 20, 2022) through December 31, 2022 amounted to \$7.9 million. The decrease is primarily attributable to the increased predelivery operating expenses due to delivery of seven vessels during 2023 and drydocking costs, as three vessels underwent for drydocking in 2023.

Net Cash from Investing Activities

Net cash used in investing activities for the year ended December 31, 2023 was \$59.1 million. The 2023 cash outflows resulted mainly from \$81.7 million payments for acquisition of vessels and improvements and \$14.9 million lease payments and other initial direct costs for finance leased vessels. The outflows were partially offset by the \$37.5 million proceeds from sale of M/T Epanastasea. Net cash provided by investing activities in the period from inception date (January 20, 2022) through December 31, 2022 was \$6.5 million and represents \$100.0 million proceeds received from the sale of three tanker vessels (M/Ts Bluesea, Parosea and Minoansea). The inflows were partially offset by an amount of \$80.8 million paid in respect with the acquisition of four tanker vessels (M/Ts Bluesea, Parosea, Minoansea and Epanastasea) and \$12.7 million advances paid for the acquisitions of two Capesize vessels (M/Vs Goodship and Tradership).

Net Cash from Financing Activities

Net cash provided by financing activities for the year ended December 31, 2023 was \$9.9 million. The 2023 cash inflows resulted mainly from \$54.5 million proceeds from long term debt and other financial liabilities and \$1.9 million proceeds from issuance of shares following warrant exercises. The inflows were partially offset by \$31.9 million repayments of long-term debt and other financial liabilities, \$9.4 million dividend payments, \$2.7 million payments for finance lease liabilities, \$1.8 million payments of financing costs and \$0.7 million payments for repurchases of common stock. Net cash provided by financing activities in the period from inception date (January 20, 2022) through December 31, 2022 was \$55.6 million. The 2022 cash inflows resulted mainly from \$73.0 million proceeds from long term debt, \$25.0 million proceeds from issuance of common stock and warrants and \$10 million proceeds from issuance of Series C preferred shares. The inflows were partially offset by \$34.8 million repayments of long-term debt, \$10.5 million from the redemption of Series C preferred shares, \$6 million payments for repurchases of common stock, \$0.9 million payments of financing and stock issuance costs and \$0.2 million dividends paid on Series C preferred shares.

Cash Flows of United Maritime Predecessor

Cash and cash equivalents as at July 5, 2022 was \$0.4 million. We consider highly liquid investments such as time deposits and certificates of deposit with an original maturity of around three months or less to be cash equivalents. Cash and cash equivalents are held in U.S. dollars.

Net Cash used in Operating Activities

Net cash used in operating activities in the period from January 1, 2022 to July 5, 2022 amounted to \$0.6 million.

Net Cash used in Investing Activities

Net cash used in investing activities was \$0.5 million for the period from January 1, 2022 to July 5, 2022 and relates to enhancement of vessel's performance.

Net Cash provided by in Financing Activities

Net cash provided by financing activities was \$0.7 million for the period from January 1, 2022 to July 5, 2022 and related to an inflow of \$1.3 million from the Parent and was partially offset by \$0.6 million related to long term debt repayments.

Prior to the Spin-Off, as part of Seanergy, United Maritime Predecessor was dependent upon Seanergy for all of its working capital and financing requirements, as Seanergy uses a centralized approach to cash management and financing of its operations. Financial transactions relating to United Maritime Predecessor are accounted for through the Seanergy equity account. Accordingly, none of Seanergy's cash, cash equivalents or debt at the corporate level were assigned to the United Maritime Predecessor in the financial statements prior to Spin-Off.

Please see Item 5.A of our Form 20-F filed with the Commission on April 4, 2023 for a discussion of the year-to-year comparison between 2022 and 2021.

Loan Arrangements

Loan Facilities repaid during the years ended December 31, 2023

July 2022 EnTrust Facility

On July 1, 2022, the loan facility entered into between Seanergy and Kroll Agency Services Limited and Kroll Trustee Services Limited as facility agent and security agent, respectively, and certain nominees of EnTrust Global as lenders, for the M/V Gloriuship, was amended for the purposes of replacing Seanergy with the Company as guarantor upon the consummation of the Spin-Off (the "July 2022 EnTrust Facility"). All applicable financial covenants were waived with no material changes in the other terms of the loan facility.

On July 28, 2022, the July 2022 EnTrust Facility was amended and restated in order to (i) increase the facility from the total amount outstanding of \$4.6 million to \$14.0 million, (ii) change the maturity to February 2024, (iii) alter the guarantor of the facility to the Company and (iv) cancel all applicable financial covenants with no material changes in the other terms of the loan facility. The amended and restated July 2022 EnTrust Facility was fully drawn on August 1, 2022. In connection with the sale of M/Ts Parosea and Bluesea, the Company prepaid \$2.0 million of the July 2022 EnTrust Facility, as agreed with the lenders in November 2022 pursuant to a side letter. The facility bore a fixed interest rate of 7.90% and was repayable through two quarterly installments of \$0.5 million and one of \$1.0 million falling nine, twelve and fifteen months after the drawdown and a final balloon of \$10.0 million payable at maturity. On December 5, 2023, the total amount outstanding under this facility was fully repaid in connection with the entry into the Huarong Sale and Leaseback and all obligations under the facility were irrevocably and unconditionally discharged.

Loan Facilities repaid after December 31, 2023

August 2022 EnTrust Facility

In August 2022, we entered into a secured loan facility of \$63.6 million (the “August 2022 EnTrust Facility”) with Kroll Agency Services Limited and Kroll Trustee Services Limited, as facility agent and security agent, respectively, and certain nominees of EnTrust Global as lenders to partially finance the acquisition of the M/Ts Parosea, Bluesea, Minoansea and Epanastasea at a fixed rate of 7.90% per annum. The facility originally had a term of 18 months after the drawdown of the last tranche and would amortize through three quarterly installments averaging \$4.0 million commencing nine months from the drawdown date, followed by a \$51.6 million balloon payable at maturity. Following the sale of the M/Ts Parosea and Bluesea, we repaid their respective tranches for an aggregate amount of \$32.4 million.

On January 30, 2023, as part of the sale of the M/T Minoansea and the acquisitions of the M/Vs Goodship and Tradership, we entered into a deed of accession, amendment and restatement of the August 2022 EnTrust Facility in order to replace the collateral vessel securing this facility. Under the terms of the amended agreement, the fixed interest rate was amended to 9.00% per annum and the \$15.2 million tranche that was previously secured by the M/T Minoansea was replaced by two tranches of \$7.0 and \$8.2 million, secured by the M/V Goodship and M/V Tradership, respectively.

On August 9, 2023, the Company entered into a deed of accession, amendment and restatement of the August 2022 EnTrust Facility in order to replace the collateral vessel securing this facility. Under the terms of the amended agreement, the \$15.0 million tranche was secured by the M/V Exelixsea and bore a fixed rate of 9.0% per annum.

On December 5, 2023, we prepaid the \$12.2 million outstanding indebtedness under the two tranches secured by the M/V Goodship and M/V Tradership, using proceeds from the Huarong Sale and Leaseback agreement, described below.

Following the 2023 amendments, the August 2022 EnTrust Facility was repayable through one installment of \$0.5 million on the twelfth month after the original drawdown date, and an installment of \$1.5 million on the fifteenth month after the original drawdown date, followed by a balloon installment of \$13.0 million payable at maturity. The August 2023 EnTrust Facility was secured by a first priority mortgage and a general assignment covering earnings, insurances and requisition compensation over the M/V Exelixsea, an account pledge agreement concerning the earnings account of the vessel, a shares security agreement concerning the vessel-owning subsidiary's shares and relevant technical and commercial managers' undertakings. The facility agreement included certain restrictions on dividends from the borrower's accounts and other distributions.

As of December 31, 2023, the total amount outstanding under this facility was \$13.0 million.

This facility was fully repaid on March 27, 2024 in connection with the entry into the Village Seven Sale and Leaseback, and all obligations under the facility were irrevocably and unconditionally discharged.

Sale and Leaseback Transactions

Sale and Leaseback Activities initiated during the year ended December 31, 2023

March 2023 Neptune Sale and Leaseback

On March 31, 2023, following the delivery of M/V Oasea, the Company entered into a \$12.25 million sale and leaseback agreement with a subsidiary of Neptune Maritime Leasing Ltd. ("Neptune"), for the purpose of partly financing the acquisition cost of M/V Oasea. The Company sold and chartered back the vessel from the Neptune subsidiary under a bareboat charter for a five-year period. The Company has continuous options to repurchase the vessel throughout the duration of the charter, while at the end of the five-year bareboat period, it has the obligation to repurchase the vessel for \$6.4 million. The Company is required to maintain a security cover ratio (as defined in the bareboat charter) of at least 120% for the first twelve months and at least 130% thereafter. In addition, the lessee is required to maintain minimum liquidity of approximately \$0.4 million in its operating account. The charterhire principal amortizes in sixty consecutive monthly installments of approximately \$0.1 million each along with a purchase obligation of \$6.4 million due in March 2028. The applicable interest rate is 3-month Term SOFR plus 4.25% per annum.

As of December 31, 2023, the outstanding charterhire principal was \$ 11.4 million.

April 2023 Neptune Sale and Leaseback

On April 26, 2023, following the delivery of the M/V Cretansea, we entered into a \$12.25 million sale-and-leaseback agreement with a subsidiary of Neptune, for the purpose of partly financing the acquisition cost of M/V Cretansea. The Company sold and chartered back the vessel from the Neptune subsidiary under a bareboat charter for a five-year period. The Company has continuous options to purchase the vessel throughout the duration of the charter, while at the end of the five-year bareboat period, it has the obligation to purchase the vessel for \$6.4 million. The Company is required to maintain a security cover ratio (as defined in the bareboat charter) of at least 120% for the first twelve months and at least 130% thereafter. In addition, the lessee is required to maintain minimum liquidity of approximately \$0.4 million in its operating account. The charterhire principal amortizes in sixty consecutive monthly installments of approximately \$0.1 million each along with a purchase obligation of \$6.4 million due in April 2028. The applicable interest rate is 3-month Term SOFR plus 4.25% per annum.

As of December 31, 2023, the outstanding charterhire principal was \$ 11.5 million.

Huarong Sale and Leaseback

On November 15, 2023, the Company entered into three identical \$10.0 million sale and leaseback transactions with affiliates of China Huarong Shipping Financial Leasing Company Ltd. ("Huarong") for the purpose of refinancing the outstanding indebtedness of the M/V Gloriuship which was previously financed by the July 2022 EnTrust Facility, and the outstanding indebtedness of the M/Vs Goodship and Tradership which were previously financed by the August 2022 EnTrust Facility. On December 5, 2023, the Company sold and chartered back the vessels from three affiliates of Huarong on a bareboat charter basis for a three-year period. The Company has continuous options to repurchase the vessels throughout the duration of the charters, starting six months after the commencement date, while at the end of each three-year bareboat period, the Company has the obligation to repurchase each vessel for \$5.0 million. The sale and leaseback agreements do not include any financial covenants or security value maintenance provisions. The charterhire principal of each sale and leaseback transaction amortizes through 36 monthly installments of approximately \$0.1 million and a purchase obligation of \$5.0 million at the expiration of each bareboat agreement. The applicable interest rate is 3-month Term SOFR plus 3.3% per annum.

As of December 31, 2023, the aggregate charterhire principal was \$ 30.0 million.

Sale and Leaseback Transactions initiated after December 31, 2023

Village Seven Sale and Leaseback

On February 22, 2024, we entered into a \$13.8 million sale and leaseback agreement with Village Seven Co., Ltd and V7 Fune Inc. (collectively, "Village Seven") in order to refinance the August 2022 EnTrust Facility. On March 27, 2024, the Company sold and chartered back the M/V Exelixsea from Village Seven on a bareboat basis for a period of four years, followed by an additional two-year period at the Company's option. The charterhire principal will amortize through forty-eight consecutive monthly installments of \$0.2 million paid in advance, which could extend to seventy-two installments in case of exercise of the two-year optional period. The Company has continuous options to repurchase the vessel at predetermined prices, following the second anniversary of the bareboat charter. At the end of the optional period, the Company has the option to take ownership of the vessel at nominal additional cost. The applicable interest rate is 3-month Term SOFR plus 2.65% per annum. The sale and leaseback agreement does not include any financial covenants or security value maintenance provisions.

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

None.

D. Trend Information

Our results of operations depend primarily on the charter rates earned by our vessels. Over the course of 2023, the BDI registered a low of 530 on February 16, 2023 and a high of 3,346 on December 4, 2023.

Since the financial crisis in 2008 the performance of the shipping indexes has been characterized by high volatility, as the growth in the size of the world fleet outpaced growth in vessel demand for an extended period of time.

Specifically, in the period from 2010 to 2023, the size of the dry bulk fleet in terms of deadweight tons grew by an annual average of about 5% while the corresponding growth in demand for dry bulk carriers grew by 3%, resulting in a drop of about 50% in the value of the BDI over the period. In 2023, the total size of the dry bulk fleet rose by about 3.1%, compared to demand growth of 5.2%. According to tentative projections, the total size of the dry bulk fleet is expected to rise by about 2.3% in 2024, compared to expected demand growth of 1.5%.

Meanwhile, the wars between Russia and Ukraine and between Israel and Hamas have amplified the volatility in the dry bulk market with the BDI ranging since the beginning of the year between 1,308 and 2,419. The effect of the invasion of Ukraine was mildly positive for the dry bulk market in the first half of 2022, yet the overall longer-term effect remains uncertain.

In addition, the continuing war in Ukraine led to increased economic uncertainty amidst fears of a more generalized military conflict or significant inflationary pressures, due to the increases in fuel and grain prices following the sanctions imposed on Russia. As described above, the initial effect of the invasion in Ukraine on the dry bulk freight market ranged from neutral to positive, despite the short-term volatility in charter rates and increases on specific items of operating costs, mainly in the context of increased crew costs. If these conditions are sustained, the longer-term net impact on the dry bulk freight market and our business would be difficult to predict. Meanwhile, inflationary trends have not, and we do not expect them to have, a material impact on our results of operations. However, such trends may have unpredictable consequences, and contribute to instability in global economy, a decrease in supply or cause a decrease in worldwide demand for certain goods and, thus, shipping. Regarding the possible impact of supply chain disruptions that have or may emanate from the military conflict in Ukraine, our operations have not been affected materially and we do not expect them to be in the future. The trading patterns of our vessels do not currently involve calling at Russian or Ukrainian ports, while on the other hand our suppliers and service providers have so far not been subject to any restrictions or disruptions in their operations. However, one potential area of impact has to do with the crewing of our vessels, as Ukraine and Russia are major crewing hubs for the shipping industry. As a result, disruptions and increased costs might be encountered in sourcing crew members for our fleet, which however would be a general issue for the shipping industry and we would not expect to materially impact our competitive position in the market.

Following the outbreak of the 2023 Israel–Hamas war, missile attacks by the Houthis have been reported at vessels passing off Yemen's coast in the Red Sea in December 2023. This has caused several vessels to divert via the Cape of Good Hope in South Africa, in order to avoid transiting the Red Sea. The initial effect of Red Sea tensions on the dry bulk market has been positive for the dry bulk market as the longer route via Cape of Good Hope is absorbing more vessels, thereby reducing supply. Looking forward, it is impossible to predict the course of this conflict and whether there would be any serious escalation emanating from the current state of affairs. Similar to the war in Ukraine, we believe that a generalized conflict involving several Middle Eastern nations would possibly result in higher inflation and possibly slower economic growth, which could potentially have an adverse effect on the demand for dry bulk commodities. To the extent that Red Sea tensions remain contained to the region, the effects on the dry bulk market could be similar to what we have seen so far. Apart from the effect on the dry bulk market, the current situation presents a significant safety hazard for all vessels transiting the Red Sea, and could ultimately potentially result in heavy damage being sustained due to successful missile strikes.

Although inflation has had a moderate impact on our vessel operating expenses and corporate overheads, management does not consider inflation to be a significant risk to direct costs in the current and foreseeable economic environment. It is anticipated that insurance costs, which have risen over the last three years, may well continue to rise over the next few years. Maritime transportation is a specialized area and the number of vessels is increasing. There will therefore be an increased demand for qualified crew and this has and will continue to put inflationary pressure on crew costs. However, in a shipping downturn, costs subject to inflation can usually be controlled because shipping companies typically monitor costs to preserve liquidity and encourage suppliers and service providers to lower rates and prices in the event of a downturn.

Important Measures and Definitions for Analyzing Results of Operations

We use a variety of financial and operational terms and concepts. These include the following:

Ownership days. Ownership days are the total number of calendar days in a period during which we owned or chartered in on bareboat basis for our vessels comprising our fleet. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses recorded during that period.

Available days. Available days are the number of ownership days less the aggregate number of days that our vessels are off-hire due to major repairs, dry-dockings, lay-up or special or intermediate surveys. The shipping industry uses available days to measure the aggregate number of days in a period during which vessels are available to generate revenues.

Operating days. Operating days are the number of available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. Operating days include the days that our vessels are in ballast voyages without having fixed their next employment. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels could actually generate revenues. Our calculation of Operating Days may not be comparable to that reported by other companies due to differences in methods of calculation.

Fleet utilization. Fleet utilization is the percentage of time that our vessels was generating revenues and is determined by dividing operating days by ownership days for the relevant period. Fleet Utilization is used to measure a company's ability to efficiently find suitable employment for its vessels and minimize the number of days that its vessels are off-hire for unforeseen events.

Off-hire. The period a vessel is not being chartered or is unable to perform the services for which it is required under a charter.

Dry-docking. We periodically dry-dock our vessels for inspection, repairs and maintenance and any modifications to comply with industry certification or governmental requirements.

Time charter. A time charter is a contract for the use of a vessel for a specific period of time (period time charter) or for a specific voyage (trip time charter) during which the charterer pays substantially all of the voyage expenses, including port charges, bunker expenses, canal charges and other commissions. The vessel owner pays the vessel operating expenses, which include crew costs, provisions, deck and engine stores and spares, lubricants, insurance, maintenance and repairs. The vessel owner is also responsible for each vessel's dry-docking and intermediate and special survey costs. Time charter rates are usually fixed during the term of the charter. Prevailing time charter rates do fluctuate on a seasonal and year-to-year basis and may be substantially higher or lower from a prior time charter agreement when the subject vessel is seeking to renew the time charter agreement with the existing charterer or enter into a new time charter agreement with another charterer. Fluctuations in time charter rates are influenced by changes in spot charter rates.

Voyage charter. A voyage charter is generally a contract to carry a specific cargo from a load port to a discharge port for an agreed-upon total amount. Under voyage charters, voyage expenses, such as port charges, bunker expenses, canal charges and other commissions, are paid by the vessel owner, who also pays vessel operating expenses.

TCE. Time charter equivalent, or TCE, rate is defined as our net revenue less voyage expenses during a period divided by the number of our operating days during the period. Voyage expenses include port charges, bunker expenses, canal charges and other commissions.

Daily Vessel Operating Expenses. Daily Vessel Operating Expenses are calculated by dividing vessel operating expenses less pre-delivery expenses by ownership days for the relevant time periods. Vessel operating expenses include crew costs, provisions, deck and engine stores, lubricants, insurance, maintenance and repairs. Vessel operating expenses before pre-delivery expenses exclude one-time pre-delivery and pre-joining expenses associated with initial crew manning and supply of stores of Company's vessels upon delivery.

Performance Indicators

The figures shown below are non-GAAP statistical ratios used by management to measure performance of our vessels. For the "Fleet Data" figures, there are no comparable U.S. GAAP measures.

	United Maritime Corporation	
	Year ended December 31, 2023	For the period from January 20, 2022 (date of inception) to December 31, 2022
Fleet Data:		
Ownership days	2,339	614
Available days	2,200	614
Operating days	2,143	610
Fleet utilization	91.6%	99.3%
Average Daily Results:		
TCE rate(1)	\$ 15,380	\$ 28,752
Daily Vessel Operating Expenses(2)	\$ 6,861	\$ 7,265
		United Maritime Predecessor
		For the period from January 1, 2022 through July 5, 2022
Fleet Data:		
Ownership days		186
Available days		126
Operating days		116
Fleet utilization		62.3%
Average Daily Results:		
TCE rate(1)		\$ 16,267
Daily Vessel Operating Expenses(2)		\$ 5,914

- (1) We include TCE rate, a non-GAAP measure, as we believe it provides additional meaningful information in conjunction with net revenues from vessels, the most directly comparable U.S. GAAP measure, because it assists our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance. Our calculation of TCE rate may not be comparable to that reported by other companies. The following table reconciles our net revenues from vessel to TCE rate.
- (2) We include Daily Vessel Operating Expenses, a non-GAAP measure, as we believe it provides additional meaningful information in conjunction with vessel operating expenses, the most directly comparable U.S. GAAP measure, because it assists our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance. Our calculation of Daily Vessel Operating Expenses may not be comparable to that reported by other companies. The following table reconciles our vessel operating expenses to Daily Vessel Operating Expenses.

(In thousands of US Dollars, except operating days and TCE rate)

	United Maritime Corporation	
	Year ended December 31, 2023	For the period from January 20, 2022 (date of inception) to December 31, 2022
Vessel revenue, net	\$ 36,067	\$ 22,784
Voyage expenses	\$ (3,107)	\$ (5,245)
Time charter equivalent revenues	\$ 32,960	\$ 17,539
Operating days	2,143	610
TCE rate	\$ 15,380	\$ 28,752

(In thousands of US Dollars, except operating days and TCE rate)

	United Maritime Predecessor	
		For the period from January 1, 2022 through July 5, 2022
Vessel revenue, net		\$ 2,327
Voyage expenses		\$ (440)
Time charter equivalent revenues		\$ 1,887
Operating days		116
TCE rate		\$ 16,267

(In thousands of US Dollars, except ownership days and Daily Vessel Operating Expenses)

	United Maritime Corporation	
	Year ended December 31, 2023	For the period from January 20, 2022 (date of inception) to December 31, 2022
Vessel operating expenses	20,338	5,179
Pre-delivery expenses	(4,291)	(718)
Vessel operating expenses before pre-delivery expenses	<u>\$ 16,047</u>	<u>\$ 4,461</u>
Ownership days	2,339	614
Daily Vessel operating expenses	<u>\$ 6,861</u>	<u>\$ 7,265</u>

(In thousands of US Dollars, except ownership days and Daily Vessel Operating Expenses)

	United Maritime Predecessor	
	For the period from January 1, 2022 through July 5, 2022	
Vessel operating expenses	\$	<u>1,100</u>
Ownership days		<u>186</u>
Daily Vessel operating expenses	\$	<u>5,914</u>

E. Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting estimates are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. We have described below what we believe is our most critical accounting estimate, because it generally involves a comparatively higher degree of judgment in its application. For a description of all our significant accounting policies, see Note 2 to our annual audited financial statements included in this annual report.

Impairment of Long-lived Assets

We review our long-lived assets for impairment whenever events or changes in circumstances, such as prevailing market conditions, obsolescence or damage to the asset, business plans to dispose a vessel earlier than the end of its useful life and other business plans, indicate that the carrying amount of the assets, plus unamortized dry-docking costs and cost of any equipment not yet installed or right-of use assets, may not be recoverable. The volatile market conditions in the dry bulk market with decreased charter rates and decreased vessel market values are conditions we consider to be indicators of a potential impairment for our vessels and right-of use assets. We determine undiscounted projected operating cash flows, for each vessel and right-of use assets with an impairment indicator and compare it to the vessel's carrying value or right-of use asset. When the undiscounted projected operating cash flows expected to be generated by the use of the vessel and/or its eventual disposition are less than its carrying amount, we impair the carrying amount of the vessel or right-of use assets. Measurement of the impairment loss is based on the fair value of the vessel as determined by independent valuers and use of available market data. The undiscounted projected operating cash inflows are determined by considering the charter revenues from existing time charters for the fixed days and an estimated daily time charter equivalent for the non-fixed days (based on a combination of one year charter rates estimate and the average of the trailing 10-year historical charter rates, excluding the outliers) adjusted for commissions, expected off hires due to scheduled vessel maintenance and estimated unexpected breakdown off hires. The undiscounted projected operating cash outflows are determined by applying various assumptions regarding vessel operating expenses and scheduled vessel maintenance.

Our assessment concluded that no impairment loss should be recorded as of December 31, 2023 and 2022.

Historically, the market values of vessels have experienced volatility, which from time to time may be substantial. As a result, the charter-free market value of our vessels may have declined below the vessels' carrying value or right-of use assets, even though we would not impair the vessel's carrying value or right-of use under our accounting impairment policy. The table set forth below indicates (i) the carrying value of our vessels and right-of use assets as of December 31, 2023 and December 31, 2022, respectively, and (ii) if we believe our vessels had a basic market value below their carrying value. The carrying value includes, as applicable, vessel costs or right-of use assets, plus any unamortized deferred dry-docking costs and costs of any equipment not yet installed. The difference between the carrying value of our vessels or right-of use assets and their market value of \$5.5 million and \$3.1 million, as of December 31, 2023 and 2022, respectively, represents the amount by which we believe we would have had to reduce our net income if we sold our vessel, on industry standard terms, in cash transactions, and to a willing buyer where we are not under any compulsion to sell, and where the buyer was not under any compulsion to buy as of December 31, 2023 and 2022. For purposes of this calculation, we assumed that the vessel would be sold at a price that reflected our estimate of their charter-free market value as of December 31, 2023 and 2022.

Vessel	Year Built	Dwt	Carrying value plus unamortized dry-docking costs and cost of any equipment not yet installed as of (in millions of U.S. dollars)	
			December 31, 2023	December 31, 2022
<i>Gloriuship</i>	2004	171,314	15.9 *	17.6*
<i>Goodship</i>	2005	177,536	16.2	-
<i>Tradership</i>	2006	179,925	20.0 *	-
<i>Oasea</i>	2010	82,217	18.7	-
<i>Cretansea</i>	2009	81,508	18.9 *	-
<i>Chrisea</i>	2013	78,173	21.5 *	-
<i>Synthesea</i>	2015	78,020	26.2 *	-
<i>Exelixsea</i>	2011	76,361	17.6	-
<i>Epanastasea</i>	2008	109,647	-	20.3
TOTAL			155.0	37.9

* Indicates Company's vessels or right-of use assets for which we believe, as of December 31, 2023 and 2022, the basic charter-free market value was lower than the vessel's carrying value or right-of use assets plus unamortized dry-docking costs and cost of any equipment not yet installed.

Our estimate of charter-free market value assume that our vessels were in good and seaworthy condition without need for repair and if inspected would be certified in class without notations of any kind. Our estimate is based on information available from various industry sources, including:

- reports by industry analysts and data providers that focus on our industry and related dynamics affecting vessel values;
- news and industry reports of similar vessel sales;

- news and industry reports of sales of vessels that are not similar to our vessels where we have made certain adjustments in an attempt to derive information that can be used as part of our estimates;
- approximate market values for our vessels or similar vessels that we have received from shipbrokers, whether solicited or unsolicited, or that shipbrokers have generally disseminated;
- offers that we may have received from potential purchasers of our vessels; and
- vessel sale prices and values of which we are aware through both formal and informal communications with shipowners, shipbrokers, industry analysts and various other shipping industry participants and observers.

As we obtain information from various industry and other sources, our estimates of basic market value are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future basic market value of our vessels or prices that we could achieve if we were to sell them. We refer you to the risk factor entitled "The market values of our vessels may decrease, which could limit the amount of funds that we can borrow in the future, trigger breaches of certain financial covenants under any future loan agreements and other financing agreements, and we may incur an impairment or, if we sell vessels following a decline in their market value, a loss."

Although we believe that the assumptions used to evaluate potential asset impairment are based on historical trends and are reasonable and appropriate, such assumptions are highly subjective. There can be no assurance as to how charter rates and vessel values will fluctuate in the future. Charter rates may, from time to time throughout our vessels' lives, remain for a considerable period of time at depressed levels which could adversely affect our revenue and profitability, and future assessments of vessel impairment. To minimize such subjectivity, our analysis for the year ended December 31, 2023, for which indicators of impairment were identified, also involved sensitivity analysis to the model input we believe is more important and likely to change. In particular, in terms of our estimates for the time charter equivalent for the unfixed period, we use a combination of one-year charter rates estimate and the average of the trailing 10-year historical charter rates, excluding outliers. Although the trailing 10-year historical charter rates, excluding the outliers, cover at least a full business cycle, we sensitized our model with regards to long-term historical charter rate assumptions for the unfixed period beyond the first year. The impairment test that we conduct, when required, is most sensitive to variances in future time charter rates. Our sensitivity analysis revealed that, to the extent that going forward the 10-year historical charter rates, excluding the outliers, would not decline by more than 24% for Capesize vessels and 13% for Panamax and Kamsarmax vessels, we would not require to recognize impairment for the year ended December 31, 2023.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Set forth below are the names, ages and positions of our directors and executive officers. Members of our board of directors are elected annually on a staggered basis, and each director elected holds office for a three-year term. Officers are elected from time to time by vote of our board of directors and hold office until a successor is elected. The business address of each of our directors and executive officers listed below is 154 Vouliagmenis Avenue, 166 74 Glyfada, Greece.

Name	Age	Position	Director Class
Stamatis Tsantanis	52	Chairman, Chief Executive Officer & Director	C
Stavros Gyftakis	45	Chief Financial Officer & Director	B
Christina Anagnostara	53	Director*	A
Ioannis Kartsonas	52	Director*	A
Dimitrios Kostopoulos	49	Director*	B

* Independent Director

The term of our Class A directors expires at the annual general meeting of shareholders in 2026, the term of our Class B directors expires at the annual general meeting of shareholders in 2024, and the term of our Class C directors expires at the annual general meeting of shareholders in 2025.

Biographical information with respect to each of our directors and our executive officers is set forth below.

Stamatis Tsantanis is the founder and the Chairman, Chief Executive Officer and a member of our board of directors. Mr. Tsantanis is currently the Chairman of the board of directors and the Chief Executive Officer of Seanergy, serving in the role since October 2012 and has led Seanergy's significant growth to a world-renowned Capesize dry bulk company with a carrying capacity of approximately 3.1 million dwt. Mr. Tsantanis also served as Seanergy's Interim Chief Financial Officer from November 2013 until October 2018. Mr. Tsantanis has been actively involved in the shipping and finance industry since 1998 and has held senior management positions in prominent private and public shipping companies and financial institutions. He was formerly an investment banker at Alpha Finance, a member of the Alpha Bank Group, with active roles in a number of major shipping corporate finance transactions in the U.S capital markets. Mr. Tsantanis holds a Master of Science (MSc) in Shipping Trade and Finance from Bayes Business School (formerly known as Cass Business School) of City University in London and a Bachelor of Science (BSc) in Shipping Economics from the University of Piraeus. He also serves in the board of directors of Breakwave Advisors LLC, the advisor of ETFMG (the manager of the NYSE listed BDRY and BSEA) and is a fellow of the Institute of Chartered Shipbrokers.

Stavros Gyftakis is our Chief Financial Officer and a member of our board of directors. Mr. Gyftakis is also Seanergy's Chief Financial Officer and has been instrumental in Seanergy's capital raising, debt financing and refinancing activities since 2017. He has more than 18 years of experience in banking and corporate finance with focus on the shipping sector. Mr. Gyftakis has held key positions across a broad shipping finance spectrum, including, asset backed lending, debt and corporate restructurings, risk management, financial leasing and loan syndications. Before joining Seanergy, he was a Senior Vice President on the Greek shipping finance desk at DVB Bank SE. Mr. Gyftakis received his Master of Science (MSc) in Shipping Trade and Finance from Bayes Business School (formerly known as Cass Business School) in London with Distinction. He also holds a Master of Science (MSc) in Business Mathematics, awarded with Honors, from the Athens University of Economics and Business and a Bachelor of Science (BSc) in Mathematics from the Aristotle University of Thessaloniki.

Christina Anagnostara is a member of our board of directors and the Chairman and a member of United's Audit and Nominating Committees. Ms. Anagnostara is also a member of the board of directors of Seanergy, and between 2008 to 2013 she served as Seanergy's Chief Financial Officer. She has more than 26 years of maritime and international business experience in the areas of finance, banking, capital markets, consulting, accounting and audit. Before joining Seanergy, she served in executive and board positions of publicly listed companies in the maritime industry and she was responsible for the financial, capital raising and accounting functions. Since June 2017 is a Managing Director in the Investment Banking Division of AXIA Ventures Group and between 2014 and 2017 she provided advisory services to corporate clients involved in all aspects of the maritime industry. From 2006 to 2008, she served as the Chief Financial Officer and member of the board of directors of Global Oceanic Carriers Ltd, a dry bulk shipping company listed on the Alternative Investment Market of the London Stock Exchange. Between 1999 and 2006, she was a senior management consultant of the Geneva-based EFG Group. Prior to EFG Group, she worked for Eurobank EFG and Ernst & Young. Ms. Anagnostara has studied Economics in Athens and is a Certified Chartered Accountant.

Ioannis Kartsonas is a member of our board of directors, the Chairman and a member of United's Compensation Committee and a member of United's Nominating Committee. Mr. Kartsonas is also a member of the board of directors of Seanergy and the Principal and Managing Partner of Breakwave Advisors LLC., a commodity-focused advisory firm based in New York. Mr. Kartsonas has been actively involved in finance and commodities trading since 2000. From 2011 to 2017, he was a Senior Portfolio Manager at Carlyle Commodity Management, a commodity-focused investment firm based in New York and part of the Carlyle Group, being responsible for the firm's shipping and freight investments. During his tenure, he managed one of the largest freight futures funds globally. Prior to this role, Mr. Kartsonas was a Co-Founder and Portfolio Manager at Sea Advisors Fund, an investment fund focused in shipping. From 2004 to 2009, he was the leading Transportation Analyst at Citi Investment Research covering the broader transportation space, including the shipping industry. Prior to that, he was an Equity Analyst focusing on shipping and energy for Standard & Poor's Investment Research. Mr. Kartsonas holds an MBA in Finance from the Simon School of Business, University of Rochester.

Dimitrios Kostopoulos is a member of our board of directors and a member of United's Audit and Compensation Committees. Mr. Kostopoulos is the Chief Executive Officer of Alpha Finance S.A., the brokerage arm of Alpha Bank Group, one of the leading Groups of the financial sector in Greece. He has more than 20 years of experience in the financial services industry. Prior to assuming his position in Alpha Finance, he served as Head of Investor Relations of the Alpha Bank Group for more than 10 years, with a focus on the institutional shareholding base of the bank. During his tenure, he was actively engaged in all the significant capital raisings that Alpha Bank Group successfully concluded in the Equity and Debt Capital Markets. Prior to this, Mr. Kostopoulos served as Fund Manager in Alpha Asset Management M.F.M.C. and he has also held positions in the Private Banking and Treasury units of the Group. Mr. Kostopoulos holds a Master of Science (MSc) in Shipping Trade & Finance from Bayes Business School (formerly named Cass Business School) of City University in London.

No family relationships exist among any of the directors and executive officers.

As a foreign private issuer listed on the Nasdaq Capital Market, we are required to disclose certain self-identified diversity characteristics about our directors pursuant to Nasdaq's board diversity and disclosure rules approved by the Commission in August 2021. The Board Diversity Matrix set forth below contains the requisite information as of the date of this annual report.

Board Diversity Matrix (As of March 28, 2024)

To be completed by Foreign Issuers (with principal executive offices outside of the U.S.) and Foreign Private Issuers

Country of Principal Executive Offices	Greece				
Foreign Private Issuer	Yes				
Disclosure Prohibited under Home Country Law	No				
Total Number of Directors	5				
		Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity					
Directors		1	4	0	0
Part II: Demographic Background					
Underrepresented Individual in Home Country Jurisdiction				0	
LGBTQ+				0	
Did Not Disclose Demographic Background				0	

B. Compensation

For the year ended December 31, 2023, the aggregate cash compensation and bonus for the Company's executive officers and directors amounted to \$1.5 million. In addition, each director is reimbursed for out-of-pocket expenses in connection with attending meetings board of directors or committees.

On March 27, 2024, the Compensation Committee of our board of directors approved the amendment and restatement of our 2022 Equity Incentive Plan to increase the aggregate number of common shares reserved for issuance under the plan to 400,000 shares, and granted awards under the plan of an aggregate of 260,000 common shares to members of the Company's board of directors and 75,000 common shares to certain of the Company's service providers and to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$ 2.635. On March 27, 2024, 67,000 shares vested, while 100,500 shares will vest on September 27, 2024 and 167,500 shares will vest on March 27, 2025.

Each director is fully indemnified by us for actions associated with being a director to the extent permitted under Marshall Islands law. Furthermore, in line with Nasdaq requirements we have established a clawback policy, a copy of which has been filed as Exhibit 97.1 to this Annual Report.

Equity Incentive Plan

Our board of directors in July 2022 adopted the 2022 Equity Incentive Plan (the “Plan”). On October 14, 2022, the Plan was amended and restated to increase the aggregate number of common shares reserved for issuance under the Plan to 1,500,000 shares. On December 28, 2022, the Plan was further amended and restated to increase the aggregate number of common shares reserved for issuance under the Plan to 2,000,000 shares. On March 27, 2024, the Plan was further amended and restated to increase the aggregate number of common shares reserved for issuance under the Plan to 400,000 shares. 65,000 shares remain available for issuance under the Plan.

Under the Plan and as amended, the Company’s employees, officers, directors and service providers are entitled to receive options to acquire the Company’s common shares. The Plan is administered by the compensation committee of our board of directors, or such other committee of the board of directors as may be designated by the board of directors. Under the Plan, our officers, key employees, directors, consultants and service providers may be granted incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, unrestricted stock, restricted stock units, and unrestricted stock at the discretion of our compensation committee. Any awards granted under the Plan that are subject to vesting are conditioned upon the recipient’s continued service as an employee or a director of the Company, through the applicable vesting date. Unvested shares granted under the Plan are entitled to receive dividends which are not refundable, even if such shares are forfeited.

We do not have a retirement plan for our officers or directors.

C. Board Practices

Our directors do not have service contracts and do not receive any benefits upon termination of their directorships. Our board of directors has an audit committee, a compensation committee and a nominating committee. Our board of directors has adopted a charter for each of these committees.

Audit Committee

Our audit committee consists of Christina Anagnostara and Dimitrios Kostopoulos. Our board of directors has determined that the members of the audit committee meet the applicable independence requirements of the Commission and the Nasdaq Stock Market Rules.

The audit committee has powers and performs the functions customarily performed by such a committee (including those required of such a committee by Nasdaq and the Commission). The audit committee is responsible for selecting and meeting with our independent registered public accounting firm regarding, among other matters, audits and the adequacy of our accounting and control systems.

Compensation Committee

Our compensation committee consists of Ioannis Kartsonas and Dimitrios Kostopoulos, each of whom is an independent director. The compensation committee reviews and approves the compensation of our executive officers.

Nominating Committee

Our nominating committee consists of Christina Anagnostara and Ioannis Kartsonas, each of whom is an independent director. The nominating committee is responsible for overseeing the selection of persons to be nominated to serve on our board of directors.

D. Employees

We have two executive officers, Mr. Stamatios Tsantanis and Mr. Stavros Gyftakis, and we employ Ms. Theodora Mitropetrou, our general counsel. In addition, we employ a support staff consisting of two employees.

E. Share Ownership

The common shares beneficially owned by our directors and executive officers are disclosed below in “Item 7. Major Shareholders and Related Party Transactions.”

F. Disclosure of a registrant's action to recover erroneously awarded compensation.

None.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding ownership of our common shares by each person or entity known by us to be the beneficial owner of more than 5% of our outstanding common shares, each of our directors and executive officers, and all of our directors and executive officers as a group. To the best of our knowledge, except as disclosed in the table below or with respect to our directors and executive officers, we are not controlled, directly or indirectly, by another corporation, by any foreign government or by any other natural or legal persons. All of our common shareholders, including the shareholders listed in this table, will be entitled to one vote for each common share held.

Calculation of percent of class beneficially owned by each person is based on 9,012,456 common shares outstanding as of March 28, 2024. Beneficial ownership is determined in accordance with the Commission's rules. Accordingly, in computing percentage ownership of each person, shares underlying securities held by that person that are currently exercisable or convertible, or exercisable or convertible within 60 days of the date of this annual report, are deemed to be beneficially owned by that person. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

Identity of Person or Group	Number of Shares Owned	Percent of Class
Stamatios Tsantanis ⁽¹⁾	918,912	10.2%
Dimitrios Kostopoulos	210,000	2.3%
Stavros Gyftakis	195,011	2.2%
Christina Anagnostara	195,000	2.2%
Ioannis Kartsonas	56,018	0.6%
Directors and officers as a group (5 individuals)	1,574,941	17.5%

- (1) In addition, Stamatios Tsantanis owns 100% of our issued and outstanding Series B Preferred Shares, or 40,000 of our Series B Preferred Shares. Through his beneficial ownership of our Series B Preferred Shares, Stamatios Tsantanis controls 49.99% of the vote of any matter submitted to the vote of the common shareholders. See “Description of Capital Stock — Series B Preferred Stock” for a description of the terms, including the voting power, of the Series B Preferred Shares.

As of March 28, 2024, we had 26 shareholders of record, five of which were located in the United States holding an aggregate of approximately 8,294,720 of our common shares, representing approximately 92.0% of our outstanding common shares. However, one of the U.S. shareholders of record is Cede & Co., a nominee of The Depository Trust Company, which held approximately 8,269,548 of our common shares. Accordingly, we believe that the shares held by Cede & Co. include common shares beneficially owned by both holders in the United States and non-U.S. beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control.

B. Related Party Transactions

On January 20, 2022, United was incorporated by Seanergy, under the laws of the Republic of the Marshall Islands to serve as the holding company of the Predecessor that was contributed to United by Seanergy upon effectiveness of the Spin-Off. The Spin-Off was pro rata to the shareholders of the Parent, including holders of the Parent's outstanding common shares and Series B preferred shares, so that such holders maintained the same proportionate interest in the Parent and in United both immediately before and immediately after the Spin-Off. In connection with the Spin-Off, our Chairman and Chief Executive Officer received 40,000 Series B Preferred Shares, while 5,000 Series C Preferred Shares were issued to Seanergy in exchange for \$5.0 million working capital contribution. Following the Spin-Off, United and Seanergy are independent publicly traded companies.

Seanergy Maritime Holdings Corp. Right of First Refusal

Prior to the consummation of the Spin-Off, we entered into a right of first refusal agreement with Seanergy pursuant to which Seanergy has a right of first refusal with respect to any opportunity available to us to sell, acquire or charter-in any Capesize vessel as well as with respect to chartering opportunities, other than short-term charters with a term of 13 months or less, available to us for Capesize vessels. In addition, we have a right of first offer with respect to any vessel sales by Seanergy. United exercised such right in December 2022 with respect to the sale of the M/Vs Goodship and Tradership.

Management Agreements

Prior to the consummation of the Spin-Off, United entered into a master management agreement with Seanergy for the provision of technical, administrative, commercial, brokerage and certain other services for our vessels. Certain of these services are being contracted directly with Seanergy's wholly owned subsidiaries, Seanergy Shipmanagement and Seanergy Management. The master management agreement provides for a fixed administration fee of \$325 per vessel per day payable to Seanergy. The initial term of our master management agreement with Seanergy will expire on December 31, 2024. Unless three months' notice of non-renewal is given by either party prior to the end of the current term, this agreement will automatically extend for additional 12-month periods. The master management agreement may be terminated immediately only for cause and at any time by either party with three months' prior notice, and no termination fee will be payable.

In relation to the technical management, Seanergy Shipmanagement is responsible for arranging for the day-to-day operations, inspections, maintenance, repairs, drydocking, purchasing, insurance and claims handling for the M/V Gloriuship, the M/V Goodship, the M/V Chrisea, the M/V Oasea and the M/V Cretansea. The technical management agreements provide for a fixed management fee of \$14,000 per month per vessel. In 2023 up until March 17, 2024 we paid a monthly fee of \$10,000 to Seanergy Shipmanagement for the M/V Goodship.

In addition, United had entered into a commercial management agreement with Seanergy Management pursuant to which Seanergy Management acted as agent for United's subsidiaries (directly or through subcontracting) for the commercial management of United's vessels, including chartering, monitoring thereof, freight collection, and sale and purchase. Such agreement was in effect up until April 1, 2023, except for the M/T Epanastasea for which the agreement was valid until her sale in August 2023. Pursuant to this agreement, we were paying to Seanergy Management a fee equal to 1.25% of the gross freight, demurrage and charter hire collected from the employment of our vessels except for any vessels that would be chartered-out to Seanergy. Seanergy Management also earned a fee equal to 1% of the contract price of any vessel bought or sold by them on our behalf until March 31, 2023, except for any vessels bought or sold from or to Seanergy, or in respect of any vessel sale relating to a sale leaseback transaction.

Since April 1, 2023, United Management entered into a management agreement with Seanergy Management for the commercial management of our vessels, including postfixture, commercial operation, sale and purchase and bareboat chartering. Pursuant to this agreement, we are paying to Seanergy Management a commission fee equal to 0.75% of the collected freight, demurrage and charter hire collected from the employment of our vessels, except for any vessels that may be chartered-out to Seanergy. Seanergy Management also earns a fee equal to 1% of the contract price of any vessel bought, sold or bareboat chartered by them on our behalf, except for any vessels bought, sold or bareboat chartered from or to Seanergy, or in respect of any vessel sale relating to a sale leaseback transaction.

Additional vessels that we may acquire in the future may be managed by Seanergy Shipmanagement, Seanergy Management or by other unaffiliated management companies.

We may enter into similar or new management agreements for the management of any additional vessels we may acquire in the future.

Contribution and Conveyance Agreement

Prior to the consummation of the Spin-Off, we entered into the Contribution and Conveyance Agreement with Seanergy. Pursuant to the Contribution and Conveyance Agreement, Seanergy, in conjunction with the Spin-Off, (i) contributed the United Maritime Predecessor, together with \$5.0 million in working capital, and (ii) agreed to indemnify us and United Maritime Predecessor for any and all obligations and other liabilities arising from or relating to the operation, management or employment of M/V Gloriuship prior to the effective date of the Spin-Off, except for the July 2022 EnTrust Facility.

Share Purchase Agreement

On July 26, 2022, we entered into a Share Purchase Agreement with Seanergy pursuant to which Seanergy purchased 5,000 of our newly issued Series C Preferred Shares in exchange for \$5.0 million payable in cash in connection with our obligation to pay the advance deposits pursuant to the memoranda of agreement for the M/Ts Parosea, Bluesea, Minoansea and Epanastasea. In November 2022, we redeemed all 10,000 Series C Preferred Shares issued to Seanergy pursuant to their terms for a gross redemption price (including all accrued and unpaid dividends up to the redemption date) of \$10.6 million.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See Item 18.

Legal Proceedings

Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. We are not a party to any material litigation where claims or counterclaims have been filed against us other than routine legal proceedings incidental to our business.

Dividend Policy

The declaration, timing and amount of any dividend is subject to the discretion of our board of directors and will be dependent upon our earnings, financial condition, market prospects, capital expenditure requirements, investment opportunities, restrictions in our loan agreements, the provisions of the Marshall Islands law affecting the payment of dividends to shareholders, overall market conditions and other factors. On February 22, 2023, we announced the initiation of a regular quarterly cash dividend of \$0.075 per common share and the declaration of a dividend of \$0.075 per share for the fourth quarter of 2022, which was paid on April 6, 2023 to all shareholders of record as of March 22, 2023. On July 6, 2023, we paid a quarterly dividend of \$0.075 per common share, for the first quarter of 2023, to all shareholders of record as of June 22, 2023. On October 6, 2023, we paid a quarterly dividend of \$0.075 per share, for the second quarter of 2023, to all shareholders of record as of September 22, 2023. On January 10, 2024 we paid a cash dividend of \$0.075 per share for the third quarter of 2023 to all shareholders of record as of December 22, 2023. On February 19, 2024, we declared a cash dividend of \$0.075 per share for the fourth quarter of 2023 payable on or about April 10, 2024 to all shareholders of record as of March 22, 2024.

Our board of directors may review and amend our dividend policy from time to time in light of our plans for future growth and other factors. In addition, since we are a holding company with no material assets other than the shares of our subsidiaries and affiliates through which we conduct our operations, our ability to pay dividends will depend on our subsidiaries and affiliates distributing to us their earnings and cash flow. Our loan agreements impose certain limitations on our ability to pay dividends and our subsidiaries' ability to make distributions to us.

B. Significant Changes

There have been no significant changes since the date of the consolidated financial statements included in this annual report, other than those described in note 11 "Subsequent events" of these statements.

ITEM 9. THE OFFER AND LISTING

Not applicable except for Item 9.A.4. and Item 9.C.

Share History and Markets

Since July 6, 2022, the primary trading market for our common shares has been Nasdaq on which our shares are now listed under the symbol "USEA".

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and articles of association

Our current amended and restated articles of incorporation have been filed as Exhibit 1.1 to our Registration Statement on Form 20-F filed on June 6, 2022. The information contained in this exhibit is incorporated by reference herein.

On December 27, 2023, our board of directors adopted the Second Amended and Restated Bylaws of the Company, which are attached to this report as Exhibit 1.2.

A description of the material terms of our amended and restated articles of incorporation and second amended and restated bylaws and of our capital stock is included in "Description of Securities" attached hereto as Exhibit 2.4 and incorporated by reference herein.

C. Material contracts

Attached as exhibits to this annual report are the contracts we consider to be both material and outside the ordinary course of business and are to be performed in whole or in part after the filing of this annual report. We refer you to "Item 4. Information on the Company – A. History and Development of the Company," "Item 4. Information on the Company – B. Business Overview," "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources," and "Item 7. Major Shareholders and Related Party Transactions – B. Related Party Transactions" for a discussion of our material contracts. Other than as discussed in this annual report, we have no material contracts, other than contracts entered into in the ordinary course of business, to which we are a party.

D. Exchange controls

Under Marshall Islands law, there are currently no restrictions on the export or import of capital, including foreign exchange controls, or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our common shares.

E. Taxation

The following is a summary of the material U.S. federal income tax and Marshall Islands tax consequences of the ownership and disposition of our common shares as well as the material U.S. federal and Marshall Islands income tax consequences applicable to us and our operations. The discussion below of the U.S. federal income tax consequences to "U.S. Holders" will apply to a beneficial owner of our common shares that is treated for U.S. federal income tax purposes as:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) that is created or organized (or treated as created or organized) in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (i) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If you are not described as a U.S. Holder and are not an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes, you will be considered a "Non-U.S. Holder." The U.S. federal income tax consequences applicable to Non-U.S. Holders is described below under the heading "United States Federal Income Taxation of Non-U.S. Holders."

This discussion does not consider the tax treatment of partnerships or other pass-through entities or persons who hold our common shares through such entities. If a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) is the beneficial owner of our common shares, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, its legislative history, Treasury Regulations promulgated thereunder, published rulings and court decisions, all as currently in effect. These authorities are subject to change, possibly on a retroactive basis.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to any particular holder based on such holder's individual circumstances. In particular, this discussion considers only holders that will own and hold our common shares as capital assets within the meaning of Section 1221 of the Code and does not address the potential application of the alternative minimum tax or the U.S. federal income tax consequences to holders that are subject to special rules, including:

- financial institutions or "financial services entities";
- broker-dealers;
- taxpayers who have elected mark-to-market accounting for U.S. federal income tax purposes;
- tax-exempt entities;
- governments or agencies or instrumentalities thereof;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- certain expatriates or former long-term residents of the United States;
- persons that actually or constructively own 10% or more (by vote or value) of our shares;

- persons that own shares through an “applicable partnership interest”;
- persons required to recognize income for U.S. federal income tax purposes no later than when such income is reported on an “applicable financial statement”;
- persons that hold our common shares as part of a straddle, constructive sale, hedging, conversion or other integrated transaction; or
- persons whose functional currency is not the U.S. dollar.

This summary does not address any aspect of U.S. federal non-income tax laws, such as gift or estate tax laws, or state, local or non-U.S. tax laws.

We have not sought, nor do we intend to seek, a ruling from the Internal Revenue Service, or the IRS, as to any U.S. federal income tax consequence described herein. The IRS may disagree with the description herein, and its determination may be upheld by a court.

Because of the complexity of the tax laws and because the tax consequences to any particular holder of our common shares may be affected by matters not discussed herein, each such holder is urged to consult with its tax advisor with respect to the specific tax consequences of the ownership and disposition of our common shares, including the applicability and effect of state, local and non-U.S. tax laws, as well as U.S. federal tax laws.

United States Federal Income Tax Consequences

Taxation of Operating Income in General

Unless exempt from United States federal income taxation under the rules discussed below, a foreign corporation is subject to United States federal income taxation in respect of any income that is derived from the use of vessels, from the hiring or leasing of vessels for use on a time, voyage or bareboat charter basis, from the participation in a shipping pool, partnership, strategic alliance, joint operating agreement, code sharing arrangements or other joint venture it directly or indirectly owns or participates in that generates such income, or from the performance of services directly related to those uses, which we refer to as “shipping income,” to the extent that the shipping income is derived from sources within the United States. For these purposes, 50% of the gross shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, exclusive of certain U.S. territories and possessions, constitutes income from sources within the United States, which we refer to as “U.S. source gross shipping income.”

Shipping income attributable to transportation that both begins and ends in the United States is considered to be 100% from sources within the United States. We are prohibited by law from engaging in transportation that produces income considered to be 100% from sources within the United States.

Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States. Shipping income earned by us that is derived from sources outside the United States will not be subject to any United States federal income tax.

We are subject to a 4% tax imposed without allowance for deductions for such taxable year, as described in “– Taxation in Absence of Exemption,” unless we qualify for exemption from tax under Section 883 of the Code, the requirements of which are described in detail below.

Exemption of Operating Income from United States Federal Income Taxation

Under Section 883 of the Code and the regulations thereunder, we will be exempt from United States federal income taxation on our U.S. source shipping income if (i) we are organized in a foreign country (our “country of organization”) that grants an “equivalent exemption” to corporations organized in the United States and (ii) one of the following statements is true:

- more than 50% of the value of our stock is owned, directly or indirectly, by “qualified shareholders,” that are persons (i) who are “residents” of our country of organization or of another foreign country that grants an “equivalent exemption” to corporations organized in the United States, and (ii) we satisfy certain substantiation requirements, which we refer to as the “50% Ownership Test”; or
- our stock is “primarily” and “regularly” traded on one or more established securities markets in our country of organization, in another country that grants an “equivalent exemption” to United States corporations, or in the United States, which we refer to as the “Publicly-Traded Test.”

The jurisdictions where we and our subsidiaries are incorporated grant “equivalent exemptions” to United States corporations. Therefore, we will be exempt from United States federal income taxation with respect to our U.S. source shipping income if we satisfy either the 50% Ownership Test or the Publicly-Traded Test.

50% Ownership Test

Under the regulations, a foreign corporation will satisfy the 50% Ownership Test for a taxable year if (i) for at least half of the number of days in the taxable year, more than 50% of the value of its stock is owned, directly or constructively through the application of certain attribution rules prescribed by the regulations, by one or more shareholders who are residents of foreign countries that grant “equivalent exemption” to corporations organized in the United States and (ii) the foreign corporation satisfies certain substantiation and reporting requirements with respect to such shareholders. These substantiation requirements are onerous and therefore there can be no assurance that we would be able to satisfy them, even if our share ownership would otherwise satisfy the requirements of the 50% Ownership Test.

We did not satisfy the 50% Ownership Test for our 2023 taxable year. Furthermore, these substantiation requirements are onerous and therefore there can be no assurance that we would be able to satisfy them, even if our share ownership would otherwise satisfy the requirements of the 50% Ownership Test.

Publicly-Traded Test

The regulations provide that the stock of a foreign corporation will be considered to be “primarily traded” on an established securities market in a country if the number of shares of each class of stock used to satisfy the Publicly Traded Test that is traded during the taxable year on all established securities markets in that country exceeds the number of shares in each such class that is traded during that year on established securities markets in any other single country.

Under the regulations, the stock of a foreign corporation will be considered “regularly traded” if one or more classes of its stock representing 50% or more of its outstanding shares, by total combined voting power of all classes of stock entitled to vote and by total combined value of all classes of stock, are listed on one or more established securities markets (such as the Nasdaq Capital Market), which we refer to as the “listing threshold.”

The regulations further require that with respect to each class of stock relied upon to meet the listing threshold: (i) such class of the stock is traded on the market, other than in minimal quantities, on at least sixty (60) days during the taxable year or one-sixth (1/6) of the days in a short taxable year; and (ii) the aggregate number of shares of such class of stock traded on such market is at least 10% of the average number of shares of such class of stock outstanding during such year or as appropriately adjusted in the case of a short taxable year. Even if a foreign corporation does not satisfy both tests, the regulations provide that the trading frequency and trading volume tests will be deemed satisfied by a class of stock if such class of stock is traded on an established market in the United States and such class of stock is regularly quoted by dealers making a market in such stock.

Notwithstanding the foregoing, the regulations provide, in pertinent part, that a class of stock will not be considered to be “regularly traded” on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class of stock are owned, actually or constructively under specified attribution rules, on more than half the days during the taxable year by persons who each own directly or indirectly 5% or more of the vote and value of such class of stock, whom we refer to as “5% Shareholders.” We refer to this restriction in the regulations as the “Closely-Held Rule.”

For purposes of being able to determine our 5% Shareholders, the regulations permit a foreign corporation to rely on Schedule 13G and Schedule 13D filings with the Commission. The regulations further provide that an investment company that is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for such purposes.

We believe that our common shares constituted 50% or more of our outstanding shares, by total combined voting power of all classes of our stock entitled to vote and by total combined value of all classes of stock for 2023. Furthermore, based on our analysis of our shareholdings during 2023 (Schedule 13G and Schedule 13D filings with the Commission), we believe that we satisfied the Publicly-Traded Test for our 2023 taxable year, and intend to take this position on our tax return.

Due to the factual nature of the issues involved, there can be no assurance that we and our subsidiaries will qualify for the benefits of Section 883 of the Code for the subsequent taxable years.

Taxation in Absence of Exemption

To the extent the benefits of Section 883 are unavailable, our U.S. source gross shipping income, to the extent not considered to be "effectively connected" with the conduct of a U.S. trade or business, as described below, would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, otherwise referred to as the "4% Tax." Since under the sourcing rules described above, no more than 50% of our shipping income would be treated as being derived from U.S. sources, the maximum effective rate of U.S. federal income tax on our shipping income would never exceed 2% under the 4% Tax.

To the extent the benefits of the Section 883 exemption are unavailable and our U.S. source gross shipping income is considered to be "effectively connected" with the conduct of a U.S. trade or business, as described below, any such "effectively connected" U.S. source gross shipping income, net of applicable deductions, would be subject to the U.S. federal corporate income tax currently imposed at a rate of 21%. In addition, we may be subject to the 30% "branch profits" tax on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and for certain interest paid or deemed paid attributable to the conduct of our U.S. trade or business.

Our U.S. source gross shipping income would be considered "effectively connected" with the conduct of a U.S. trade or business only if:

- we have, or are considered to have, a fixed place of business in the United States involved in the earning of shipping income; and
- substantially all of our U.S. source gross shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States, or, in the case of income from the leasing of a vessel, is attributable to a fixed place of business in the United States.

We do not intend to have, or permit circumstances that would result in having, any vessel operating to the United States on a regularly scheduled basis, or earning income from the leasing of a vessel attributable to a fixed place of business in the United States. Based on the foregoing and on the expected mode of our shipping operations and other activities, we believe that none of our U.S. source gross shipping income will be "effectively connected" with the conduct of a U.S. trade or business.

United States Taxation of Gain on Sale of Vessels

Regardless of whether we qualify for exemption under Section 883, we will not be subject to United States federal income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under United States federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. It is expected that any sale of a vessel by us will be considered to occur outside of the United States.

United States Federal Income Taxation of U.S. Holders

Taxation of Distributions Paid on Common Shares

Subject to the passive foreign investment company, or PFIC, rules discussed below, any distributions made by us with respect to common shares to a U.S. Holder will generally constitute dividends, which may be taxable as ordinary income or "qualified dividend income" as described in more detail below, to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in his common shares on a dollar-for-dollar basis and thereafter as capital gain. Because we are not a U.S. corporation, U.S. Holders that are corporations will generally not be entitled to claim a dividends-received deduction with respect to any distributions they receive from us.

Dividends paid on common shares to a U.S. Holder which is an individual, trust, or estate (a "U.S. Non-Corporate Holder") will generally be treated as "qualified dividend income" that is taxable to such shareholders at preferential U.S. federal income tax rates provided that (1) the common shares are readily tradable on an established securities market in the United States (such as the Nasdaq Capital Market on which the common shares are expected to be listed); (2) we are not a passive foreign investment company, or PFIC, for the taxable year during which the dividend is paid or the immediately preceding taxable year (which we do not believe we are or have been, and do not expect to be); (3) the U.S. Non-Corporate Holder has owned the common shares for more than 60 days in the 121-day period beginning 60 days before the date on which the common shares become ex-dividend; and (4) certain other conditions are met.

Any dividends paid by us which are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Holder.

Special rules may apply to any "extraordinary dividend" — generally, a dividend in an amount which is equal to or in excess of 10% of a shareholder's adjusted basis in a common share — paid by us. If we pay an "extraordinary dividend" on our common shares that is treated as "qualified dividend income," then any loss derived by a U.S. Non-Corporate Holder from the sale or exchange of such common shares will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or other Disposition of Common Shares

Assuming we do not constitute a PFIC for any taxable year, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our common shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the common shares is greater than one year at the time of the sale, exchange or other disposition. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

Passive Foreign Investment Company Rules

Special U.S. federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a PFIC for U.S. federal income tax purposes. In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such holder held our common shares, either:

- at least 75% of our gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or
- at least 50% of the average value of the assets held by us during such taxable year produce, or is held for the production of, passive income.

For purposes of determining whether we are a PFIC, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiary companies in which we own at least 25% of the value of the subsidiary's stock or other ownership interest. Income earned, or deemed earned, by us in connection with the performance of services should not constitute passive income. By contrast, rental income, which includes bareboat hire, would generally constitute "passive income" unless we are treated under specific rules as deriving rental income in the active conduct of a trade or business.

Based upon our current and anticipated method of operations, we believe that we should not be treated as a PFIC, and do not expect to be a PFIC in the future. Although there is no legal authority directly on point, our determination is based in part on the position that, for purposes of determining whether we are a PFIC, the gross income we derive or are deemed to derive from the time chartering and voyage chartering activities of our wholly owned subsidiaries should constitute services income, rather than rental income. Correspondingly, we believe that such income does not constitute passive income, and the assets that we or our wholly owned subsidiaries own and operate in connection with the production of such income, in particular the vessels, do not constitute passive assets for purposes of determining whether we are a PFIC. We believe there is substantial legal authority supporting our position consisting of case law and Internal Revenue Service pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. It should be noted that in the absence of any legal authority specifically relating to the statutory provisions governing PFICs, the Internal Revenue Service or a court could disagree with this position. In addition, although we intend to conduct our affairs in a manner so as to avoid being classified as a PFIC with respect to any taxable year, there can be no assurance that the nature of our operations will not change in the future.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election to treat us as a "Qualified Electing Fund," which election is referred to as a "QEF election." As an alternative to making a QEF election, a U.S. Holder should be able to make a "mark-to-market" election with respect to the common shares, as discussed below. In addition, if we were to be treated as a PFIC, a U.S. Holder would be required to file an IRS Form 8621 with respect to such holder's common shares.

Taxation of U.S. Holders Making a Timely QEF Election

If a U.S. Holder makes a timely QEF election, which U.S. Holder is referred to as an "Electing Holder," the Electing Holder must report each year for U.S. federal income tax purposes its pro rata share of our ordinary earnings and its net capital gain, if any, for our taxable year that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received from us by the Electing Holder. The Electing Holder's adjusted tax basis in the common shares will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed will result in a corresponding reduction in the adjusted tax basis in the common shares and will not be taxed again once distributed. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of the common shares. A U.S. Holder would make a QEF election with respect to any year that we are a PFIC by filing IRS Form 8621 with his, her or its U.S. federal income tax return. After the end of each taxable year, we will determine whether we were a PFIC for such taxable year. If we determine or otherwise become aware that we are a PFIC for any taxable year, we will use commercially best efforts to provide each U.S. Holder with all necessary information, including a PFIC Annual Information Statement, in order to enable such holder to make a QEF election for such taxable year.

Taxation of U.S. Holders Making a "Mark-to-Market" Election

Alternatively, if we were to be treated as a PFIC for any taxable year and, as anticipated, our common shares are treated as "marketable stock," a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our common shares. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the common shares at the end of the taxable year over such U.S. Holder's adjusted tax basis in the common shares. The U.S. Holder would also be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in the common shares over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's tax basis in his common shares would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of the common shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the U.S. Holder.

Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election

Finally, if we were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make either a QEF election or a "mark-to-market" election for that year, whom we refer to as a "Non-Electing Holder," would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on our common shares in a taxable year in excess of 125 percent of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common shares), and (2) any gain realized on the sale, exchange or other disposition of our common shares. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holders' aggregate holding period for the common shares;
- the amount allocated to the current taxable year and any taxable year before we became a passive foreign investment company would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These penalties would not apply to a pension or profit sharing trust or other tax-exempt organization that did not borrow funds or otherwise utilize leverage in connection with its acquisition of our common shares. If a Non-Electing Holder who is an individual dies while owning our common shares, such Non-Electing Holder's successor generally would not receive a step-up in tax basis with respect to such stock.

Net Investment Income Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) such U.S. Holder's "net investment income" (or undistributed "net investment income" in the case of estates and trusts) for the relevant taxable year and (2) the excess of such U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. Holder's net investment income will generally include its gross dividend income and its net gains from the disposition of the common shares, unless such dividends or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). Net investment income generally will not include a U.S. Holder's pro rata share of the Company's income and gain (if we are a PFIC and that U.S. Holder makes a QEF election, as described above in "— Taxation of U.S. Holders Making a Timely QEF Election"). However, a U.S. Holder may elect to treat inclusions of income and gain from a QEF election as net investment income. Failure to make this election could result in a mismatch between a U.S. Holder's ordinary income and net investment income. If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your tax advisor regarding the applicability of the net investment income tax to your income and gains in respect of your investment in our common shares.

United States Federal Income Taxation of Non-U.S. Holders

Dividends paid to a Non-U.S. Holder with respect to our common shares generally should not be subject to U.S. federal income tax, unless the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such holder maintains in the United States).

In addition, a Non-U.S. Holder generally should not be subject to U.S. federal income tax on any gain attributable to a sale or other disposition of our common shares unless such gain is effectively connected with its conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base that such holder maintains in the United States) or the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of sale or other disposition and certain other conditions are met (in which case such gain from United States sources may be subject to tax at a 30% rate or a lower applicable tax treaty rate).

Dividends and gains that are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base in the United States) generally should be subject to tax in the same manner as for a U.S. Holder and, if the Non-U.S. Holder is a corporation for U.S. federal income tax purposes, it also may be subject to an additional branch profits tax at a 30% rate or a lower applicable tax treaty rate.

Backup Withholding and Information Reporting

In general, information reporting for U.S. federal income tax purposes should apply to distributions made on our common shares within the United States to a non-corporate U.S. Holder and to the proceeds from sales and other dispositions of our common shares to or through a U.S. office of a broker by a non-corporate U.S. Holder. Payments made (and sales and other dispositions effected at an office) outside the United States will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax, currently at a rate of 24%, generally should apply to distributions paid on our common shares to a non-corporate U.S. Holder and the proceeds from sales and other dispositions of our common shares by a non-corporate U.S. Holder, who:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that backup withholding is required; or
- fails in certain circumstances to comply with applicable certification requirements.

A Non-U.S. Holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status, under penalties of perjury, on a duly executed applicable IRS Form W-8 or by otherwise establishing an exemption.

Backup withholding is not an additional tax. Rather, the amount of any backup withholding generally should be allowed as a credit against a U.S. Holder's or a Non-U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS.

Individuals who are U.S. Holders (and to the extent specified in applicable Treasury regulations, certain individuals who are Non-U.S. Holders and certain U.S. entities) who hold "specified foreign financial assets" (as defined in Section 6038D of the Code) are required to file IRS Form 8938 with information relating to the asset for each taxable year in which the aggregate value of all such assets exceeds \$75,000 at any time during the taxable year or \$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable Treasury regulations). Specified foreign financial assets would include, among other assets, our common shares, unless the shares are held through an account maintained with a U.S. financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event an individual U.S. Holder (and to the extent specified in applicable Treasury regulations, an individual Non-U.S. Holder or a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. U.S. Holders (including U.S. entities) and Non-U.S. Holders are encouraged to consult their own tax advisors regarding their reporting obligations under this legislation.

Marshall Islands Tax Consequences

We are incorporated in the Republic of the Marshall Islands. Under current Marshall Islands law, we are not subject to tax on income or capital gains, no Marshall Islands withholding tax will be imposed upon payment of dividends by us to its shareholders, and holders of our common shares that are not residents of or domiciled or carrying on any commercial activity in the Republic of the Marshall Islands will not be subject to Marshall Islands tax on the sale or other disposition of our common shares.

F. Dividends and paying agents

Not applicable.

G. Statement by experts

Not applicable.

H. Documents on display

We file annual reports and other information with the Commission. Our Commission filings are also available to the public at the website maintained by the Commission at <http://www.sec.gov>, as well as on our website at www.unitedmaritime.gr. The information contained on, or that can be accessed through, these websites is not incorporated by reference herein and does not form part of this annual report.

I. Subsidiary information

Not applicable.

J. ANNUAL REPORT TO SECURITY HOLDERS.

We are currently not required to provide an annual report to security holders in response to the requirements of Form 6-K.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to risks associated with changes in interest rates relating to our unhedged variable-rate sale and leaseback transactions, according to which we pay interest at a rate of Term SOFR plus a margin; as such increases in interest rates could affect our results of operations and ability to service our debt. As of December 31, 2023, we had aggregate variable-rate borrowings of \$52.8 million. We have not entered into any hedging contracts to protect against interest rate fluctuations.

The following table sets forth the sensitivity of our existing loans as of December 31, 2023, as to a 100-basis point increase in Term SOFR and reflects the additional interest expense.

Year	Amount (in \$ thousands)
2024	508
2025	434
2026	360
2027	155
2028	40
Total	1,497

Foreign Currency Exchange Rate Risk

We generate all of our revenue in U.S. dollars. Approximately a quarter of our operating expenses and less than half of our general and administration expenses (approximately 37% in 2023) are anticipated to be in currencies other than the U.S. dollar, primarily the Euro. For accounting purposes, expenses incurred in other currencies are converted into U.S. dollars at the exchange rate prevailing on the date of each transaction. We do not consider the risk from exchange rate fluctuations to be material for our results of operations. However, the portion of our business conducted in other currencies could increase in the future, which could expand our exposure to losses arising from exchange rate fluctuations. We have not hedged currency exchange risks associated with our expenses.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

a) Disclosure Controls and Procedures

Management (our Chief Executive Officer and our Chief Financial Officer) assessed the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15(e) of the Exchange Act, as of the end of the period covered by this annual report as of December 31, 2023. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of December 31, 2023.

b) Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is identified in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and our Chief Financial Officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. GAAP.

Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures are being made only in accordance with the authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Management (our Chief Executive Officer and our Chief Financial Officer), has assessed the effectiveness of our internal control over financial reporting as of December 31, 2023, based on the framework established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that the Company's internal control over financial reporting is effective as of December 31, 2023.

However, it should be noted that because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements with certainty even when determined to be effective and can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate / obsolete because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

c) **Attestation Report of the Registered Public Accounting Firm**

This annual report does not include an attestation report of the Company's registered public accounting firm because as an emerging growth company, we are exempt from this requirement.

d) **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the year covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [Reserved]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Christina Anagnostara, an independent director, chairman and a member of our audit committee, is an "Audit Committee Financial Expert" under Commission rules and the corporate governance rules of the Nasdaq Stock Market.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Business Conduct and Ethics that applies to our employees, officers and directors. Our Code of Business Conduct and Ethics is available on our website at www.unitedmaritime.gr. Information on our website does not constitute a part of this annual report and is not incorporated by reference. We will also provide a hard copy of our Code of Business Conduct and Ethics free of charge upon written request. We intend to disclose any waivers to or amendments of the Code of Business Conduct and Ethics for the benefit of any of our directors and executive officers within 5 business days of such waiver or amendment. Shareholders may direct their requests to the attention of Investor Relations, United Maritime Corporation, 154 Vouliagmenis Avenue, 16674 Glyfada, Greece, telephone number +30 213 0181507 or facsimile number +30 210 9638404.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our principal accountants are Ernst & Young (Hellas) Certified Auditors Accountants S.A. Audit, audit-related and non-audit services billed and accrued from Ernst & Young (Hellas) Certified Auditors Accountants S.A. are as follows:

	2023	2022
Audit fees	\$ 193,000	\$ 172,000
Audit related fees	\$ 26,000	\$ 46,000
Tax fees	-	-
All other fees	-	-
Total fees	\$ 219,000	\$ 218,000

Audit fees for 2023 related to professional services rendered for the audit of our financial statements of United Maritime Corporation for the year ended December 31, 2023. Audit fees for 2022 related to professional services rendered for the audit of our financial statements of United Maritime Corporation for the year ended December 31, 2022 and the carve-out financial statements of United Maritime Predecessor until the consummation of spin-off. As per the audit committee charter, our audit committee pre-approves all audit, audit-related and non-audit services not prohibited by law to be performed by our independent registered public accounting firm and associated fees prior to the engagement of the independent registered public accounting firm with respect to such services. Our audit committee has adopted a policy which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditors are to be pre-approved.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Month	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Units)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
May 1-31, 2023	37,240	\$ 2.893	37,240	\$ 2,892,104
June 1-30, 2023	29,991	\$ 2.808	29,991	\$ 2,807,898
August 1-31, 2023	50,240	\$ 2.325	50,240	\$ 2,691,093
September 1-30, 2023	79,640	\$ 2.513	79,640	\$ 2,490,926
October 1-31, 2023	53,081	\$ 2.392	53,081	\$ 2,363,959
November 1-30, 2023	4,282	\$ 2.329	4,282	\$ 2,353,987
December 1-31, 2023	10,276	\$ 2.390	10,276	\$ 2,329,431
January 1-31, 2024	17,174	\$ 2.497	17,174	\$ 2,286,553

In October 2022, our board of directors authorized a share buyback plan with an expiration date, as extended, of December 31, 2024, pursuant to which we may repurchase up to \$3.0 million of our outstanding common shares in the open market. As of March 28, 2024, we have repurchased 281,987 common shares for an aggregate purchase price of approximately \$716,267 pursuant to this buyback plan. The maximum value of shares that may yet be purchased under our buyback plan as of March 28, 2024 was \$2,286,553.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

As a foreign private issuer, as defined in Rule 3b-4 under the Exchange Act, the Company is permitted to follow certain corporate governance rules of its home country in lieu of Nasdaq's corporate governance rules. The Company's corporate governance practices deviate from Nasdaq's corporate governance rules in the following ways:

- In lieu of obtaining shareholder approval prior to the issuance of designated securities or the adoption of equity compensation plans or material amendments to such equity compensation plans, we will comply with provisions of the BCA, providing that the board of directors approve share issuances and adoptions of and material amendments to equity compensation plans. Likewise, in lieu of obtaining shareholder approval prior to the issuance of securities in certain circumstances, consistent with the BCA and our amended and restated articles of incorporation and second amended and restated bylaws, the board of directors approves certain share issuances.
- The Company's board of directors is not required to have an Audit Committee comprised of at least three members. Our Audit Committee is comprised of two members.
- The Company's board of directors is not required to meet regularly in executive sessions without management present.
- As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to Nasdaq pursuant to Nasdaq corporate governance rules or Marshall Islands law. Consistent with Marshall Islands law and as provided in our second amended and restated bylaws, we will notify our shareholders of meetings between 15 and 60 days before the meeting. This notification will contain, among other things, information regarding business to be transacted at the meeting.

Other than as noted above, we are in full compliance with all other applicable Nasdaq corporate governance standards.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our Board of Directors has adopted the "Statement of Company Policy – Trading in the Company's Securities" in relation to policies and procedures to detect and prevent insider trading ("Insider Trading Policy") governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to us. A copy of our Insider Trading Policy has been filed as Exhibit 11.1 to this Annual Report.

ITEM 16K. CYBERSECURITY

We believe that cybersecurity is fundamental in our operations and, as such, we are committed to maintaining robust governance and oversight of cybersecurity risks and to implementing comprehensive processes and procedures for identifying, assessing, and managing material risks from cybersecurity threats as part of our broader risk management system and processes. Our cybersecurity risk management strategy prioritizes detection, analysis and response to known, anticipated or unexpected threats; effective management of security risks; and resiliency against incidents. With the ever-changing cybersecurity landscape and continual emergence of new cybersecurity threats, our board of directors and senior management team ensure that adequate resources are devoted to cybersecurity risk management and the technologies, processes and people that support it. We implement risk-based controls to protect our information, the information of our customers, suppliers, and other third parties, our information systems, our business operations, and our vessels.

As part of our cybersecurity risk management system, our information & technology management team tracks and logs privacy and security incidents across our Company, our vessels, our customers, suppliers and other third-party service providers to remediate and resolve any such incidents. Significant incidents are reviewed regularly by our information & technology management team to determine whether further escalation is appropriate. We also engage annually third parties, such as specialized assessors, consultants and our external auditors, as well as our internal audit department, to audit our information security systems, whose findings are reported to our senior management team. Any identified incident assessed as potentially being or potentially becoming material is immediately escalated for further assessment, and then reported to our senior management team who is responsible to assess its overall materiality in due time and decide whether further reference to our board of directors is necessary. We further consult with outside counsel as appropriate, including on materiality analysis and disclosure requirements' matters, and our senior management, in cooperation if required with our board of directors, makes the final materiality determinations and disclosure and other compliance decisions.

As we do not have a dedicated board committee solely focused on cybersecurity, our senior management team has oversight responsibility for risks and incidents relating to cybersecurity threats, including compliance with disclosure requirements, cooperation with law enforcement, and related effects on financial and other risks, and it reports any material findings and recommendations, as appropriate, to our board of directors for consideration.

Overall, our approach to cybersecurity risk management includes the following key elements:

- (i) Continuous monitoring of cybersecurity threats, both internal and external, through the use of data analytics and network monitoring systems.
- (ii) Engagement of third party consultants and other advisors to assist in assessing points of vulnerability of our information security systems.
- (iii) Overall assessment of cybersecurity incidents materiality and potential impact on the company's operations and financial condition by our senior management team and our board of directors, in cooperation, if considered necessary, with specialized external consultants.
- (iv) Oversight responsibility of cybersecurity risks and compliance with relevant disclosure requirements lies with our senior management team and our board of directors.
- (v) Training and Awareness – we have various information technology policies relating to cybersecurity. We also provide employee mandatory training that is administered on a periodic basis that reinforces our information technology policies, standards and practices, as well as the expectation that employees comply with these policies and identify and report potential cybersecurity risks. We also require employees to sign confidentiality agreements, where appropriate to their role.

We continue to invest in our cybersecurity systems and to enhance our internal controls and processes. Our business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previously identified cybersecurity incidents, but we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. While we have dedicated appropriate resources to identifying, assessing, and managing material risks from cybersecurity threats, our efforts may not be adequate, may fail to accurately assess the severity of an incident, may not be sufficient to prevent or limit harm, or may fail to sufficiently remediate an incident in a timely fashion, any of which could harm our business, reputation, results of operations and financial condition. For more information certain risks associated with cybersecurity, see "Item 3.D. Risk Factors—Company-Specific Risk Factors—A cyber-attack could materially disrupt our business."

PART III**ITEM 17. FINANCIAL STATEMENTS**

See Item 18.

ITEM 18. FINANCIAL STATEMENTS

The financial statements required by this item, together with the reports of Ernst & Young (Hellas) Certified Auditors Accountants S.A., are set forth on pages F-1 through F-33 and F-1 through F-18 and are filed as part of this annual report.

ITEM 19. EXHIBITS

Exhibit Number	Description
1.1	Amended and Restated Articles of Incorporation of the Company (incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form 20-F filed with the Commission on June 6, 2022)
1.2	Second Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 1.1 to the Company's Report on Form 6-K filed with the Commission on December 27, 2023)
2.1	Form of Common Share Certificate (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form 20-F filed with the Commission on June 6, 2022)
2.2	Statement of Designation of the Series A Participating Preferred Stock of the Company*
2.3	Statement of Designation of the Series B Preferred Shares of the Company*
2.4	Description of Securities*
4.1	Amended and Restated Shareholders' Rights Agreement dated as of December 27, 2023 (incorporated by reference to Exhibit 4.1 to the Company's Report on Form 6-K filed with the Commission on December 27, 2023)
4.2	Amendment to the Amended and Restated Shareholders' Rights Agreement dated as of April 1, 2024 *
4.3	Amended and Restated Equity Incentive Plan of the registrant dated March 27, 2024*
4.4	Right of First Refusal Agreement by and between the Company and Seanergy Maritime Holdings Corp. (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form F-1 filed with the Commission on July 12, 2022)
4.5	Contribution and Conveyance Agreement by and between the Company and Seanergy Maritime Holdings Corp. (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form F-1 filed with the Commission on July 12, 2022)
4.6	Master Management Agreement by and between the Company and Seanergy Maritime Holdings Corp. (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form F-1 filed with the Commission on July 12, 2022)
4.7	Form of Technical Management Agreement with Seanergy Shipmanagement Corp. (incorporated by reference to Exhibit 4.6 to the Company's Registration Statement on Form 20-F filed with the Commission on June 6, 2022)
4.8	Form of Technical Management Agreement with V.Ships Limited (incorporated by reference to Exhibit 4.7 to the Company's Annual Report on Form 20-F filed with the Commission on April 4, 2023)

4.9	Commercial Management Agreement between United Management Corp. and Seanergy Management Corp. dated April 5, 2023*
4.10	Commercial Management Agreement between United Management Corp. and Fidelity Marine Inc. dated April 5, 2023*
4.11	Form of Services Agreement with United Management Corp.*
4.12	Form of Securities Purchase Agreement between United Maritime Corporation and certain purchasers thereto (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 6-K filed with the Commission on July 21, 2022)
4.13	Warrant Agency Agreement dated July 19, 2022 between United Maritime Corporation and American Stock Transfer & Trust Company, LLC (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 6-K filed with the Commission on July 21, 2022)
4.14	Form of Class A Share Purchase Warrant (incorporated by reference to Exhibit 4.5 to the Company's Current Report on Form 6-K filed with the Commission on July 21, 2022)
4.15	Bareboat Charterparty dated February 9, 2023 for the M/V Chrisea (incorporated by reference to Exhibit 4.21 to the Company's Annual Report on Form 20-F filed with the Commission on April 4, 2023)
4.16	Bareboat Charter Agreement dated March 31, 2023 between NML Oasea LLC and Oasea Maritime Co. for the M/V Oasea (incorporated by reference to Exhibit 4.22 to the Company's Annual Report on Form 20-F filed with the Commission on April 4, 2023)
4.17	Guarantee in respect of M/V Oasea dated March 31, 2023 between NML Trustee LLC and United Maritime Corporation (1.1 incorporated by reference to Exhibit 4.23 to the Company's Annual Report on Form 20-F filed with the Commission on April 4, 2023)
4.18	Guarantee in respect of the M/V Oasea dated March 31, 2023 between NML Trustee LLC and Cretansea Maritime Co.*
4.19	Amendment Agreement dated March 22, 2024 to a Bareboat Charter dated March 31, 2023 in relation to the M/V Oasea*
4.20	Bareboat Charter Agreement dated April 12, 2023 between NML Cretansea LLC and Cretansea Maritime Co. for the M/V Cretansea*
4.21	Guarantee in respect of the M/V Cretansea dated April 12, 2023 between NML Trustee LLC and United Maritime Corporation*
4.22	Guarantee in respect of the M/V Cretansea dated April 12, 2023 between NML Trustee LLC and Oasea Maritime Co.*
4.23	Amendment Agreement dated March 22, 2024 to a Bareboat Charter dated April 12, 2023 in relation to the M/V Cretansea*
4.24	Bareboat Charter Agreement dated April 19, 2023 between Mi-Das Line S.A. and Synthessea Maritime Co. for the M/V Synthessea*
4.25	Bareboat Charter Agreement dated November 15, 2023 between Giant 4 Holding Limited and Traders Maritime Co. for the M/V Tradership*

4.26	Guarantee in respect of the M/V Tradership dated November 15, 2023 between Giant 4 Holding Limited and United Maritime Corporation*
4.27	Bareboat Charter Agreement dated November 15, 2023 between Giant 5 Holding Limited and Good Maritime Co. for the M/V Goodship*
4.28	Guarantee in respect of the M/V Goodship dated November 15, 2023 between Giant 5 Holding Limited and United Maritime Corporation*
4.29	Bareboat Charter Agreement dated November 15, 2023 between Giant 6 Holding Limited and Sea Glorius Shipping Co. for the M/V Gloriuship*
4.30	Guarantee in respect of the M/V Gloriuship dated November 15, 2023 between Giant 6 Holding Limited and United Maritime Corporation*
4.31	Bareboat Charter Agreement dated February 22, 2024 between Exelixsea Maritime Co. and Village Seven Co., Ltd and V7 Fune Inc. for the M/V Exelixsea*
4.32	Guarantee in respect of the M/V Exelixsea dated February 22, 2024 issued by United Maritime Corporation*
4.33	Bareboat Charter Agreement dated March 6, 2024 between Basic Eternity Line S.A. and Nisea Maritime Co. for the M/V Scarlet Robin (tbr Nisea)*
8.1	List of Subsidiaries*
11.1	Statement of Company Policy – Trading in the Company's Securities *
12.1	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Executive Officer*
12.2	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Financial Officer*
13.1	Certification of the Company's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
13.2	Certification of the Company's Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
15.1	Consent of Ernst & Young (Hellas) Certified Auditors-Accountants S.A.*
15.2	Consent of Ernst & Young (Hellas) Certified Auditors-Accountants S.A.*
97.1	Policy for the Recovery of Erroneously Awarded Incentive Compensation of the Company*
101	The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2023, formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) Reports of Independent Registered Public Accounting Firm (PCAOB ID 1457), (ii) Consolidated Balance Sheets as of December 31, 2023 and 2022, (iii) Consolidated Statement of Operations for the year ended December 31, 2023 and for the period from inception (January 20, 2022) through December 31, 2022, (iv) Consolidated Statement of Stockholders' Equity for the year ended December 31, 2023 and for the period from inception (January 20, 2022) through December 31, 2022, (v) Consolidated Statement of Cash Flows for the year ended December 31, 2023 and for the period from inception (January 20, 2022) through December 31, 2022, (vi) Notes to Consolidated Financial Statements, (vii) Report of Independent Registered Public Accounting Firm (PCAOB ID 1457), (viii) Carve-out Balance Sheet as of December 31, 2021 (ix) Carve-out Statements of Operations for the period from January 1, 2022 through July 5, 2022 and for the year ended December 31, 2021, (x) Carve-out Statements of Parent's Equity for the period from January 1, 2022 through July 5, 2022 and for the year ended December 31, 2021, (xi) Carve-out Statements of Cash Flows for the period from January 1, 2022 through July 5, 2022 and for the year ended December 31, 2021, and (xii) Notes to the Carve-out Financial Statements.*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

*Filed herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

United Maritime Corporation

By: /s/ Stamatios Tsantanis

Name: Stamatios Tsantanis

Title: Chief Executive Officer

Date: April 2, 2024

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of United Maritime Corporation.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of United Maritime Corporation (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, stockholders' equity and cash flows for the year ended December 31, 2023 and the period from inception (January 20, 2022) through December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended December 31, 2023 and for the period from inception (January 20, 2022) through December 31, 2022, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

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

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

Athens, Greece

April 2, 2024

United Maritime Corporation
Consolidated Balance Sheets
December 31, 2023 and 2022
(In thousands of US Dollars, except for share and per share data)

	Notes	2023	2022
ASSETS			
Current assets:			
Cash and cash equivalents	4	13,801	54,732
Accounts receivable trade	2, 11	252	779
Due from related parties	3	142	-
Inventories	2	664	107
Prepaid expenses		546	989
Other current assets		3,685	3,207
Total current assets		19,090	59,814
Fixed assets:			
Vessels, net	5	104,819	37,512
Right-of-use assets	6	47,706	-
Advances for vessels acquisitions from related parties	3, 5	-	12,688
Total fixed assets		152,525	50,200
Other non-current assets:			
Restricted cash, non-current	4	700	15,200
Deferred charges and other investments, non-current	2	2,490	441
TOTAL ASSETS		174,805	125,655
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt and other financial liabilities, net of deferred finance costs and debt discounts of \$ 566 and \$ 527 , respectively	7	8,691	7,473
Finance lease liabilities, current	6	31,420	-
Due to related parties	3	450	829
Trade accounts and other payables		3,308	3,018
Accrued liabilities		8,045	5,495
Deferred revenue	11	527	1,027
Dividends payable	10	652	7,373
Total current liabilities		53,093	25,215
Non-current liabilities:			
Long-term debt and other financial liabilities, net of current portion and deferred finance costs and debt discounts of \$ 742 and \$ 67 , respectively	7	55,843	35,133
Other liabilities, non-current		-	739
Total liabilities		108,936	61,087
Commitments and contingencies			
	9	-	-
STOCKHOLDERS' EQUITY			
Preferred stock, \$ 0.0001 par value; 100,000,000 shares authorized; 40,000 Series B preferred shares issued and outstanding as at December 31, 2023 and 2022, respectively	10	-	-
Common stock, \$ 0.0001 par value; 2,000,000,000 authorized shares as at December 31, 2023 and 2022; 8,694,630 and 8,180,243 shares issued and outstanding as at December 31, 2023 and 2022, respectively	10	1	1
Additional paid-in capital	10	38,916	35,193
Retained earnings		26,952	29,374
Total stockholders' equity		65,869	64,568
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		174,805	125,655

The accompanying notes are an integral part of these consolidated financial statements.

United Maritime Corporation
Consolidated Statement of Operations
For the year ended December 31, 2023 and for the period from inception (January 20, 2022) through December 31, 2022
(In thousands of US Dollars, except for share and per share data)

	Notes	2023	2022
Vessel revenue, net	2, 3, 11	36,067	22,784
Expenses:			
Voyage expenses	11	(3,107)	(5,245)
Vessel operating expenses		(20,338)	(5,179)
Management fees		(545)	(241)
Management fees – related party	3	(1,421)	(285)
General and administration expenses	14	(6,018)	(5,524)
Depreciation and amortization	5	(9,078)	(1,903)
Amortization of deferred dry-docking costs		(285)	-
Gain on sale of vessels, net	5	11,804	36,095
Operating income		7,079	40,502
Other income / (expenses), net:			
Interest and finance costs	12	(7,183)	(2,452)
Loss on extinguishment of debt	7	(85)	(593)
Interest and other income		542	39
Foreign currency exchange losses, net		(132)	(6)
Total other expenses, net		(6,858)	(3,012)
Net income		221	37,490
Dividends on Series C preferred shares	10	-	(743)
Dividends to non-vested participating securities		(95)	(667)
Undistributed earnings to non-vested participating securities		-	(994)
Net income attributable to common stockholders		126	35,086
Earnings per share, basic	13	0.02	7.79
Earnings per share, diluted	13	0.02	4.92
Weighted average common shares outstanding, basic	13	8,359,487	4,503,397
Weighted average common shares outstanding, diluted	13	8,359,487	7,299,561

The accompanying notes are an integral part of these consolidated financial statements.

United Maritime Corporation
Consolidated Statements of Stockholders' Equity

For the year ended December 31, 2023 and for the period from inception (January 20, 2022) through December 31, 2022

(In thousands of US Dollars, except for share data)

	Preferred stock Series B		Preferred stock Series C		Common stock		Additional	Retained	Total
	# of	Par	# of	Par	# of Shares	Par	paid-in	earnings	stockholders'
	Shares	Value	Shares	Value		Value	capital		equity
Balance, January 20, 2022	-	-	-	-	500	-	-	-	-
Spin-off transaction (Note 3)	40,000	-	5,000	-	1,512,004	-	18,728	-	18,728
Issuance of common stock (including exercise of warrants) (Note 10)	-	-	-	-	8,258,030	1	24,679	-	24,680
Cancellation of common stock (Note 10)	-	-	-	-	(500)	-	-	-	-
Issuance of preferred stock (Notes 3 & 10)	-	-	5,000	-	-	-	5,000	-	5,000
Repurchase of common stock (Note 10)	-	-	-	-	(3,289,791)	-	(6,003)	-	(6,003)
Dividends on common stock and participating non vested restricted stock awards (Note 10)	-	-	-	-	-	-	-	(7,373)	(7,373)
Dividends on Series C preferred shares (Note 10)	-	-	-	-	-	-	-	(243)	(243)
Redemption of Series C preferred shares (Note 10)	-	-	(10,000)	-	-	-	(10,000)	(500)	(10,500)
Stock based compensation (Note 14)	-	-	-	-	1,700,000	-	2,789	-	2,789
Net income	-	-	-	-	-	-	-	37,490	37,490
Balance, December 31, 2022	40,000	-	-	-	8,180,243	1	35,193	29,374	64,568
Issuance of common stock (including exercise of warrants) (Note 10)	-	-	-	-	779,200	-	1,874	-	1,874
Repurchase of common stock (Note 10)	-	-	-	-	(264,813)	-	(673)	-	(673)
Dividends on common stock and participating non vested restricted stock awards (Note 10)	-	-	-	-	-	-	-	(2,643)	(2,643)
Stock based compensation (Note 14)	-	-	-	-	-	-	2,522	-	2,522
Net income	-	-	-	-	-	-	-	221	221
Balance, December 31, 2023	40,000	-	-	-	8,694,630	1	38,916	26,952	65,869

The accompanying notes are an integral part of these consolidated financial statements.

United Maritime Corporation
Consolidated Statements of Cash Flows

For the year ended December 31, 2023 and for the period from inception (January 20, 2022) through December 31, 2022

(In thousands of US Dollars)

	2023	2022
Cash flows from operating activities:		
Net income	221	37,490
<i>Adjustments to reconcile net income to net cash (used in) / provided by operating activities:</i>		
Depreciation and amortization	9,078	1,903
Amortization of deferred dry-docking costs	285	-
Amortization of deferred finance costs and debt discounts	781	352
Amortization of fair value of above market time charter	-	308
Amortization of fair value of below market time charter	-	(146)
Stock based compensation	2,522	2,789
Loss on extinguishment of debt	68	593
Gain on sale of vessels, net	(11,804)	(36,095)
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable trade	527	(660)
Inventories	(531)	87
Prepaid expenses	443	(990)
Other current assets	(478)	(3,207)
Due from related parties	(142)	-
Deferred charges, non-current	(5,519)	(58)
Trade accounts and other payables	(1,566)	(2,787)
Accrued liabilities	1,142	6,804
Other current liabilities	-	(130)
Due to related parties	(755)	595
Deferred revenue	(500)	1,027
Net cash (used in) / provided by operating activities	(6,228)	7,875
Cash flows from investing activities:		
Vessels acquisitions and improvements	(81,748)	(80,832)
Advances for vessels acquisitions from related parties	-	(12,688)
Lease prepayments and other initial direct costs	(14,890)	-
Gross proceeds from sale of vessel	37,500	100,008
Net cash (used in) / provided by investing activities	(59,138)	6,488
Cash flows from financing activities:		
Proceeds from issuance of common stock and warrants, net of underwriters fees and commissions	1,883	24,974
Proceeds from issuance of preferred stock	-	10,000
Redemption of preferred stock	-	(10,500)
Dividends on preferred stock	-	(243)
Payments for repurchase of common stock	(673)	(6,003)
Proceeds from long-term debt and other financial liabilities	54,500	73,000
Payments of financing and stock issuance costs	(1,801)	(909)
Dividends paid	(9,364)	-
Payments of finance lease liabilities	(2,752)	-
Repayments of long-term debt and other financial liabilities	(31,858)	(34,750)
Net cash provided by financing activities	9,935	55,569
Net (decrease) / increase in cash and cash equivalents and restricted cash	(55,431)	69,932
Cash and cash equivalents and restricted cash at beginning of period	69,932	-
Cash and cash equivalents and restricted cash at end of period	14,501	69,932
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	6,335	1,741
Noncash investing activities:		
Vessel acquisition through spin-off (Note 5)	-	(18,500)
Vessels' improvements and acquisitions	(232)	-
Right-of use assets and initial direct costs	(34,792)	-
Noncash financing activities:		
Dividends on common stock and participating non vested restricted stock awards declared but not paid (Note 10)	(652)	(7,373)
Long-term debt assumed through spin-off (Note 7)	-	4,950
Payments of financing and stock issuance stocks	(194)	(833)

The accompanying notes are an integral part of these consolidated financial statements.

United Maritime Corporation
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

1. Basis of Presentation and General Information:

United Maritime Corporation (the "Company" or "United") was incorporated by Seanergy Maritime Holdings Corp. ("Seanergy" or "Parent") on January 20, 2022 under the laws of the Republic of the Marshall Islands, having an initial share capital of 500 registered shares, of no par value, issued to the Parent. The Company completed the spin-off from Seanergy effective July 5, 2022. United's common shares are listed on the Nasdaq Capital Market and began trading on July 6, 2022 under the symbol "USEA". The Company is engaged in the ocean transportation of cargoes worldwide through the ownership and operation of dry-bulk vessels.

As further discussed in Note 3, Seanergy contributed the vessel-owning subsidiary of the *Gloriuship* (the "Predecessor") to United and \$ 5,000 in working capital in connection with the distribution of all of United's issued and outstanding common shares to Seanergy's shareholders, 40,000 of United's Series B preferred shares ("Series B Preferred Shares", Note 9), par value \$ 0.0001 to the holder of all Seanergy's issued and outstanding Series B preferred shares and 5,000 of United's 6.5 % Series C Cumulative Convertible Perpetual Preferred Shares ("Series C Preferred Shares", Note 9) (the "Spin-Off"). The Spin-Off was pro rata to the shareholders of the Parent, including holders of the Parent's outstanding common shares and Series B preferred shares, so that such holders maintained the same proportionate interest in the Parent and in United both immediately before and immediately after the Spin-Off. The Parent's shareholders received one United common share for every 11.8 common shares of Seanergy (such number of shares is adjusted for the one-for-ten reverse stock split effected by Seanergy on February 16, 2023) held at the close of business on June 28, 2022. In addition, the holder of all of the Parent's issued and outstanding Series B preferred shares received 40,000 of our Series B Preferred Shares on a pro-rata basis. On July 26, 2022, Seanergy contributed another \$ 5,000 to United in exchange for additional 5,000 Series C Preferred Shares, in connection with United's funding the deposits payable for four tanker vessels acquired by United (Note 5).

As of December 31, 2023, the Company reported cash and cash equivalents of \$ 13,801 and had a working capital deficit of \$ 34,003. As of December 31, 2023, the Company has scheduled financing payments that are payable within one year as follows:

- \$ 29,460 expected payments for the exercise of the purchase options with respect to the two finance leases (Note 6).
- \$ 3,011 lease payments with respect to the two finance leases (Note 6).
- \$ 9,257 debt and other financial liabilities installments with respect to third party lenders (Note 7).

The Company's cash flow projections for the period one year after the date that the consolidated financial statements are issued indicate that, before considering any plans for financing the purchase options for its finance leases of \$ 29,460, cash on hand and cash provided by operating activities will be sufficient to settle scheduled lease payments, debt and other financial liabilities and related interest, that are due within the respective period, but will not be sufficient to finance the purchase options from its finance leases discussed above.

The Company has initiated discussions with financiers and is currently evaluating financing alternatives to finance these purchase options. Considering the indicative terms offered by a financier for one of the two purchase options, the amount of time that the Company has available to negotiate the terms, the current market value of the two vessels compared to the amount of purchase options to be exercised at the maturity of the lease term, the current market conditions and market outlook, management's network of lenders and financiers and the past history of successful refinancing (Notes 6, 7 and 15), the Company's management believes that securing financing for the purchase options of \$ 29,460 is probable and will mitigate conditions indicating that cash and cash equivalent expected to be generated from operating activities will not be sufficient to cover its obligations falling due within one year after the date that the consolidated financial statements are issued.

The consolidated financial statements have been prepared assuming that the Company will continue as a going concern. Accordingly, they do not include any adjustments that might result in the event that the Company is unable to continue as a going concern.

The accompanying consolidated financial statements include the accounts of United and its subsidiaries. The comparative financial statements of the Company have been presented for the period from inception (January 20, 2022) through December 31, 2022. They include the accounts of United from January 20, 2022 and the accounts of the Company's wholly-owned subsidiaries upon the Spin-Off consummation on July 5, 2022.

a. Subsidiaries in Consolidation:

United's subsidiaries included in these consolidated financial statements as of December 31, 2023:

Company	Country of Incorporation	Vessel name	Date of Delivery	Date of Sale/Disposal
United Management Corp. (1)(2)	Marshall Islands	N/A	N/A	N/A
Sea Glorius Shipping Co. (1)(3)	Marshall Islands	<i>Gloriuship</i>	July 5, 2022	December 5, 2023
Epanastasea Maritime Co. (1)	Marshall Islands	<i>Epanastasea</i>	September 2, 2022	August 10, 2023
Parosea Shipping Co. (1)	Marshall Islands	<i>Parosea</i>	August 10, 2022	November 8, 2022
Blueseas Shipping Co. (1)	Marshall Islands	<i>Blueseas</i>	August 12, 2022	December 1, 2022
Minoansea Maritime Co. (1)	Marshall Islands	<i>Minoansea</i>	August 30, 2022	December 22, 2022
Good Maritime Co. (1)(3)	Liberia	<i>Goodship</i>	February 10, 2023	December 5, 2023
Traders Maritime Co. (1)(3)	Marshall Islands	<i>Tradership</i>	February 28, 2023	December 5, 2023
Chrisea Maritime Co. (1)(3)	Marshall Islands	<i>Chrisea</i>	February 21, 2023	N/A
Oasea Maritime Co. (1)(3)	Marshall Islands	<i>Oasea</i>	March 27, 2023	March 31, 2023
Cretansea Maritime Co. (1)(3)	Marshall Islands	<i>Cretansea</i>	April 26, 2023	April 26, 2023
Synthesea Maritime Co. (1)(3)	Liberia	<i>Synthesea</i>	August 1, 2023	N/A
Exelixsea Maritime Co. (1)(3)	Marshall Islands	<i>Exelixsea</i>	August 29, 2023	March 27, 2024

- (1) Subsidiaries wholly owned
(2) Management company
(3) Bareboat charterers

United Maritime Corporation
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

2. Significant Accounting Policies:

(a) Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) and include the accounts and operating results of United and its wholly-owned subsidiaries where United has control. Control is presumed to exist when United, through direct or indirect ownership, retains the majority of the voting interest. In addition, United evaluates its relationships with other entities to identify whether they are variable interest entities and to assess whether it is the primary beneficiary of such entities. If the determination is made that the Company is the primary beneficiary, then that entity is included in the consolidated financial statements. When the Company does not have a controlling interest in an entity, but exerts a significant influence over the entity, the Company applies the equity method of accounting. All intercompany balances and transactions have been eliminated on consolidation.

The Company deconsolidates a subsidiary or derecognizes a group of assets when the Company no longer controls the subsidiary or group of assets specified in Accounting Standards Codification (ASC or Codification) 810-10-40-3A. When control is lost, the Company derecognizes the assets and liabilities of the qualifying subsidiary or group of assets. The Financial Accounting Standards Board ("FASB") concluded that the loss of control and the related deconsolidation of a subsidiary or derecognition of a group of assets specified in ASC 810-10-40-3A is a significant economic event that changes the nature of the investment held in the subsidiary or group of assets. Based on this consideration, a gain or loss is recognized upon the deconsolidation of a subsidiary or derecognition of a group of assets.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates include evaluation of relationships with other entities to identify whether they are variable interest entities, determination of vessel useful lives and determination of vessels' impairment.

(c) Foreign Currency Translation

United's functional currency is the United States dollar since the Company's vessels operate in international shipping markets and therefore primarily transact business in U.S. Dollars. The Company's books of accounts are maintained in U.S. Dollars. Transactions involving other currencies are translated into the United States dollar using exchange rates that are in effect at the time of the transaction. At the balance sheet dates, monetary assets and liabilities, which are denominated in other currencies, are translated to United States dollars at the foreign exchange rate prevailing at year-end. Gains or losses resulting from foreign currency translation are reflected in the consolidated statement of operations.

(d) Concentration of Credit Risk

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents and accounts receivable trade. The Company places its cash and cash equivalents and restricted cash, consisting mostly of deposits, with high credit qualified financial institutions. The Company performs periodic evaluations of the relative credit standing of the financial institutions in which it places its deposits. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of the financial condition of its customers, receives charter hires in advance and generally does not require collateral for its accounts receivable.

(e) Cash and Cash Equivalents

United considers time deposits and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(f) Term Deposits

United classifies time deposits and all highly liquid investments with an original maturity of more than three months as term deposits.

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(g) Restricted Cash

Restricted cash is excluded from cash and cash equivalents. Restricted cash represents minimum cash deposits or cash collateral deposits required to be maintained with certain banks under the Company's borrowing arrangements or in relation to bank guarantees issued on behalf of the Company, which are legally restricted as to withdrawal or use. In the event that the obligation relating to such deposits is expected to be terminated within the next twelve months, these deposits are classified as current assets; otherwise, they are classified as non-current assets.

(h) Accounts Receivable Trade

Accounts receivable trade at each balance sheet date, includes receivables from charterers for hire, freight and demurrage billings, net of a provision for doubtful accounts. Receivables related to spot voyages are determined to be unconditional and are included in "Accounts Receivable Trade". At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. The Company also assessed the provisions of ASC 326, Financial Instruments—Credit Losses, by assessing the counterparties' credit worthiness and concluded that there is no material impact in the Company's financial statements as of December 31, 2023 and 2022. No provision for doubtful accounts was established as of December 31, 2023 and 2022.

(i) Inventories

Inventories consist of lubricants and bunkers, which are measured at the lower of cost or net realizable value. Net realizable value is defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Cost is determined by the first in, first out method.

(j) Insurance Claims

The Company records insurance claim recoveries for insured losses incurred on damage to fixed assets and for insured crew medical expenses and for legal fees covered by directors' and officers' liability insurance. Insurance claim recoveries are recorded, net of any deductible amounts, at the time the Company's fixed assets suffer insured damages or when crew medical expenses are incurred, recovery is probable under the related insurance policies, the claim is not subject to litigation and the Company can make an estimate of the amount to be reimbursed. The classification of the insurance claims into current and non-current assets is based on management's expectations as to their collection dates. The Company assesses the counterparties' credit worthiness according to provisions of ASC 326, Financial Instruments—Credit Losses. No provision for credit losses was recorded with regards to any insurance claims which might have existed as of December 31, 2023 and 2022.

(k) Vessels

Vessels acquired as a part of a business combination are recorded at fair market value on the date of acquisition. Vessels acquired as asset acquisitions are stated at historical cost, which consists of the contract price less discounts, plus any material expenses incurred upon acquisition (delivery expenses and other expenditures to prepare for the vessel's initial voyage). Vessels acquired from entities under common control are recorded at historical cost. Subsequent expenditures for conversions and major improvements are capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Expenditures for routine maintenance and repairs are expensed as incurred.

(l) Vessel Depreciation

Depreciation is computed using the straight-line method over the estimated useful life of the vessels (25 years), after considering the estimated salvage value. Salvage value is estimated by the Company by taking the cost of steel times the weight of the ship noted in lightweight ton. Salvage values are periodically reviewed and revised to recognize changes in conditions, new regulations or for other reasons. Revisions of salvage values affect the depreciable amount of the vessels and affect depreciation expense in the period of the revision and future periods.

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(m) Impairment of Long-Lived Assets (Vessels) and Right-of-use assets

The Company reviews its long-lived assets (vessels) and right-of-use assets for impairment whenever events or changes in circumstances, such as prevailing market conditions, obsolesce or damage to the asset, business plans to dispose a vessel earlier than the end of its useful life and other business plans, indicate that the carrying amount of the assets, plus any unamortized dry-docking costs and cost of any equipment not yet installed or right-of use assets, may not be recoverable. The volatile market conditions with decreased charter rates and decreased vessel market values are conditions that the Company considers to be indicators of a potential impairment for its vessels and right-of use assets.

The Company determines undiscounted projected operating cash flows for each vessel and right-of use asset and compares it to the vessel's carrying value, plus any unamortized dry-docking costs and cost of any equipment not yet installed or right-of-use asset. When the undiscounted projected operating cash flows expected to be generated by the use of the vessel and/or its eventual disposition and right-of-use asset are less than the vessel's carrying value, plus any unamortized dry-docking costs and cost of any equipment not yet installed or right-of-use asset, the Company impairs the carrying amount of the vessel or right-of-use asset. Measurement of the impairment loss is based on the fair value of the asset as determined by independent valuers and use of available market data. The undiscounted projected operating cash inflows are determined by considering the charter revenues from existing time charters for the fixed fleet days and an estimated daily time charter equivalent for the non-fixed days (based on a combination of one year charter rates estimates and the average of the trailing 10-year historical charter rates, excluding outliers) adjusted for commissions, expected off hires due to scheduled maintenance and estimated unexpected breakdown off hires. The undiscounted projected operating cash outflows are determined by applying various assumptions regarding vessel operating expenses and scheduled maintenance.

For the year ended December 31, 2023, indicators of impairment existed for three of the Company's vessels and two of the Company's right-of use assets. The carrying value of the Company's vessels plus any unamortized dry-docking costs and cost of any equipment not yet installed and right-of use-assets for which impairment indicators existed as at December 31, 2023, was \$ 54,765 and \$ 47,706 , respectively. From the impairment exercise performed, the undiscounted projected operating cash flows expected to be generated by the use of these three vessels and two right-of-use assets were higher than the vessels' carrying value, plus any unamortized dry-docking costs and cost of any equipment not yet installed and right-of-use assets, and thus the Company concluded that no impairment charge should be recorded.

(n) Dry-Docking and Special Survey Costs

The Company follows the deferral method of accounting for dry-docking costs and special survey costs whereby actual costs incurred are deferred and are amortized on a straight-line basis over the period through the date the next survey is scheduled to become due. Dry-docking costs which are not fully amortized by the next dry-docking period are expensed. Amounts are included in "Deferred charges and other investments, non-current".

(o) Commitments and Contingencies

Liabilities for loss contingencies, arising from claims, assessments, litigation, fines and penalties, environmental and remediation obligations and other sources are recorded when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

(p) Revenue Recognition

Revenues are generated from time charters and spot charters. Revenues generated from time charter agreements contain a lease as they meet the criteria of a lease under ASC 842. Agreements with the same charterer are accounted for as separate agreements according to their specific terms and conditions. All agreements contain a minimum non-cancellable period and an extension period at the option of the charterer. Each lease term is assessed at the inception of that lease. Under a time charter agreement the charterer pays a daily hire for the use of the vessel and reimburses the owner for hold cleanings, extra insurance premiums for navigating in restricted areas and damages caused by the charterers.

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Time charter revenue is recorded over the term of the charter agreement as the service is provided and collection of the related revenue is reasonably assured. Under a time charter, revenue is adjusted for a vessel's off hire days due to major repairs, dry dockings or special or intermediate surveys. Revenues from time charter agreements providing for varying annual rates are accounted for as operating leases and thus recognized on a straight-line basis over the non-cancellable rental periods of such agreements, as service is performed. Deferred revenue includes cash received prior to the balance sheet date for which all criteria to recognize as revenue have not been met. The Company, as lessor, has elected not to separate lease and non-lease components (operation and maintenance of the vessel) as their timing and pattern of transfer to the charterer, as the lessee, are the same and the lease component, if accounted for separately, would be classified as an operating lease. Additionally, the lease component is considered the predominant component as the Company has assessed that more value is ascribed to the vessel rather than to the services provided under the time charter contracts. Vessels are employed on short to medium-term time charter contracts, which provide flexibility in responding to market developments. For dry bulk vessels, rental income on the Company's time charters is calculated at an index linked rate based on the five T/C routes rate of the Baltic Capesize Index and Baltic Panamax Index. Under the terms of our dry bulk vessels' time charter agreements, the Company has the option to convert the floating index linked rate into a fixed charter rate based on the prevailing forward freight agreement curves.

Spot charter agreements are charter hires, where a contract is made in the spot market for the use of a vessel for a specific voyage at a specified charter rate per ton of cargo. Spot charter revenue is recognized on a pro-rata basis over the duration of the voyage from loading to discharge, when a voyage agreement exists, the price is fixed or determinable, service is provided and the collection of the related revenue is reasonably assured. For voyage charters, the Company satisfies its single performance obligation to transfer cargo under the contract over the voyage period. The Company has taken the practical expedient not to disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

Demurrage income, which is considered a form of variable consideration, is included in voyage revenues, and represents payments by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter agreements.

Pool revenue for each vessel is determined in accordance with the profit-sharing mechanism specified within each pool agreement. In particular, the Company's pool managers aggregate the revenues and expenses of all of the pool participants and distribute the net earnings to participants, as applicable:

- based on the pool points attributed to each vessel (which are determined by vessel attributes such as cargo carrying capacity, speed, fuel consumption, and construction and other characteristics); or
- by making adjustments to account for the cost performance, the bunkering fees and the trading capabilities of each vessel; and
- the number of days the vessel participated in the pool in the period (excluding off-hire days).

The Company records revenue generated from the pools in accordance with ASC 842, Leases, since it assesses that a vessel pool arrangement is a variable time charter with the variable lease payments recorded as income in profit or loss in the period in which the changes in facts and circumstances on which the variable lease payments are based occur.

(q) Commissions

Commissions, which include address and brokerage commissions, are recognized in the same period as the respective charter revenues. Address commissions to third parties and commissions to related parties (Note 3) are included in "Vessel revenue, net" while brokerage commissions to third parties are included in "Voyage expenses". For the years ended December 31, 2023 and 2022, an amount of \$ 1,113 and \$ 424 , respectively, was included in "Vessel revenue, net" related to commission to third parties.

(r) Vessel Voyage Expenses

Vessel voyage expenses primarily consist of port, canal, bunker expenses and brokerage commissions that are unique to a particular charter and are paid for by the charterer under time charter agreements and other non-specified voyage expenses. Under a spot charter, the Company incurs and pays for certain voyage expenses, primarily consisting of bunkers consumption, brokerage commissions, port and canal costs. Under ASC 606 and after implementation of ASC 340-40 "Other assets and deferred costs" for contract costs, incremental costs of obtaining a contract with a customer and contract fulfillment costs are capitalized and amortized as the performance obligation is satisfied, if certain criteria are met. The Company has adopted the practical expedient not to capitalize incremental costs when the amortization period (voyage period) is less than one year. Costs to fulfill the contract prior to arriving at the load port primarily consist of bunkers which are deferred and amortized during the voyage period. Voyage costs arising as performance obligation are expensed as incurred.

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(s) Fair value of above/ below market acquired time charters:

The Company values any asset or liability arising from the market value of the time charters assumed when a vessel is acquired or contributed. Where vessels are acquired or contributed with existing time charters, the Company determines the present value of the difference between: (i) the contractual charter rate and (ii) the market rate for a charter of equivalent duration prevailing at the time the vessels are delivered. In discounting the charter rate differences in future periods, the Company uses its cost of capital for each vessel. The cost of the acquisition is allocated to the vessel and the in-place time charter attached on the basis of their relative fair values. Such intangible asset or liability is recognized ratably as an adjustment to revenues over the remaining term of the assumed time charter.

(t) Repairs and Maintenance

All repair and maintenance expenses, including major overhauling and underwater inspection expenses are expensed in the year incurred. Such costs are included in "Vessel operating expenses".

(u) Financing Costs

Underwriting, legal and other direct costs incurred with the issuance of long-term debt or to refinance existing debt are deferred and amortized to interest expense over the life of the related debt using the effective interest method under modification guidance. The Company presents unamortized deferred financing costs as a reduction of long-term debt in the accompanying balance sheet. For the accounting of the unamortized deferred financing costs following debt extinguishment, see below (Note 2(aa)).

(v) Income Taxes

Pursuant to the Internal Revenue Code of the United States (the "Code"), U.S. source income from the international operations of ships is generally exempt from U.S. tax if the company operating the ships meets both of the following requirements: (a) the Company is organized in a foreign country that grants an equivalent exception to corporations organized in the United States and (b) either (i) more than 50 % of the value of the Company's stock is owned, directly or indirectly, by individuals who are "residents" of the Company's country of organization or of another foreign country that grants an "equivalent exemption" to corporations organized in the United States (50 % Ownership Test) or (ii) the Company's stock is "primarily and regularly traded on an established securities market" in its country of organization, in another country that grants an "equivalent exemption" to United States corporations, or in the United States (Publicly-Traded Test).

Notwithstanding the foregoing, the regulations provide, in pertinent part, that each class of the Company's stock will not be considered to be "regularly traded" on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons who each own 5 % or more of the value of such class of the Company's outstanding stock (" 5 Percent Override Rule").

Based on the Company's analysis of its shareholdings during 2023, the Publicly-Traded Test for the entire 2023 year has been satisfied in that less than 50 % of the Company's issued and outstanding shares were held by persons who each own directly or indirectly 5 % or more of the vote and value of such class of stock for more than half the days during the 2023 taxable year. Effectively, the Company and each of its subsidiaries qualify for this statutory tax exemption for the 2023 taxable year.

Certain charterparties of the Company contain clauses that permit the Company to seek reimbursement from charterers of any U.S. tax paid. The Company's U.S. federal income tax based on its U.S. source shipping income for 2023 and 2022 was \$NIL and \$NIL, respectively.

(w) Stock-based Compensation

Stock-based compensation represents vested and non-vested common stock granted to directors and employees for their services as well as to non-employees. The Company calculates stock-based compensation expense for the award based on its fair value on the grant date and recognizes it on an accelerated basis over the vesting period. The Company assumes that all non-vested shares will vest. The Company does not include estimated forfeitures in determining the total stock-based compensation expense because it elects to account the forfeitures of non-vested shares as incurred. The Company re-evaluates the reasonableness of its assumption at each reporting period.

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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

(x) Earnings per Share

Basic earnings per common share are computed by dividing net income available to United's shareholders by the weighted average number of common shares outstanding during the period. Unvested shares granted under the Company's incentive plan, or else, are entitled to receive dividends which are not refundable, even if such shares are forfeited, and therefore are considered participating securities for basic earnings per share calculation purposes, using the two-class method. The two-class method requires income available to common stockholders for the period to be allocated between common shares and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. Diluted earnings per share is computed by (i) dividing net income attributable to common stockholders by the weighted average number of common shares plus (ii) the dilutive effect for warrants and share based payments awards outstanding during the applicable period computed using the treasury stock method which assumes that the "proceeds" upon exercise of these awards or warrants are used to purchase common shares at the average market price for the period and (iii) the dilutive effect of convertible preferred shares, using the if converted method. The two-class method is used for diluted earnings per common share when such is the most dilutive method, considering anti-dilution sequencing as per ASC 260. Potential common shares that have an anti-dilutive effect (i.e. those that increase income per share or decrease loss per share) are excluded from the calculation of diluted earnings per share.

(y) Segment Reporting

United reports financial information and evaluates its operations by total charter revenues and not by the length of vessel employment, customer, or type of charter. As a result, management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet and thus, United has determined that it operates under one reportable segment. Furthermore, when United charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, disclosure of geographic information is impracticable.

(z) Fair Value Measurements

The Company follows the provisions of ASC 820, *Fair Value Measurement*, which defines and provides guidance as to the measurement of fair value. The guidance creates a fair value hierarchy of measurement and describes fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. In accordance with the requirements of accounting guidance relating to Fair Value Measurements, the Company classifies and discloses its assets and liabilities carried at fair value in one of the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Unobservable inputs that are not corroborated by market data.

(aa) Debt Modifications and Extinguishments

The Company follows the provisions of ASC 470-50, *Modifications and Extinguishments*, to account for all modifications or extinguishments of debt instruments, except debt that is extinguished through a troubled debt restructuring or a conversion of debt to equity securities of the debtor pursuant to conversion privileges provided in terms of the debt at issuance. This Subtopic also provides guidance on whether an exchange of debt instruments with the same creditor constitutes an extinguishment and whether a modification of a debt instrument should be accounted for in the same manner as an extinguishment. In circumstances where an exchange of debt instruments or a modification of a debt instrument does not result in extinguishment accounting, this Subtopic provides guidance on the appropriate accounting treatment. Costs associated with new loans or refinancing of existing loans, including fees paid to lenders or required to be paid to third parties on the lender's behalf for obtaining new loans or refinancing existing loans, are recorded as deferred charges. Costs paid directly to third parties are expensed as incurred. Deferred financing costs are presented as a deduction from the corresponding liability. Such fees are deferred and amortized to interest and finance costs during the life of the related debt using the effective interest method. Unamortized fees relating to loans repaid or refinanced, meeting the criteria of debt extinguishment, are expensed in the period the repayment or refinancing is made. In particular, ASC 470-50-40-2 indicates that for extinguishments of debt, the difference between the reacquisition price and the net carrying amount of the extinguished debt (which includes any deferred debt issuance costs) should be recognized as a gain or loss when the debt is extinguished and identified as a separate item.

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(ab) Distinguishing Liabilities from Equity

The Company follows the provisions of ASC 480 "Distinguishing liabilities from equity" to determine the classification of certain freestanding financial instruments as either liabilities or equity. The Company, in its assessment for the accounting of the warrants issued in connection with the July 20, 2022 public offering, the Series B Preferred Shares and the Series C Preferred Shares issued to Seanergy in exchange for working capital contribution, has taken into consideration ASC 480 and determined that the warrants, the Series B Preferred Shares and the Series C Preferred Shares should be classified as equity instead of liability. In its assessment for the warrants, the Company identified certain embedded features, examined whether these fall under the definition of a derivative according to ASC 815 applicable guidance or whether certain of these features affected the classification. Derivative accounting was deemed inappropriate and thus no bifurcation of these features was performed. Upon exercise of the warrants, the holder is entitled to receive common shares. In its assessment for the Series C Preferred Shares, the Company identified certain features, such as redemption rights, conversion rights, voting rights and dividend rights. In its assessment, the Company examined whether these fall under the definition of a derivative according to ASC 815 applicable guidance or whether certain of these features affected the classification. Derivative accounting was deemed inappropriate and thus no bifurcation of these features was performed. The Company concluded that equity classification was appropriate. The Series C Preferred Shares were redeemed within the year and no Series C Preferred Shares were outstanding as of December 31, 2022 (Note 10). The \$ 500 payment over the face value was accounted for as a deemed dividend according to ASC 260-10-S99-2.

(ac) Share repurchases

The Company records the repurchase of its common shares at cost. The Company's common shares repurchased for retirement, are immediately cancelled and the Company's common stock is accordingly reduced. Any excess of the cost of the shares over their par value is allocated in additional paid-in capital, in accordance with ASC 505-30-30, Treasury Stock.

(ad) Evaluation of Nonmonetary Transactions

When the Company enters into a nonmonetary transaction as defined broadly under ASC 845, *Nonmonetary Transactions*, it determines whether the transaction is a contribution of an asset or a business by assessing the definition of a business under ASC 805 and whether the transaction is pro-rata. A transaction is considered pro rata if each owner receives an ownership interest in the transferee in proportion to its existing ownership interest in the transferor (even if the transferor retains an ownership interest in the transferee). In accordance with FASB Topic 805 Business Combinations: Clarifying the Definition of a Business, if substantially all of the fair value of the gross assets acquired in an acquisition transaction are concentrated in a single identifiable asset or group of similar identifiable assets, then the set is not a business. To be considered a business, a set must include an input and a substantive process that together significantly contributes to the ability to create an output. All assets contributed under nonmonetary transactions that do not meet the definition of a business, are measured at their fair values on the transaction date in accordance with ASC 845, if the fair value is objectively measurable and clearly realizable in an outright sale at or near the distribution.

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(ae) Sale and Leaseback Transactions

In accordance with ASC 842, the Company, as seller-lessee, determines whether the transfer of an asset should be accounted for as a sale in accordance with ASC 606. The existence of an option for the seller-lessee to repurchase the asset precludes the accounting for the transfer of the asset as a sale unless both of the following criteria are met: (1) the exercise price of the option is the fair value of the asset at the time the option is exercised and (2) there are alternative assets, substantially the same as the transferred asset, readily available in the marketplace; and the classification of the leaseback as a finance lease or a sales-type lease, precludes the buyer-lessor from obtaining control of the asset. The existence of an obligation for the Company, as seller-lessee, to repurchase the asset precludes accounting for the transfer of the asset as sale as the transaction would be classified as a financing arrangement by the Company as it effectively retains control of the underlying asset. If the transfer of the asset meets the criteria of sale, the Company, as seller-lessee recognizes the transaction price for the sale when the buyer-lessor obtains control of the asset, derecognizes the carrying amount of the underlying asset and accounts for the lease in accordance with ASC 842. If the transfer does not meet the criteria of sale, the Company does not derecognize the transferred asset, accounts for any amounts received as a financing arrangement and recognizes the difference between the amount of consideration received and the amount of consideration to be paid as interest.

(af) Finance Lease Liabilities & Right-of-Use Assets

Bareboat charter-in agreements that the Company may enter into are accounted for pursuant to ASC 842 and are classified as finance leases if they either involve a purchase obligation or a purchase option that is reasonably certain, at inception, that will be exercised. At the commencement date of the finance lease, a lessee initially measures the lease liability at the present value, using the discount rate determined on the commencement, of the lease payments to be made over the lease term, including any amount for the purchase the vessel, if applicable. Subsequently, the lease liability is increased by the interest on the lease liability and decreased by the lease payments during the period. The interest on the lease liability is determined in each period during the lease term as the amount that produces a constant periodic discount rate on the remaining balance of the liability, taking into consideration the reassessment requirements.

A lessee initially measures the finance right-of-use asset at cost which consists of the amount of the initial measurement of the lease liability; any lease payments made to the lessor at or before the commencement date, less any lease incentives received; and any initial direct costs incurred by the lessee. Subsequently, the finance right-of-use asset is measured at cost less any accumulated amortization and any accumulated impairment losses, taking into consideration the reassessment requirements. A lessee shall amortize the finance right-of-use asset on a straight-line basis (unless another systematic basis better represents the pattern in which the lessee expects to consume the right-of-use asset's future economic benefits) from the commencement date to the earlier of the end of the useful life of the finance right-of-use asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the lessee or the lessee is reasonably certain to exercise an option to purchase the underlying asset, the lessee shall amortize the right-of-use asset to the end of the useful life of the underlying asset. The Company elected the practical expedient on not separating lease components from non lease components in accordance with ASC 842-10-15-37.

Recent Accounting Pronouncements Adopted

The Company has adopted ASU 2020-04, *Reference Rate Reform (Topic 848)*, as amended by ASU 2022-06 Reference Rate Reform (Topic 848): *Deferral of the Sunset Date of Topic 848: Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform. ASU 2020-04 applies to contracts that reference LIBOR or another reference rate expected to be terminated because of reference rate reform. The amendments in this Update are effective for all entities as of March 12, 2020 through December 31, 2022. An entity may elect to apply the amendments for contract modifications by Topic or Industry Subtopic as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to the date that the financial statements are available to be issued. Once elected for a Topic or an Industry Subtopic, the amendments in this Update must be applied prospectively for all eligible contract modifications for that Topic or Industry Subtopic. An entity may elect to apply the amendments in this Update to eligible hedging relationships existing as of the beginning of the interim period that includes March 12, 2020 and to new eligible hedging relationships entered into after the beginning of the interim period that includes March 12, 2020. An entity may elect certain optional expedients for hedging relationships that exist as of December 31, 2022 and maintain those optional expedients through the end of the hedging relationship. The adoption of ASU No. 2020-04 did not have any effect in the Company's consolidated financial statements and disclosures.

The Company has adopted ASU No. 2021-01, *Reference Rate Reform (Topic 848)*, as amended by ASU 2022-06 Reference Rate Reform (Topic 848): *Deferral of the Sunset Date of Topic 848*. The ASU clarifies that all derivative instruments affected by changes to the interest rates used for discounting, margining or contract price alignment due to reference rate reform are in the scope of ASC 848. As such, entities may apply certain optional expedients in ASC 848 to derivative instruments that do not reference LIBOR or another rate expected to be discontinued as a result of reference rate reform if there is a change to the interest rate used for discounting, margining or contract price alignment. In addition, the ASU clarifies other aspects of the guidance in ASC 848 and provides new guidance on how to address the effects of the cash compensation adjustment that is provided as part of the above change on certain aspects of hedge accounting. The adoption of ASU No. 2021-01 did not have any effect in the Company's consolidated financial statements and disclosures.

Recent Accounting Pronouncements – Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segment Disclosures*, which amends the existing segment reporting guidance (ASC Topic 280 — *Segment Reporting*) to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, an amount for other segment items by reportable segment and a description of its composition, the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. In addition, companies with a single reporting segment will have to provide all of the disclosures required by ASC 280, including the significant segment expense disclosures. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact this guidance may have on its consolidated financial statements and related disclosures.

There are no other recent accounting pronouncements the adoption of which is expected to have a material effect on the Company's consolidated financial statements in the current or any future periods.

United Maritime Corporation
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

3. Transactions with related parties:

On January 20, 2022, United was incorporated by Seanergy, under the laws of the Republic of the Marshall Islands to serve as the holding company of the Predecessor upon consummation of the Spin-Off (Note 1). Following the Spin-Off, United and Seanergy are independent publicly-traded companies. The Spin-Off was pro rata to the shareholders of the Parent, including holders of the Parent's outstanding common shares and Series B preferred shares, so that such holders maintained the same proportionate interest in the Parent and in United both immediately before and immediately after the Spin-Off.

Contribution and Conveyance Agreement: Prior to the consummation of the Spin-Off, United entered into a Contribution and Conveyance Agreement with Seanergy. Pursuant to the Contribution and Conveyance Agreement, Seanergy, immediately prior to the Spin-Off, contributed (i) all of the Predecessor's shares to United as a capital contribution, and (ii) an aggregate of \$ 5,000 in cash as working capital, in exchange for the issuance of 5,000 Series C Preferred Shares to Seanergy, the cancellation of the then outstanding common shares of United and the issuance of 1,512,004 common shares of United and 40,000 Series B Preferred Shares to Seanergy (the "Distribution Shares"). Seanergy distributed the Distribution Shares to its shareholders on a pro rata basis as a special dividend. Additionally, Seanergy agreed to indemnify United for any and all obligations and other liabilities arising from or relating to the operation, management or employment of the *Gloryship* prior to the effective date of the Spin-Off, except for the July 2022 EnTrust Facility.

Rights of First Refusal: Prior to the consummation of the Spin-Off, United entered into a Right of First Refusal Agreement with Seanergy. Pursuant to the agreement, Seanergy has a right of first refusal with respect to any opportunity available to United to sell, acquire or charter-in any Capesize vessel as well as with respect to chartering opportunities, other than short-term charters with a term of 13 months or less, available to United for Capesize vessels. In addition, United has a right of first offer with respect to any vessel sales by Seanergy. United exercised such right with respect to the sale of the Goodship and the Tradership (Note 5). Upon a change of control of United or Seanergy occurring (as defined therein), such rights terminate immediately.

The Spin-Off was accounted for at fair values since the assets contributed did not meet the definition of a business and their fair value was objectively measurable and clearly realizable in an outright sale at or near the distribution (Note 7). The equity contribution from the consummation of the Spin-Off was \$ 18,728 including the \$ 5,000 cash received in exchange of issuance of the 5,000 Series C Preferred Shares and is presented in "Spin-off transaction" in the accompanying consolidated statement of stockholders' equity.

On July 26, 2022, the Company issued additional 5,000 Series C Preferred Shares to Seanergy in exchange for \$ 5,000 cash in connection with United's funding the deposits payable for four tanker vessels acquired between August and September 2022 (Note 5).

On November 28, 2022, the outstanding 10,000 Series C preferred shares of United held by Seanergy were redeemed by the Company at a price equal to 105 % of the original issue price for a total cash outflow of \$ 10,500 . Total dividends paid in respect with the Series C Preferred Shares up to date of redemption amounted to \$ 243 .

Management Agreements:

Master Management Agreement

United entered into a master management agreement with Seanergy for the provision of technical, administrative, commercial, brokerage and certain other services. Certain of these services are being contracted directly with Seanergy's wholly owned subsidiaries, Seanergy Shipmanagement Corp. ("Seanergy Shipmanagement") and Seanergy Management Corp. ("Seanergy Management"). In consideration of Seanergy providing such services ("service providers"), United pays a fixed administration fee of \$ 325 per vessel per day to Seanergy. The initial term of the master management agreement with Seanergy will expire on December 31, 2024. Unless three months ' notice of non-renewal is given by either party prior to the end of the then current term, this agreement will automatically extend for additional 12-month periods. The master management agreement may be terminated immediately only for cause and at any time by either party with three months ' prior notice, and no termination fee will be payable.

For the year ended December 31, 2023 and from inception, January 20, 2022, to December 31, 2022, management fees charged from Seanergy amounted to \$ 760 and \$ 203 , respectively, and are presented under "Management fees- related party" in the accompanying statement of operations. As of December 31, 2023 and 2022, the balance due to Seanergy amounted to \$ 252 and \$ 439 , respectively, and is included in "Due to related parties" in the accompanying consolidated balance sheets.

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Technical Management Agreement

In relation to the technical management, Seanergy Shipmanagement is responsible for arranging (directly or by subcontracting) for the day-to-day operations, inspections, maintenance, repairs, drydocking, purchasing, insurance and claims handling for the *Gloriuship*, *Chrisea*, *Cretansea*, *Oasea* and *Goodship*. Pursuant to the management agreements, Seanergy Shipmanagement earns a fixed management fee of \$ 10 per month for such services for the Goodship and a fixed management fee of \$ 14 per month for the remaining vessels.

For the year ended December 31, 2023 and from inception, January 20, 2022, to December 31, 2022, management fees charged from Seanergy Shipmanagement amounted to \$ 661 and \$ 82 , respectively, and are presented under "Management fees- related party" in the accompanying statement of operations. As of December 31, 2023 and 2022, the balance due to Seanergy Shipmanagement amounted to \$ 198 and \$NIL, respectively and is included in "Due to related parties" in the accompanying consolidated balance sheets.

Commercial Management Agreement

United had entered into a commercial management agreement with Seanergy Management pursuant to which Seanergy Management acted as agent for United's subsidiaries (directly or through subcontracting) for the commercial management of their vessels, including chartering, monitoring thereof, freight collection, and sale and purchase up until March 31, 2023, except for the *Epanastasea* for which such agreement was in effect up until her sale to her new owners in August 2023. United was paying to Seanergy Management a fee equal to 1.25 % of the gross freight, demurrage and charter hire collected from the employment of United's vessels, except for any vessels that were chartered-out to Seanergy. Seanergy Management also earned a fee equal to 1 % of the contract price of any vessel bought or sold by them on United's behalf, except for any vessels bought or sold from or to Seanergy, or in respect of any vessel sale relating to a sale and leaseback transaction.

Effective as of April 1, 2023, United's subsidiary, United Management Corp. ("United Management") has entered into a commercial management agreement with Seanergy Management pursuant to which Seanergy Management acts as agent for United's subsidiaries for the commercial management of United's vessels, including, inter alia, accounting services, voyage monitoring, freight collection, postfixing, sale, purchase and bareboat chartering. United is paying to Seanergy Management a fee equal to 0.75 % of the gross freight, demurrage and charter hire collected from the employment of United's vessels. In addition, Seanergy Management earns a fee equal to 1 % of the contract price of any vessel bought, sold or bareboat chartered by them on United's behalf (not including any vessels bought, sold or bareboat chartered from or to Seanergy, or any vessel sale relating to a sale and leaseback transaction).

For the year ended December 31, 2023 and from inception, January 20, 2022, to December 31, 2022, fees charged under the commercial agreement amounted to \$ 329 and \$ 296 , respectively, and are included in "Vessels revenue, net" in the accompanying statement of operations.

For the year ended December 31, 2023 and from inception, January 20, 2022, to December 31, 2022, fees charges in relation to purchase services amounted to \$ 1,073 and \$ 795 and are presented in "Right-of-use assets" (Note 6) and "Vessel, net" (Note 5) respectively.

For the year ended December 31, 2023 and from inception, January 20, 2022, to December 31, 2022, fees charges in relation to sale services amounted to \$ 375 and \$ 1,015 and are presented in "Gain on sale of vessels, net" in the accompanying statement of operations.

As of December 31, 2023 and 2022, balance from and balance due to Seanergy Management amounted to \$ 142 and \$ 390 and is included in "Due from related parties" and "Due to related parties", respectively, in the accompanying consolidated balance sheets.

On October 14, 2022 and December 28, 2022, the Compensation Committee of the Company granted 200,000 shares and 120,000 shares, respectively, to certain of the Company's service providers (Note 14).

On December 27, 2022, the Company entered into definitive agreements to acquire two Capesize vessels from Seanergy for an aggregate purchase price of \$ 36,250 (Note 5).

United Maritime Corporation
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

4. Cash and Cash Equivalents and Restricted Cash:

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statement of cash flows:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	13,801	54,732
Restricted cash, non-current	700	15,200
Cash and cash equivalents and restricted cash	<u>14,501</u>	<u>69,932</u>

Restricted cash as of December 31, 2023 includes \$ 350 of minimum liquidity requirements as per the March 2023 Neptune Sale and Leaseback and \$ 350 of minimum liquidity requirements as per the April 2023 Neptune Sale and Leaseback.

Restricted cash as of December 31, 2022 includes \$ 15,200 that served as cash collateral under the August 2022 EnTrust Facility and in relation to the August 2022 EnTrust Facility related to *Minoansea*. Such amount was restricted and was used to finance part of the acquisition cost of the Goodship and Tradership upon their delivery to the Company in February 2023 (Note 7) .

5. Vessels, Net:

The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	December 31, 2023	December 31, 2022
Cost:		
Beginning balance:	38,769	-
- Vessel contributed by Seenergy	-	18,500
- Additions	95,051	80,648
- Disposals	<u>(21,445)</u>	<u>(60,379)</u>
Ending balance:	112,375	38,769
Accumulated depreciation:		
Beginning balance:	(1,257)	-
- Depreciation for the period	(7,101)	(1,903)
- Disposals	<u>802</u>	<u>646</u>
Ending balance:	(7,556)	(1,257)
Net book value	<u>104,819</u>	<u>37,512</u>

Acquisitions

On June 9, 2023, the Company entered into an agreement with an unaffiliated party for the purchase of a secondhand Panamax vessel, the *Santa Barbara*, which was renamed *Exelixsea*, for a gross purchase price of \$ 17,815 . The vessel was delivered to the Company on August 29, 2023. The acquisition of the vessel was financed with cash on hand and \$ 15,000 allocated from the August 2022 EnTrust Facility (Note 7).

On February 7, 2023, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Kamsarmax vessel, the *Liberty K* which was renamed *Oasea*, for a gross purchase price of \$ 19,500 . The vessel was delivered to the Company on March 27, 2023. The acquisition of the vessel was financed with cash on hand at delivery and subsequently through the sale and leaseback transaction entered into with Neptune Maritime Leasing Limited on March 31, 2023 (Note 7).

On February 7, 2023, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Kamsarmax vessel, the *Hampton Bay* which was renamed *Cretansea*, for a gross purchase price of \$ 19,675 . The vessel was delivered to the Company on April 26, 2023. The acquisition of the vessel was financed with cash on hand and through the sale and lease back transaction entered into with Neptune Maritime Leasing Limited on April 26, 2023 (Note 7).

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On December 27, 2022, the Company entered into an agreement with an affiliated party for the purchase of a secondhand Capesize vessel, the *Goodship*, for a gross purchase price of \$ 17,500 . On December 28, 2022, the Company paid an advance of \$ 6,125 according to terms of the agreement and it is included in "Advances for vessels acquisitions from related parties" in the consolidated balance sheet as of December 31, 2022. On February 10, 2023, the Company took delivery of the vessel. The acquisition of the vessel was financed with cash on hand and \$ 7,000 allocated from the August 2022 EnTrust Facility (Note 7).

On December 27, 2022, the Company entered into an agreement with an affiliated party for the purchase of a secondhand Capesize vessel, the *Tradership*, for a gross purchase price of \$ 18,750 . On December 28, 2022, the Company paid an advance of \$ 6,563 according to terms of the agreement and it is included in "Advances for vessels acquisitions from related parties" in the consolidated balance sheet as of December 31, 2022. On February 28, 2023, the Company took delivery of the vessel. The acquisition of the vessel was financed with cash on hand and \$ 8,200 allocated from the August 2022 EnTrust Facility (Note 7).

On July 11, 2022, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Aframax oil tanker, the *Parosea*, for a gross purchase price of \$ 20,250 . The vessel was delivered to the Company on August 10, 2022. The acquisition of the vessel was financed with cash on hand and through the August 2022 EnTrust Facility (Note 7).

On July 11, 2022, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Aframax oil tanker, the *Bluesea*, for a gross purchase price of \$ 20,250 . The vessel was delivered to the Company on August 12, 2022. The acquisition of the vessel was financed with cash on hand and through the August 2022 EnTrust Facility (Note 7).

On July 11, 2022, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand LR2 product tanker vessel, the *Minoansea*, for a gross purchase price of \$ 19,000 . On August 30, 2022, the Company entered into an addendum to the original agreement to deduct \$ 25 of the gross purchase price. The vessel was delivered to the Company on August 30, 2022. The acquisition of the vessel was financed with cash on hand and through the August 2022 EnTrust Facility (Note 7).

On July 11, 2022, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand LR2 product tanker vessel, the *Epanastasea*, for a gross purchase price of \$ 20,000 . On September 1, 2022, the Company entered into an addendum to the original agreement to deduct \$ 181 of the gross purchase price. The vessel was delivered to the Company on September 2, 2022. The acquisition of the vessel was financed with cash on hand and through the August 2022 EnTrust Facility (Note 7).

The *Epanastasea* was acquired with a below-market time charter. The value of the below-market time charter of \$ 146 was recognized as an addition to "Vessels, net" in the consolidated balance sheet.

For the years ended December 31, 2023 and 2022, an amount of \$ 635 and \$ 1,208 , respectively, of expenditures related to vessels' acquisition cost were capitalized and will be depreciated over the remaining useful life of each vessel. Amounts paid for these expenditures are included in "Vessels' acquisitions and improvements" under "Cash flows from investing activities" in the consolidated statement of cash flows.

During the years ended December 31, 2023 and 2022, an amount of \$ 1,176 and \$NIL, respectively, of expenditures were capitalized that concern improvements on vessels performance and meeting environmental standards. The cost of these additions was accounted as major improvement and were capitalized over the vessels' cost and will be depreciated over the remaining useful life of each vessel. Amounts paid for the additions are included in "Vessels acquisitions and improvements" under "Cash flows from investing activities" in the consolidated statements of cash flows.

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Vessel contribution

On July 6, 2022, Seanergy contributed the vessel-owning subsidiary of the *Gloriuship* to United (Note 3).

Gain on sale of vessels, net

On May 5, 2023, the Company entered into an agreement with an unaffiliated third party for the sale of the *Epanastasea* for a gross sale price of \$ 37,500 . The vessel was delivered to her new owners on August 10, 2023. A gain on sale of vessel net of sale expenses amounting to \$ 11,804 was recognized and is presented as "Gain on sale of vessels, net" in the consolidated statement of operations.

On September 24, 2022, the Company entered into an agreement with an unaffiliated third party for the sale of the *Parosea* for a gross sale price of \$ 31,250 . The vessel was delivered to her new owners on November 8, 2022. A gain on sale of vessel net of sale expenses amounting to \$ 9,215 was recognized and is presented as "Gain on sale of vessels, net" in the consolidated statement of operations.

On September 24, 2022, the Company entered into an agreement with an unaffiliated third party for the sale of the *Blueseas* for a gross sale price of \$ 31,250 . The vessel was delivered to her new owners on December 1, 2022. A gain on sale of vessel net of sale expenses amounting to \$ 9,175 was recognized and is presented as "Gain on sale of vessels, net" in the consolidated statement of operations.

On December 12, 2022, the Company entered into an agreement with an unaffiliated third party for the sale of the *Minoansea* for a gross sale price of \$ 39,000 . The vessel was delivered to her new owners on December 22, 2022. A gain on sale of vessel net of sale expenses amounting to \$ 17,705 was recognized and is presented as "Gain on sale of vessels, net" in the consolidated statement of operations.

6. Right-of-Use assets and Finance Lease Liabilities:

On April 19, 2023, the Company entered into a bareboat charter agreement with an unaffiliated third party for a secondhand Panamax vessel, the *Ikan Kerapu*, which was renamed *Synthesea*. The vessel was delivered to the Company on August 1, 2023, under a 12 -month bareboat charter plus 30-days in lessee's option at a daily rate of \$ 8 . The Company made a down payment of \$ 3,500 on signing of the bareboat charter agreement and a payment of \$ 3,500 upon commencement of the bareboat charter. At the end of the 12 -month bareboat period, the Company has an option to purchase the vessel for \$ 17,100 . The Company has classified the above transaction as a finance lease. At the commencement date, the Company recognized a finance lease liability equal to the present value of lease payments during the bareboat charter period using an incremental borrowing rate of 5.59 %. The Company recognized a finance lease liability of \$ 19,048 and a corresponding right-of-use asset of \$ 26,859 which also includes \$ 811 of initial direct costs. The amount of the right-of-use-assets is amortized on a straight-line method based on the estimated useful life of the vessel. During the year ended December 31, 2023, the amortization of the right-of-use asset amounted to \$ 679 and is presented in the Company's consolidated statements of operations under "Depreciation and amortization". Interest expense on the finance lease liability for the same period amounted to \$ 422 (Note 12). As of December 31, 2023, the right-of-use amounted to \$ 26,180 and is presented under "Right-of-use assets" in the accompanying consolidated balance sheets.

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On February 9, 2023, the Company entered into a bareboat charter agreement with an unaffiliated third party for a secondhand Panamax vessel, the *Oceanic Power*, which was renamed *Chrisea*. The vessel was delivered to the Company on February 21, 2023, under an 18-month bareboat charter plus 30-days in lessee's option at a daily rate of \$ 7.3 . The Company made a down payment of \$ 3,500 on signing of the bareboat charter agreement and a payment of \$ 3,500 upon commencement of the bareboat charter. At the end of the 18-month bareboat period, the Company has an option to purchase the vessel for \$ 12,360 . The Company has classified the above transaction as a finance lease. At the commencement date, the Company recognized a finance lease liability equal to the present value of lease payments during the bareboat charter period using an incremental borrowing rate of 6.19 %. The Company recognized a finance lease liability of \$ 15,124 and a corresponding right-of-use asset of \$ 22,824 which also includes \$ 700 of initial direct costs. The amount of the right-of-use-assets is amortized on a straight-line method based on the estimated useful life of the vessel. During the year ended December 31, 2023, the amortization of the right-of-use asset amounted to \$ 1,298 and is presented in the Company's consolidated statements of operations under "Depreciation and amortization". Interest expense on the finance lease liability for the same period amounted to \$ 735 (Note 12). As of December 31, 2023, the right-of-use amounted to \$ 21,526 and is presented under "Right-of-use assets" in the accompanying consolidated balance sheets.

The weighted average remaining lease term for both bareboat charters was 0.61 years as of December 31, 2023.

The weighted average incremental borrowing rate for both bareboat charters was 5.85 % as of December 31, 2023.

The annual lease payments under the *Synthesea* and *Chrisea* bareboat charter agreements are as follows:

Twelve month periods ending December 31,	Amount
2024	32,471
Total undiscounted lease payments	32,471
Less: Discount based on incremental borrowing rate	(1,051)
Present value of finance lease liabilities	31,420
Finance lease liabilities, current	31,420
Finance lease liabilities, non-current	-
Present value of finance lease liabilities	31,420

7. Long-Term Debt and Other Financial Liabilities:

The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	December 31, 2023	December 31, 2022
Long-term debt and other financial liabilities	65,842	43,200
Less: Deferred financing costs	(1,308)	(594)
Total	64,534	42,606
Less - current portion	(8,691)	(7,473)
Long-term portion	55,843	35,133

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Senior long-term debt

Loan Facility amended during the year ended December 31, 2023

August 2022 EnTrust Facility

On August 8, 2022, the Company entered into a new loan facility with Kroll Agency Services Limited and Kroll Trustee Services Limited, as facility agent and security agent, respectively, and certain nominees of EnTrust Global as lenders in order to partially finance the acquisition of the *Parosea*, *Bluesea*, *Minoansea* and *Epanastasea*. The loan facility amount was originally \$ 63,600 , divided into four tranches with a term of 18 months: Tranche A of \$ 16,200 which was secured by the *Bluesea*, Tranche B of \$ 16,200 which was secured by the *Parosea*, Tranche C of \$ 15,200 which was secured by the *Minoansea* and Tranche D of \$ 16,000 which was secured by the *Epanastasea*. The facility bore interest at a fixed rate of 7.90 % per annum. On November 8, 2022 and December 1, 2022 upon the completion of the sale of the *Parosea*, and the *Bluesea*, respectively, the Company completed the prepayment of the relevant tranches of \$ 16,200 each. On the date of each repayment, \$ 257 and \$ 245 of unamortized debt discounts of the *Parosea* and *Bluesea*, respectively, were written off according to the debt extinguishment guidance of ASC 470-50 "Debt Modifications and Extinguishments" and were included in "Loss on extinguishment of debt" in the consolidated statement of operations. On December 21, 2022, the Company entered into a supplemental agreement pursuant to which upon the completion of the sale of the *Minoansea*, the lenders waived the obligation of the Company to prepay Tranche C and continued to make available the relevant amount for the purpose of partially financing the acquisition cost of two new Capesize vessels, the *Goodship* and *Tradership* (Note 5). Pursuant to this agreement, the fixed interest rate of Tranche C was amended to 9.00 % per annum. The amount underlying Tranche C (\$ 15,200) remained blocked in favor of the security agent until the acquisition of the new vessels. On January 30, 2023, the Company entered into an amendment and restatement agreement with the lenders, pursuant to which, inter alia, Tranche C was replaced by two tranches of \$ 7,000 (Tranche E) and \$ 8,200 (Tranche F), secured by the *Goodship* and *Tradership*, respectively. On August 9, 2023, the Company entered into another amendment and restatement agreement pursuant to which, inter alia, upon the completion of the sale of the *Epanastasea*, the lenders waived the obligation of the Company to prepay Tranche D (\$ 15,000) and continue to make available the relevant amount for the purpose of partially financing the acquisition cost of a new Panamax vessel, the *Exelixsea* (Note 5). Pursuant to this agreement, the fixed interest rate of Tranche D was amended to 9.00 % per annum. The amount underlying Tranche D remained blocked in favor of the security agent until the acquisition of the new vessel, which was concluded on August 29, 2023. Upon the acquisition of the vessel, Tranche D was replaced according to the amendment and restatement agreement by Tranche G secured by the *Exelixsea*. On November 15, 2023, the Company agreed to refinance the outstanding amounts of Tranche E (\$ 5,500) and Tranche F (\$ 6,700) using proceeds from the *Huarong Sale and Leaseback*. On December 5, 2023, upon the completion of the refinancing of Tranche E and Tranche F, \$ 28 and \$ 33 of unamortized debt discounts of the *Goodship* and *Tradership*, respectively, were written off according to the debt extinguishment guidance of ASC 470-50 "Debt Modification and Extinguishments" and were included in "Loss on extinguishment of debt" in the consolidated statement of operations.

The facility was secured by a first priority mortgage, general assignment covering earnings, insurances and requisition compensation, account pledge agreement concerning the earnings account, shares' security agreement concerning the vessel-owning subsidiary's shares and relevant technical and commercial managers' undertakings. The facility agreement included certain restrictions on dividends from the borrower's account and other distributions. Following the prepayments of Tranche E and Tranche F, the facility was repayable in one installment of \$ 500 at the twelfth month after the utilization date, one installment of \$ 1,500 at the fifteenth month after the utilization date, and a balloon payment of \$ 13,000 at maturity. As of December 31, 2023, the amount outstanding under this facility was \$ 13,000 .

On March 27, 2024, Tranche G, secured by the *Exelixsea*, was refinanced following closing of the sale and leaseback agreement entered into with an unaffiliated third party (Note 15).

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Loan Facility repaid during the year ended December 31, 2023

July 2022 EnTrust Facility

On July 1, 2022, the loan facility entered into between Seanergy and Kroll Agency Services Limited and Kroll Trustee Services Limited as facility agent and security agent, respectively, and certain nominees of EnTrust Global as lenders, for the *Gloriouship*, was amended for the purposes of replacing Seanergy with the Company as guarantor upon the consummation of the Spin-Off. All applicable financial covenants were waived with no material changes in the other terms of the loan facility. In addition, on July 28, 2022, the Company agreed with the lenders to further amend and restate the loan facility for the purposes of, inter alia, increasing the facility by an amount of up to \$ 9,400 ("Upsize Advance"). The loan amount following the utilization of the Upsize Advance was \$ 14,000 with a term of 18 months. The amended loan facility bears a fixed interest of 7.90 % and was initially repayable in three quarterly installments of \$ 1,000 commencing nine months after the utilization date of the Upsize Advance and a balloon payment of \$ 11,000 at maturity. On November 8, 2022, the Company proceeded with the prepayment of \$ 1,000 , which was applied against the balloon payment. On December 1, 2022, the Company proceeded to a second prepayment of \$ 1,000 , which was applied equally against the first and the second repayment installments of the loan, respectively, reducing each such repayment installment to \$ 500 . On the date of each repayment, an aggregate amount of \$ 25 of unamortized debt discounts were written off according to the debt extinguishment guidance of ASC 470-50 "Debt Modifications and Extinguishments" and was included in "Loss in extinguishment of debt" in the consolidated statement of operations. On November 15, 2023, the Company agreed to refinance the outstanding amount of the loan (\$ 10,000) using proceeds from the *Huarong Sale and Leaseback* . On December 5, 2023, upon the completion of the refinancing of the outstanding loan, an amount of \$ 17 of the unamortized debt discounts was written off according to the debt extinguishment guidance of ASC 470-50 "Debt Modifications and Extinguishments" and was included in "Loss in extinguishment of debt" in the consolidated statement of operations.

Other Financial Liabilities – Sale and Leaseback Transactions

New Sale and Leaseback Activities during the year ended December 31, 2023

Huarong Sale and Leaseback

On November 15, 2023, the Company entered into three identical sale and leaseback transactions with China Huarong Shipping Financial Leasing Company Ltd. ("Huarong") for the purpose of refinancing the outstanding indebtedness of the *Gloriouship* which was previously financed by the *July 2022 EnTrust Facility* and the outstanding indebtedness of *Goodship* and *Tradership* which were previously financed by the *August 2022 EnTrust Facility* . The Company sold and chartered back the vessels from three affiliates of Huarong on a bareboat charter basis for a three-year period. The drawdown of the funds under the sale and leaseback agreements occurred on December 5, 2023. The transactions were accounted for as financial liabilities, as control remains with the Company and the three vessels will continue to be recorded as assets on the Company's balance sheet. The sale and leaseback agreements do not include any financial covenants or security value maintenance provisions. The aggregate financing amount is \$ 30,000 and the interest rate is 3.3 % plus 3-month term SOFR per annum. The charterhire principal of each transaction will be repaid through 36 monthly installments of \$ 139 and a purchase obligation of \$ 5,000 at the expiration of each bareboat agreement. The Company has continuous options to purchase the vessels on any date falling six months after the initiation of the bareboat charters at predetermined prices as set forth in the agreement. As of December 31, 2023, the aggregate charterhire principal was \$ 30,000 .

April 2023 Neptune Sale and Leaseback

On April 26, 2023, following the delivery of the *Cretansea*, the Company entered into a sale and leaseback agreement with a subsidiary of Neptune Maritime Leasing Ltd. for the purpose of partly financing the acquisition cost of the *Cretansea*. The transaction was accounted for as a financial liability, as control remains with the Company and the *Cretansea* will continue to be recorded as an asset on the Company's balance sheet. The financing amount is \$ 12,250 and the interest rate is 4.25 % plus 3-month term SOFR per annum. The charterhire principal will be repaid over a five-year term, through 60 monthly installments of \$ 97.5 and a balloon payment of \$ 6,400 at the expiration of the bareboat. The Company is required to maintain a security coverage ratio (as defined therein) of at least 120 % for the first twelve months and at least 130 % thereafter. In addition, the Company is required to maintain minimum liquidity of \$ 350 in its operating account. The sale-and-leaseback agreement includes certain restrictions on dividends from the lessee's accounts and other distributions. The Company has continuous options to repurchase the vessel at predetermined prices as set forth in the agreement. At the end of the 5-year bareboat period, the Company has the obligation to repurchase the vessel for \$ 6,400 (balloon payment). As of December 31, 2023, the amount outstanding under the April 2023 Neptune Sale and Leaseback was \$ 11,470 .

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March 2023 Neptune Sale and Leaseback

On March 31, 2023, following the delivery of the *Oasea*, the Company entered into a sale and leaseback agreement with a subsidiary of Neptune Maritime Leasing Ltd. for the purpose of partly financing the acquisition cost of the *Oasea*. The transaction was accounted for as a financial liability, since control remains with the Company and the *Oasea* will continue to be recorded as an asset on the Company's balance sheet. The financing amount is \$ 12,250 and the interest rate is 4.25 % plus 3-month term SOFR per annum. The charterhire principal will be repaid over a five-year term, through 60 monthly installments of \$ 97.5 and a balloon payment of \$ 6,400 at the expiration of the bareboat charter. The Company is required to maintain a security coverage ratio (as defined therein) of at least 120 % for the first twelve months and at least 130 % thereafter. In addition, the Company is required to maintain minimum liquidity of \$ 350 in its operating account. The sale-and-leaseback agreement includes certain restrictions on dividends from the lessee's accounts and other distributions. The Company has continuous options to repurchase the vessel at predetermined prices as set forth in the agreement. At the end of the 5-year bareboat period, the Company has the obligation to repurchase the vessel for \$ 6,400 (balloon payment). As of December 31, 2023, the amount outstanding under the March 2023 Neptune Sale and Leaseback was \$ 11,372 .

Certain of the Company's sale and leaseback agreements discussed above are secured by a guarantee from the Company; general assignments covering the respective vessels' earnings, insurances and requisition compensation; account pledge agreements; technical and commercial managers' undertakings and pledge agreements covering the shares of the applicable bareboat charterer subsidiary.

As of December 31, 2023, the Company was in compliance with all covenants relating to its debt facilities as at that date.

As of December 31, 2023, one of the Company's owned vessels, having a net carrying value of \$ 17,608 , was subject to first and second priority mortgages as collaterals to their long-term debt facilities. In addition, the Company's five bareboat chartered vessels, having a net carrying value of \$ 87,211 as of December 31, 2023, have been financed through sale and leaseback agreements. As customary in leaseback agreements, the title of ownership is held by the registered owners.

The annual principal payments required to be made after December 31, 2023 for all long-term debt and other financial liabilities , taking into consideration subsequent developments described in Note 15 for the August 2022 EnTrust Facility, are as follows:

Twelve month periods ending December 31,	Amount
2024	9,257
2025	9,640
2026	24,640
2027	4,640
Thereafter	17,665
Total	65,842

8. Financial Instruments:

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of the following three categories based on the inputs used to determine its fair value:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Unobservable inputs that are not corroborated by market data.

(a) Significant Risks and Uncertainties, including Business and Credit Concentration

The Company places its temporary cash investments, consisting mostly of deposits, primarily with high credit qualified financial institutions. The Company performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk.

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(b) Fair Value of Financial Instruments

The fair values of the financial instruments shown in the consolidated balance sheet as of December 31, 2023 and 2022, represent management's best estimate of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. These fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Company's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Company based on the best information available in the circumstances.

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

- a. Cash and cash equivalents, accounts receivable trade, other current assets, prepaid expenses, trade accounts and other payables and accrued liabilities: the carrying amounts approximate fair value because of the short maturity of these instruments. The carrying value approximates the fair market value for interest bearing cash classified as restricted cash, non-current.
- b. Long-term debt: The fair value of fixed interest long-term debt is estimated using prevailing market rates as of the period end. The carrying value of \$ 13,000 is 0.8 % lower than the fair market value of \$ 13,102 . The fair value of the fixed interest long-term debt has been obtained through Level 2 inputs of the fair value hierarchy.
- c. The aggregate fair value as of the Spin-off date of \$ 18,500 of the vessel contributed to the Company as part of the Spin-off was determined through Level 2 inputs of the fair value hierarchy by taking into consideration two third party valuations obtained for the vessel.
- d. The fair value as of the Spin-off date of \$ 308 of the time charter attached to the *Gloriuship* (Note 2(s)) contributed to the Company as part of the Spin Off was determined through Level 2 inputs of the fair value hierarchy as described in Note 2(z).
- e. The July 2022 EnTrust Facility fair value of \$ 4,950 assumed by the Company as part of the Spin Off was determined through Level 2 inputs of the fair value hierarchy by taking into consideration prevailing market rates and approximated its respective carrying value as of the Spin-off date.
- f. The Series B preferred shares issued to Seanergy's shareholders as part of the Spin Off, which have no economic interest, were recorded at par value.
- g. The Series C preferred shares issued to Seanergy as of the Spin-off date as part of the Contribution and Conveyance Agreement with Seanergy were recorded at their face value, which was determined to be its fair value through Level 2 inputs of the fair value hierarchy. The Company's debt and equity financings and the market risk-free rate were all used in determining the fair value of the Series C preferred shares.

9. Commitments and Contingencies:

Contingencies

Various claims, lawsuits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. As of December 31, 2023, management is not aware of any material claims or contingent liabilities, which have not been disclosed, or for which a provision has not been established in the accompanying consolidated financial statements.

The Company accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Currently, management is not aware of any such claims or contingent liabilities that should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements. The Company is covered for liabilities associated with the individual vessels' actions to the maximum limits as provided by Protection and Indemnity (P&I) Clubs, members of the International Group of P&I Clubs.

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Commitments

The Company operates certain of its vessels under lease agreements. Time charters typically may provide for charterers' options to extend the lease terms and termination clauses. The Company's time charters duration was approximately 12 months and extension periods vary from 2 to 4 months. In addition, the time charters contain termination clauses which protect either the Company or the charterers from material adverse events. Variable lease payments in the Company's time charters vary based on changes on freight market index. The Company has the option to convert some of these variable lease payments to fixed based on the prevailing Capesize and Panamax forward freight agreement rates.

As at December 31, 2023, the Company operates certain of its vessels under time charter agreements, considered as operating leases accounted for as per ASC 842 requirements.

The following table sets forth the Company's future minimum contractual charter revenue based on vessels committed to non-cancelable time charter contracts as at December 31, 2023. For index-linked time charter contracts the calculation was made using the charter rates that prevail at the balance sheet date for index-linked time charters and the fixed rates for fixed periods time charters (these amounts do not include any assumed off-hire).

Twelve month periods ending December 31,	Amount
2024	25,508
Thereafter	-
Total	25,508

As at December 31, 2023, the Company has an option to purchase the Chrisea at the end of 18-month bareboat charter for \$ 12,360 (Note 6).

As at December 31, 2023, the Company has an option to purchase the Synthessea at the end of 12-month bareboat charter for \$ 17,100 (Note 6).

10. Capital Structure:

(a) Preferred Stock

The Company is authorized to issue up to 100,000,000 registered shares of preferred stock with a par value of \$ 0.0001 . The Board of Directors of the Company is expressly granted the authority to issue preferred shares and to establish such series of preferred shares with such designations, preferences and relative participating, rights, qualifications, limitations or restrictions at it determines.

Series A Preferred Shares

Prior to the Spin-Off, United entered into a Shareholders Rights Agreement, or the Rights Agreement, with American Stock Transfer & Trust Company, LLC, as Rights Agent. Under the Rights Agreement, United will declare a dividend payable of one preferred stock purchase right, or Right, for each share of common stock outstanding immediately prior to the Spin-Off. Each Right entitles the registered holder to purchase from United one one-thousandth of a share of Series A Preferred Stock, par value \$ 0.0001 , at an exercise price of \$ 40.00 per share. The Rights will separate from the common stock and become exercisable only if a person or group acquires beneficial ownership of 10 % (15 % in the case of a passive institutional investor) or more of United's common stock (including through entry into certain derivative positions) in a transaction not approved by the Board of Directors of the Company. In that situation, each holder of a Right (other than the acquiring person, whose Rights will become void and will not be exercisable) will have the right to purchase, upon payment of the exercise price, a number of shares of United's common stock having a then-current market value equal to twice the exercise price. In addition, if the Company is acquired in a merger or other business combination after an acquiring person acquires 10 % (15 % in the case of a passive institutional investor) or more of United's common stock, each holder of the Right will thereafter have the right to purchase, upon payment of the exercise price, a number of shares of common stock of the acquiring person having a then-current market value equal to twice the exercise price. The acquiring person will not be entitled to exercise these Rights. Until a Right is exercised, the holder of a Right will have no rights to vote or receive dividends or any other shareholder rights. On December 27, 2023, the Company's Board of Directors approved an amendment and restatement of the Rights Agreement to make certain technical or ministerial changes. As at December 31, 2023, no Rights were exercised.

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Series B Preferred Shares

As at December 31, 2023, the Company had 40,000 Series B Preferred Shares issued and outstanding with par value \$ 0.0001 per share. The Series B Preferred Shares were issued on July 5, 2022, to the Company's Chief Executive Officer, considered a related party, for a total cash consideration of \$NIL. The issuance of the Series B Preferred Shares was approved by a special independent committee of the Board of Directors of the Company which obtained a fairness opinion from an independent financial advisor regarding the value of the Series B Preferred Shares. Each Series B Preferred Shares entitles the holder to 25,000 votes per share on all matters submitted to a vote of the shareholders of the Company, provided however, that no holder of Series B Preferred Shares may exercise voting rights pursuant to Series B Preferred Shares that would result in the aggregate voting power of any beneficial owner of such shares and its affiliates to exceed 49.99 % of the total number of votes eligible to be cast on any matter submitted to a vote of shareholders of the Company. The holder of Series B Preferred Shares has no special voting or consent rights and shall vote together as one class with the holders of the common shares on all matters put before the shareholders. The Series B Preferred Shares are not convertible into common shares or any other security, are not redeemable, are not transferable and have no dividend rights. Upon any liquidation, dissolution or winding up of the Company, the Series B Preferred Shares will rank pari-passu with the common shareholders and shall be entitled to receive a payment equal to the par value of \$ 0.0001 per share. The Series B Preferred Shares holder has no other rights to distributions upon any liquidation, dissolution or winding up of the Company .

Series C Preferred Shares

On July 5, 2022, the Company issued 5,000 of its Series C Preferred Shares to Seanergy in exchange for \$ 5,000 working capital contribution. On July 26, 2022, the Company issued additional 5,000 Series C Preferred Share to Seanergy in exchange for \$ 5,000 in cash in connection with the funding of the deposits payable for the four tanker vessels acquired. The Series C Preferred Shares had a cumulative preferred dividend accruing at the rate of 6.5 % per annum payable in cash each quarter. The Company had the right, at its option, at any time on or after the date which was three months after the original date of issuance of the Series C Preferred Shares, to redeem the Series C Preferred Shares, in whole or from time to time in part, from any source of funds legally available for such purpose, at a price per Series C Preferred Share equal to 105 % of the stated value plus accrued and unpaid dividends up to the date of redemption. The Series C Preferred Shares contained a liquidation preference equal to its stated value and were convertible into common shares at the holder's option commencing upon the first anniversary of the original issue date, at a conversion price equal to the lesser of \$ 9.00 and the 10 -trading-day trailing VWAP (as defined in the agreement) of United's common shares, subject to certain anti-dilution and other customary adjustments. Except under certain circumstances, a holder of Series C Preferred Shares would not convert its Series C Preferred Shares into common shares if such conversion would result in the holder beneficially owning greater than 29.9 % of our outstanding common shares.

On November 28, 2022, the outstanding 10,000 Series C Preferred Shares were redeemed by United at a price equal to 105 % of the original issue price for a total cash outflow of \$ 10,500 . Total dividends paid in respect with the Series C Preferred Shares amounted to \$ 243 or \$ 24.38 per share.

(b) Common Stock

As at January 20, 2022, the date of the Company's incorporation, the Company's authorized share capital was 500 registered shares without par value, issued to Seanergy. On July 5, 2022, the aforesaid registered shares issued to the Parent were cancelled and the Company's articles of incorporation were amended and restated. Under the Company's amended and restated articles of incorporation, the Company's authorized capital stock consists of 2,000,000,000 shares of common stock, par value \$ 0.0001 per share, of which 1,512,004 common shares were issued and outstanding on July 5, 2022, immediately upon consummation of the Spin-Off (Note 3). As at December 31, 2023, the Company had 8,694,630 common shares issued and outstanding.

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i) **Equity Offerings**

On July 20, 2022, the Company sold 8,000,000 units, each unit consisting of one common share or pre-funded warrant (with an exercise price of \$ 0.0001) in lieu of common shares and one Class A warrant to purchase one common share, under a registered direct offering at a price of \$ 3.25 per unit, in exchange for gross proceeds of \$ 26,000 , or net proceeds of approximately \$ 23,851 . 6,800,000 common shares, 1,200,000 pre-funded warrants and 8,000,000 Class A warrants were issued in connection with the offering. As of December 31, 2022, all pre-funded warrants have been exercised.

ii) **Dividends**

On November 14, 2023 , the Company declared a dividend of \$ 0.075 per common share for the third quarter of 2023 which was paid on January 10, 2024 to all shareholders of record as of December 22, 2023 (Note 15). The dividend declared amounted to \$ 652 and is included in "Dividends payable" in the accompanying consolidated balance sheet.

On August 1, 2023 , the Company declared a dividend of \$ 0.075 per common share for the second quarter of 2023 to all shareholders of record as of September 22, 2023 . The quarterly dividend of \$ 657 for the second quarter of 2023 was paid on October 6, 2023 .

On May 17, 2023 , the Company declared a dividend of \$ 0.075 per common share for the first quarter of 2023 to all shareholders of record as of June 22, 2023 .The quarterly dividend of \$ 667 for first quarter of 2023 was paid on July 6, 2023 .

On February 21, 2023 , the Company declared the initiation of a regular quarterly dividend of \$ 0.075 per common share and declared a dividend of \$ 0.075 per common share for the fourth quarter of 2022 to all shareholders of record as of March 22, 2023 . The quarterly dividend of \$ 667 for the fourth quarter of 2022 was paid on April 6, 2023 .

On November 29, 2022 , the Company declared a special dividend of \$ 1.00 per common share to all shareholders of record as of December 12, 2022 , in connection with the profitable sale of two tanker vessels, which was paid on January 10, 2023 . As of December 31, 2022, the dividend declared amounted to \$ 7,373 is included in "Dividends payable" in the accompanying consolidated balance sheet.

Total dividends declared in the years ended December 31, 2023 and December 31, 2022 amounted to \$ 2,643 and \$ 7,373 , respectively.

iii) **Common stock buybacks**

In October 2022, the Board of Directors of the Company authorized a share repurchase plan under which the Company may repurchase up to \$ 3,000 of its outstanding common shares through the period ended March 31, 2023. Substantially, no repurchases had been made as of December 31, 2022. This plan was extended in May 2023 through the period ended December 31, 2023 and was further extended in December 2023 through the period ending December 31, 2024. As of December 31, 2023, the Company has repurchased 264,813 of its outstanding common shares at an average price of approximately \$ 2.54 and a total of \$ 673 , inclusive of commissions and fees. All the repurchased shares were cancelled and restored to the status of authorized but unissued shares as of December 31, 2023.

In September 2022, the Board of Directors of the Company authorized a share repurchase plan under which the Company would repurchase up to \$ 3,000 of its outstanding common shares through the period ended March 31, 2023. Up to December 31, 2022, the Company repurchased 1,427,753 of its outstanding common shares at an average price of approximately \$ 2.09 pursuant to its share repurchase program for a total of \$ 2,987 , inclusive of commissions and fees. All the repurchased shares were cancelled and restored to the status of authorized but unissued shares as of December 31, 2022.

In August 2022, the Board of Directors of the Company authorized a share repurchase plan under which the Company would repurchase up to \$ 3,000 of its outstanding common shares through the period ended March 31, 2023. Up to September 30, 2022, the Company repurchased 1,862,038 of its outstanding common shares at an average price of approximately \$ 1.62 pursuant to its share repurchase program for a total of \$ 3,016 , inclusive of commissions and fees. All the repurchased shares were cancelled and restored to the status of authorized but unissued shares as of December 31, 2022.

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(c) Warrants

During the year ended December 31, 2023, 779,200 shares were issued from Class A warrants' exercises, for proceeds of \$ 1,883 . As of December 31, 2023, 6,962,770 Class A warrants remained outstanding. All warrants are classified in equity, according to the Company's accounting policy. Following the payment of the special dividend of \$ 1.00 per common share on January 10, 2023 (Note 9(b)(ii)), the exercise price of the Class A warrants was adjusted at a price of \$ 2.25 per warrant effective on January 11, 2023, pursuant to the antidilution provisions of the warrant agreement. The warrants also contain a cashless exercise provision, whereby if at the time of exercise, there is no effective registration statement, then the warrants can be exercised by means of a cashless exercise as disclosed in the warrant's agreement.

On July 20, 2022, the Company issued 8,000,000 Class A warrants under a registered direct offering to issue 8,000,000 units (see discussion above). The Class A warrants were exercisable upon issuance at an initial exercise price of \$ 3.25 per share and expire in July 2027. During the year ended December 31, 2022, 258,030 shares were issued from Class A warrants' exercises, for proceeds of \$ 829 .

11. Vessel Revenue, net and Voyage Expenses:

Disaggregation of Revenue

The Company disaggregates its revenue from contracts with customers by the type of charter (time, pool agreements and spot charters). The following table presents the Company's statement of operations figures derived from spot charter, time charters and pool agreements for the year ended December 31, 2023 and from inception (January 20, 2022) through December 31, 2022:

	December 31, 2023	From January 20, 2022 through December 31, 2022
Vessel revenues from spot charters, net of commissions	4,313	9,236
Vessel revenues from time charters and pool agreements, net of commissions	31,754	13,548
Total	36,067	22,784

Demurrage income for the years ended December 31, 2023 and 2022 was \$ 512 and \$ 229 , respectively.

The amortization of the below and above market acquired time charters amounted to \$ 308 and \$ 146 as a deduction from and an addition to "Vessel revenue, net", respectively during the period from inception, January 20, 2022, to December 31, 2022. As of December 31, 2022, the below and above market acquired time charters were fully amortized.

The Company disaggregates its revenue from contracts with customers by the type of charter (time and spot charters). The following table presents the Company's accounts receivable trade disaggregated by revenue source as at December 31, 2023 and December 31, 2022:

	December 31, 2023	December 31, 2022
Accounts receivable trade from spot charters	-	2
Accounts receivable trade from time charters	252	777
Total	252	779

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Deferred revenue represents cash received in advance of performance under the contract prior to the balance sheet date and is realized when the associated revenue is recognized under the contract in periods after such date. Deferred revenue as of December 31, 2023 and December 31, 2022 was \$ 486 and \$ 1,027 and relates entirely to ASC 842. As of December 31, 2023, an amount of \$ 41 included in "Deferred revenue" and related to time charter arrangements was treated as lease modification and not accounted for as separate contract.

Charterers individually accounting for more than 10% of revenues for the year ended December 31, 2023 and for the period from inception (January 20, 2022) through December 31, 2022:

Customer	2023	2022
A	22 %	-
B	21 %	-
C	12 %	-
D	12 %	15 %
E	10 %	-
F	-	25 %
G	-	20 %
H	-	19 %
I	-	15 %
Total	77 %	94 %

Voyage Expenses

The following table presents the Company's statement of operations' figures derived from time charters, spot charters and for unfixed periods for the period from for the year ended December 31, 2023 and for the period from inception (January 20, 2022) through December 31, 2022:

	December 31, 2023	From January 20, 2022 through December 31, 2022
Voyage expenses from time charters	1,424	178
Voyage expenses from spot charters	1,039	4,802
Voyage expenses for unfixed periods	644	265
Total	3,107	5,245

12. Interest and Finance Costs:

Interest and finance costs are analyzed as follows:

	December 31, 2023	From January 20, 2022 through December 31, 2022
Interest on long-term debt and other financial liabilities	5,184	2,045
Amortization of debt finance costs and debt discounts	781	352
Interest on finance lease liability	1,158	-
Other	60	55
Total	7,183	2,452

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13. Earnings per Share:

The calculation of net income per common share is summarized below:

	December 31, 2023	From January 20, 2022 through December 31, 2022
Net income – basic	\$ 221	\$ 37,490
Less: Dividends on Series C preferred shares	-	(743)
Less: Dividends to non-vested participating securities	(95)	(667)
Less: Undistributed earnings to non-vested participating securities	-	(994)
Net income attributable to common shareholders, basic	\$ 126	\$ 35,086
Undistributed earnings to non-vested participating securities	-	994
Undistributed earnings reallocated to non-vested participating securities	-	(621)
Effect of Series C preferred shares	-	476
Net income attributable to common shareholders, diluted	\$ 126	\$ 35,935
Weighted average common shares outstanding – basic	8,359,487	4,503,397
Effect of dilutive securities:		
Dilutive effect of Series C preferred shares	-	2,796,164
Weighted average common shares outstanding – diluted	8,359,487	7,299,561
Earnings per share – basic	\$ 0.02	\$ 7.79
Earnings per share – diluted	\$ 0.02	\$ 4.92

The Company calculates basic earnings per share in conformity with the two-class method required for companies with participating securities. The calculation of basic earnings per share does not consider the non-vested shares as outstanding until the time-based vesting restrictions have lapsed. Net income attributable to common shareholders for the year ended December 31, 2023 is adjusted by the amount of dividends on non-vested participating securities. Undistributed income to non-vested participating securities was not calculated for the year ended December 31, 2023, because doing so would result in distributed income in excess of net income, thus resulting in undistributed losses. Net income attributable to common shareholders for the period from January 20, 2022 through December 31, 2022 is adjusted by the amount of dividends on Series C Preferred Shares and non-vested participating securities and corresponding undistributed income to non-vested participating securities. The Company calculated diluted earnings per share in conformity with the two-class method required for companies with participating securities since the two-class method was more dilutive. For the period from January 20, 2022 through December 31, 2022, the computation of diluted earnings per share reflects the potential dilution from conversion of preferred convertible stock, which were outstanding from their issuance and up to their redemption, calculated with the "if converted" method described above and capped as per their respective contractual terms, which resulted in 2,796,164 incremental shares. For the year ended December 31, 2023 and for the period from January 20, 2022 through December 2022, securities that could potentially dilute basic earnings per share in the future that were not included in the computation of diluted earnings per share, because to do so would have anti-dilutive effect, are any incremental shares resulting from the outstanding warrants calculated with the treasury stock method.

United Maritime Corporation
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

14. Equity Incentive Plan:

Prior to consummation of the Spin-Off, the Company's Board of Directors adopted an Equity Incentive Plan, or the Plan, pursuant to which the Company could issue up to 150,000 common shares. On October 14, 2022, the Plan was amended and restated to increase the aggregate number of shares of the common stock reserved for issuance under the Plan to 1,500,000 shares. On December 28, 2022, the Plan was further amended and restated to increase the aggregate number of shares of the common stock reserved for issuance under the Plan to 2,000,000 shares.

On October 14, 2022, the Compensation Committee of the Company granted an aggregate of 1,000,000 restricted shares of common stock pursuant to the Plan. Of the total 1,000,000 shares issued on October 14, 2022, 800,000 shares were granted to the members of the Board of Directors of the Company and 200,000 shares were granted to certain of the Company's service providers (Note 3). The fair value of each share on the grant date was \$ 2.28 . On October 14, 2022, 333,344 shares vested, while 333,328 shares vested on January 5, 2023 and 333,328 shares vested on June 5, 2023.

On December 28, 2022, the Compensation Committee of the Company granted an aggregate of 700,000 restricted shares of common stock pursuant to the Plan. Of the total 700,000 shares issued on December 28, 2022, 580,000 shares were granted to the members of the Board of Directors and 120,000 shares were granted to certain of the Company's service providers (Note 3). The fair value of each share on the grant date was \$ 4.33 . On December 28, 2022, 233,340 shares vested, while 233,330 shares vested on June 5, 2023 and 233,330 shares vested on October 5, 2023.

The related expense for shares granted to the Company's Board of Directors and certain of its service providers for the year ended December 31, 2023 and from the period from inception, January 20, 2022, through December 31, 2022, amounted to \$ 2,522 and \$ 2,789 , respectively, and is included under "General and administration expenses" in the Company's consolidated statements of operations.

Restricted shares during 2023 and 2022 are analyzed as follows:

	Number of Shares	Weighted Average Grant Date Price
Outstanding at January 20, 2022	-	\$ -
Granted	1,700,000	3.12
Vested	(566,684)	3.12
Outstanding at December 31, 2022	1,133,316	\$ 3.12
Granted	-	-
Vested	(1,133,316)	3.12
Forfeited	-	-
Outstanding at December 31, 2023	-	\$ -

The unrecognized cost for the non-vested shares granted to the Company's Board of Directors and certain of its service providers for the year ended December 31, 2023 and from inception (January 20, 2022) through December 31, 2022 amounted to \$NIL and \$ 2,522 , respectively. As of December 31, 2023, there was no outstanding compensation cost related to non-vested awards granted to the Company's Board of Directors and certain of its service providers not yet recognized.

United Maritime Corporation
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

15. Subsequent Events

On January 10, 2024, the Company paid a dividend of \$ 652 (Note 10).

On February 20, 2024, the Company announced a cash dividend of \$ 0.075 per common share for the fourth quarter of 2023 payable on or about April 10, 2024 to all shareholders of record as of March 22, 2024.

On February 22, 2024, the Company entered into a sale and leaseback agreement with Village Seven Co., Ltd and V7 Fune Inc. (Village Seven Sale and Leaseback), unaffiliated third parties, in order to refinance the August 2022 EnTrust Facility. The financing amount is \$ 13,800 bearing an interest rate of 2.65 % plus 3 -month Term SOFR. The charterhire principal amortizes over a four-year term, through forty-eight consecutive monthly installments of \$ 192 and a purchase option of \$ 4,738. The Company has the option to extend the charter period for a further two-year period. The outstanding charterhire principal, at the optional period, amortizes through twenty-four consecutive monthly installments of \$ 192. At the end of the optional period, which the Company expects to exercise, the ownership of the vessel will be transferred to United at nominal additional cost. The Company has continuous options to repurchase the vessel at predetermined prices, following the second anniversary of the bareboat charter. The sale and leaseback agreement does not include any financial covenants or security value maintenance provisions. The vessel was sold and chartered back under the sale and leaseback agreement on March 27, 2024.

On March 6, 2024, the Company entered into a bareboat charter agreement for a 82,235 dwt Kamsarmax bulk carrier built in 2016 in Japan, which will be renamed Nisea and is expected to be delivered to United between June and October 2024. The vessel will be chartered under an 18 -month bareboat charter agreement, with a down payment of \$ 7,500, of which \$ 3,750 was paid upon the signing of the agreement and a further down payment of \$ 3,750 is payable prior to the delivery of the vessel. The daily charter rate will be \$ 8 over the period of the bareboat charter. The Company has a purchase option of \$ 16,620 at the end of the bareboat charter. In aggregate, the acquisition cost for the vessel, following exercise of the purchase option, will be approximately \$ 28,440.

On March 11, 2024, the Company signed a term sheet for a \$ 18,000 sale and leaseback to finance the expected exercise of \$ 17,100 purchase option, under the bareboat charter agreement of Synthesea. The vessel will be sold and chartered back on a bareboat basis for a seven-year period. The financing's applicable interest rate will be 3 -month term SOFR plus 2.70 % per annum. Following the second anniversary of the bareboat charter, the Company will have continuous options to repurchase the vessel at predetermined prices as set forth in the agreement. The charterhire principal will amortize through eighty-four consecutive equal monthly installments of approximately \$ 136 along with a purchase option of \$ 6,682 at the expiration of the bareboat charter. At the end of charter period, if the Company will not exercise its purchase option, the lessor may exercise their put option. The transaction is subject to completion of definitive documentation and is expected to close between April to July 2024.

On March 27, 2024, the Compensation Committee of our board of directors approved the amendment and restatement of the 2022 Equity Incentive Plan to increase the aggregate number of common shares reserved for issuance under the plan to 400,000 shares, and granted awards under the plan to the Company's directors and certain service providers of an aggregate of 335,000 restricted common shares. Of the total 335,000 shares issued, 260,000 shares were granted to the members of the board of directors and 65,000 shares were granted to certain of the Company's service providers and 10,000 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$ 2.635. On March 27, 2024, 67,000 shares vested, while 100,500 shares will vest on September 27, 2024 and 167,500 shares will vest on March 27, 2025.

On March 27, 2024, the August 2022 EnTrust Facility was refinanced with the Village Seven Sale and Leaseback. The remaining outstanding balance of \$ 13,000 of the August 2022 EnTrust Facility was repaid in full, and all obligations under the facility were irrevocably and unconditionally discharged pursuant to the deed of release dated March 27, 2024.

During 2024 and as of the date of the issuance of these consolidated financial statements, the Company has repurchased 17,174 of its outstanding common shares at an average price of approximately \$ 2.50 per share and a total of \$ 43, inclusive of commissions and fees, pursuant to the share repurchase plan approved by the Company's Board of Directors in October 2022, as extended. All the repurchased shares were cancelled and restored to the status of authorized but unissued shares as of the date of the issuance of these consolidated financial statements.

United Maritime Predecessor

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of United Maritime Corporation.

Opinion on the Financial Statements

We have audited the accompanying carve-out balance sheet of United Maritime Predecessor (the Predecessor Company) as of December 31, 2021, the related carve-out statements of operations, parent's equity and cash flows for the period from January 1, 2022 through July 5, 2022 and for the years ended December 31, 2021 and 2020, and the related notes (collectively referred to as the "carve-out financial statements"). In our opinion, the carve-out financial statements present fairly, in all material respects, the financial position of the Predecessor Company at December 31, 2021, and the results of its operations and its cash flows for the period from January 1, 2022 through July 5, 2022 and for the years ended December 31, 2021 and 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Predecessor Company's management. Our responsibility is to express an opinion on the Predecessor Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Predecessor Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Predecessor Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Predecessor Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

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

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

Athens, Greece

April 4, 2023

United Maritime Predecessor
Carve-out Balance Sheet
December 31, 2021
(In US Dollars)

	<u>Notes</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	2	765,484
Accounts receivable trade	2	70,000
Inventories	2	99,325
Prepaid expenses		59,461
Total current assets		<u>994,270</u>
Fixed assets:		
Vessels, net	5	12,280,271
Total fixed assets		<u>12,280,271</u>
Other non-current assets:		
Deferred charges and other long-term investments, non-current	2	155,549
TOTAL ASSETS		<u>13,430,090</u>
LIABILITIES AND PARENT EQUITY		
Current liabilities:		
Current portion of long-term debt, net of deferred finance costs of \$ 72,926	6	1,177,074
Trade accounts and other payables		268,429
Accrued liabilities		309,611
Deferred revenue	2	326,374
Total current liabilities		<u>2,081,488</u>
Non-current liabilities:		
Long-term debt, net of current portion and deferred finance costs of \$ 46,330	6	4,203,670
Other liabilities, non-current		104,554
Total liabilities		<u>6,389,712</u>
Commitments and contingencies	8	-
PARENT EQUITY		
Parent investment, net	4	7,868,678
Accumulated deficit		(828,300)
Parent equity, net		<u>7,040,378</u>
TOTAL LIABILITIES AND PARENT EQUITY		<u>13,430,090</u>

The accompanying notes are an integral part of these carve-out financial statements.

United Maritime Predecessor
Carve-out Statements of Operations
For the period from January 1, 2022 through July 5, 2022 and for the years ended December 31, 2021 and 2020
(In US Dollars)

	Notes	From January 1, 2022 through July 5, 2022	2021	2020
Revenues:				
Vessel revenue	2	2,445,238	7,786,022	4,338,076
Commissions - related party	3	(29,479)	(97,695)	(53,515)
Commissions		(88,436)	(293,086)	(160,545)
Vessel revenue, net		2,327,323	7,395,241	4,124,016
Expenses:				
Voyage expenses	2	(440,132)	(144,614)	(132,796)
Vessel operating expenses		(1,099,880)	(2,306,600)	(1,973,636)
Management fees - related party	3	(136,225)	(237,250)	(237,900)
Management fees		(65,937)	(105,000)	(101,850)
General and administration expenses		(341,309)	(613,399)	(300,705)
Amortization of deferred dry-docking costs		(266,901)	(316,450)	(317,317)
Depreciation	5	(400,285)	(756,765)	(758,839)
Operating (loss) / income		(423,346)	2,915,163	300,973
Other (expenses) / income, net:				
Interest and finance costs	9	(323,788)	(743,687)	(708,445)
Gain on debt refinancing	6	-	-	1,490,601
Interest and other income		-	-	9,932
Foreign currency exchange gain / (losses), net		10,490	(1,211)	(1,844)
Total other (expenses) / income, net		(313,298)	(744,898)	790,244
Net (loss) / income		(736,644)	2,170,265	1,091,217

The accompanying notes are an integral part of these carve-out financial statements.

United Maritime Predecessor
Carve-out Statements of Parent's Equity
For the period January 1, 2022 through July 5, 2022 and for the years ended December 31, 2021 and 2020
(In US Dollars)

	Parent Investment, Net	Accumulated Deficit	Total Equity
Balance, January 1, 2020	8,349,786	(4,089,782)	4,260,004
Parent investment, net (Note 4)	1,960,687	-	1,960,687
Net income	<u>-</u>	<u>1,091,217</u>	<u>1,091,217</u>
Balance, December 31, 2020	10,310,473	(2,998,565)	7,311,908
Parent investment, net (Note 4)	(2,441,795)	-	(2,441,795)
Net income	<u>-</u>	<u>2,170,265</u>	<u>2,170,265</u>
Balance, December 31, 2021	7,868,678	(828,300)	7,040,378
Parent investment, net (Note 4)	1,253,526	-	1,253,526
Net loss	<u>-</u>	<u>(736,644)</u>	<u>(736,644)</u>
Balance, July 5, 2022	<u><u>9,122,204</u></u>	<u><u>(1,564,944)</u></u>	<u><u>7,557,260</u></u>

The accompanying notes are an integral part of these carve-out financial statements.

United Maritime Predecessor
Carve-out Statements of Cash Flows
For the period from January 1, 2022 through July 5, 2022 and for the years ended December 31, 2021 and 2020
(In US Dollars)

	From January 1, 2022 through July 5, 2022	2021	2020
Cash flows from operating activities:			
Net (loss) / income	(736,644)	2,170,265	1,091,217
<i>Adjustments to reconcile net (loss) / income to net cash (used in) / provided by operating activities:</i>			
Depreciation	400,285	756,765	758,839
Amortization of deferred dry-docking costs	266,901	316,450	317,317
Amortization of deferred finance charges and other finance costs	44,308	101,289	96,300
Gain on debt refinancing	-	-	(1,490,601)
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable trade	(48,728)	(70,000)	480,769
Inventories	(16,562)	(45,190)	(3,354)
Prepaid expenses	40,123	(12,132)	3,223
Deferred charges, non-current	(3,241,630)	-	-
Trade accounts and other payables	2,832,156	133,888	(1,932,686)
Accrued liabilities	124,100	102,770	111,226
Deferred revenue	(262,734)	203,232	123,142
Net cash (used in) / provided by operating activities	(598,425)	3,657,337	(444,608)
Cash flows from investing activities:			
Vessel's improvements	(454,585)	(56,066)	(10,782)
Net cash used in investing activities	(454,585)	(56,066)	(10,782)
Cash flows from financing activities:			
Parent investment, net	1,253,526	(2,441,795)	1,960,687
Repayments of long term debt	(550,000)	(800,000)	(9,015,940)
Proceeds from long term debt	-	-	6,500,000
Payments of financing costs	-	-	(175,695)
Net cash provided by / (used in) financing activities	703,526	(3,241,795)	(730,948)
Net (decrease) / increase in cash and cash equivalents and restricted cash	(349,484)	359,476	(1,186,338)
Cash and cash equivalents and restricted cash at beginning of year	765,484	406,008	1,592,346
Cash and cash equivalents and restricted cash at end of year	416,000	765,484	406,008
SUPPLEMENTAL CASH FLOW INFORMATION			
Noncash investing activities:			
Vessel's improvements	(495,668)	(16,252)	-
Cash paid during the year:			
Interest	288,254	624,221	454,583

The accompanying notes are an integral part of these carve-out financial statements.

United Maritime Predecessor
Notes to the Carve-out Financial Statements
July 5, 2022
(All amounts in US Dollars, unless otherwise stated)

1. Basis of Presentation and General Information:

United Maritime Corporation (the "Company" or "United") was incorporated by Seanergy Maritime Holdings Corp. (or "Seanergy" or "Parent") on January 20, 2022 under the laws of the Republic of the Marshall Islands, having a share capital of 500 registered shares, of no par value, issued to the Parent. The Company was formed to serve as the holding company of the following vessel-owning company which was a subsidiary of Seanergy (the "Subsidiary", or "United Maritime Predecessor"):

- Sea Glorius Shipping Co.

On July 5, 2022, the spin-off transaction was consummated and the Parent contributed the Subsidiary to United and, as the sole shareholder of the Company, distributed the Company's common shares to its shareholders and series B preferred shares on a pro rata basis. Following the spin-off consummation, United Maritime Corporation and Seanergy are independent publicly traded companies.

The accompanying predecessor carve-out financial statements are those of the Subsidiary for all periods presented using the historical carrying costs of the assets and the liabilities of the ship-owning company above from the dates of its incorporation.

The Subsidiary is incorporated to provide global shipping transportation services through the ownership of vessels. The vessel is owned through a separate wholly-owned subsidiary.

Following Russia's invasion of Ukraine in February 2022, the U.S., several European Union nations, the UK and other countries have announced sanctions against Russia. The sanctions announced by the U.S. and other countries against Russia include, among others, restrictions on selling or importing goods, services or technology in or from affected regions, travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia, severing large Russian banks from U.S. and/or other financial systems, and barring some Russian enterprises from raising money in the U.S. market. The U.S., EU nations and other countries could impose wider sanctions and take other actions as a result of the war. With uncertainty remaining at high levels with regards to the global impact of the sanctions already announced to date and the possibility of additional sanctions as well as retaliation measures from Russia's side that may follow in the period to come, it is difficult to accurately assess the exact impact on the Subsidiary. To date, no apparent consequences have been identified on the Subsidiary's business, nor any specific implications on any of its existing counterparties, including clients, suppliers and lenders. It should be noted however that since the Subsidiary employs Ukrainian seafarers, it may face problems in relation to their employment, repatriation, salary payments and be subject to claims to this respect. Notwithstanding the foregoing, it is possible that the war might eventually have an adverse effect on our business, financial condition, results of operations and cash flows.

2. Significant Accounting Policies:

(a) Basis of Presentation

The accompanying predecessor carve-out financial statements include the accounts of the legal entity comprising the Subsidiary as discussed in Note 1. United Maritime Predecessor has historically operated as part of Parent and not as a standalone company. Financial statements representing the historical operations of Parent's business have been derived from Parent's historical accounting records and are presented on a carve-out basis. All revenues, costs, assets and liabilities directly associated with the business activity of United Maritime Predecessor are included in the financial statements. The financial statements are prepared in conformity with the U.S. generally accepted accounting principles and reflect the financial position, results of operations and cash flows associated with the business activity of the United Maritime Predecessor as they were historically managed.

United Maritime Predecessor
Notes to the Carve-out Financial Statements
July 5, 2022
(All amounts in US Dollars, unless otherwise stated)

The predecessor carve-out statements of operations also reflect intercompany expense allocations made to United Maritime Predecessor by Seanergy of certain general and administrative expenses from Parent (Note 4). However, amounts recognized by United Maritime Predecessor are not necessarily representative of the amounts that would have been reflected in the financial statements had the Subsidiary operated independently of the Parent as the Subsidiary would have had additional administrative expenses, including legal, professional, treasury and regulatory compliance and other costs normally incurred by a listed public entity. Management has estimated these additional administrative expenses to be \$ 0.3 million, \$ 0.6 million and \$ 0.3 million, for the period from January 1, 2022 to July 5, 2022, and for the years ended December 31, 2021 and 2020, respectively. Both the United Maritime Predecessor and Seanergy consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by the Subsidiary during the periods presented. The allocations may not, however, reflect the expense the Subsidiary would have incurred as an independent, publicly traded company for the periods presented.

United Maritime Predecessor's accounting pronouncements are in alignment with the Parent's accounting pronouncement as adopted.

United Maritime Predecessor has no common capital structure for the combined business and, accordingly, has not presented historical earnings per share.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates include evaluation of relationships with other entities to identify whether they are variable interest entities, determination of vessel useful life and determination of vessel impairment.

(c) Foreign Currency Translation

The Subsidiary's functional currency is the United States dollar since the Subsidiary 's vessel operates in international shipping markets and therefore primarily transact business in U.S. Dollars. The Subsidiary 's books of accounts are maintained in U.S. Dollars. Transactions involving other currencies are translated into the United States dollar using exchange rates, which are in effect at the time of the transaction. At the balance sheet dates, monetary assets and liabilities, which are denominated in other currencies, are translated to U.S. Dollars at the foreign exchange rate prevailing at year-end. Gains or losses resulting from foreign currency translation are reflected in the carve-out statements of operations.

(d) Concentration of Credit Risk

Financial instruments, which potentially subject the Subsidiary to significant concentrations of credit risk, consist principally of cash and cash equivalents and accounts receivable trade. The Subsidiary limits its credit risk with accounts receivable trade by performing ongoing credit evaluations of its customers' financial condition.

(e) Cash and Cash Equivalents

The Subsidiary considers time deposits and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

United Maritime Predecessor
Notes to the Carve-out Financial Statements
July 5, 2022
(All amounts in US Dollars, unless otherwise stated)

(f) Accounts Receivable Trade

Accounts receivable trade, at each balance sheet date, include receivables from charterers for hire, freight and demurrage billings, net of a provision for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. The Subsidiary also assessed the provisions of ASC 326, Financial Instruments—Credit Losses, by assessing the counterparties' credit worthiness and concluded that there is no material impact for the period from January 1, 2022 through July 5, 2022 and as of December 31, 2021 and 2020, respectively.

(g) Inventories

Inventories consist of lubricants. Inventory is measured at the lower of cost or net realizable value. Net realizable value is defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Cost is determined by the first in, first out method.

(h) Vessels

Vessels acquired as a part of a business combination are recorded at fair market value on the date of acquisition. Vessels acquired as asset acquisitions are stated at historical cost, which consists of the contract price less discounts, plus any material expenses incurred upon acquisition (delivery expenses and other expenditures to prepare for the vessel's initial voyage). Vessels acquired from entities under common control are recorded at historical cost. Subsequent expenditures for conversions and major improvements are capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Expenditures for routine maintenance and repairs are expensed as incurred.

In addition, other long-term investments, relating to vessels' equipment not yet installed, are included in "Deferred charges and other-long term investments, non-current" in the carve-out balance sheet. Amounts paid (if any) for other-long term investments, non-current, refer to equipment for the vessels not yet installed, and are included in "Vessel's improvements" under "Cash flows from investing activities" in the carve-out statements of cash flows.

(i) Vessel Depreciation

Depreciation is computed using the straight-line method over the estimated useful life of the vessel, after considering the estimated salvage value. Management estimates the useful life of the Subsidiary's vessel to be 25 years from the date of initial delivery from the shipyard. Salvage value is estimated by the Subsidiary by taking the cost of steel times the weight of the ship noted in lightweight ton ("LWT"). Salvage values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revisions of salvage values affect the depreciable amount of the vessels and affects depreciation expense in the period of the revision and future periods.

(j) Impairment of Long-Lived Assets (Vessel)

The Subsidiary reviews its long-lived asset (vessel) for impairment whenever events or changes in circumstances, such as prevailing market conditions, obsolesce or damage to the asset, and business plans to dispose the vessel earlier than the end of its useful life indicate that the carrying amount of the vessel plus unamortized drydocking costs and cost of any equipment not yet installed, may not be recoverable. The volatile market conditions in the dry bulk market with decreased charter rates and decreased vessel market values are conditions that the Subsidiary considers indicators of a potential impairment for its vessel.

United Maritime Predecessor
Notes to the Carve-out Financial Statements
July 5, 2022
(All amounts in US Dollars, unless otherwise stated)

The Subsidiary determines undiscounted projected operating cash flows for its vessel and compares it to the vessel's carrying value, plus unamortized dry-docking costs and cost of any equipment not yet installed. When the undiscounted projected operating cash flows expected to be generated by the use of the vessel and/or its eventual disposition are less than its carrying value, plus unamortized dry-docking costs and cost of any equipment not yet installed, the Subsidiary impairs the carrying amount of the vessel. Measurement of the impairment loss is based on the fair value of the asset as determined by independent valuers and use of available market data. The undiscounted projected operating cash inflows are determined by considering the charter revenues from existing time charters for the fixed days and an estimated daily time charter equivalent for the non-fixed days (based on a combination of one year charter rates estimates and the average of the trailing 10 -year historical charter rates, excluding outliers) adjusted for commissions, expected off hires due to scheduled maintenance and estimated unexpected breakdown off hires. The undiscounted projected operating cash outflows are determined by applying various assumptions regarding vessel operating expenses and scheduled maintenance.

The Subsidiary's assessment concluded that no impairment loss should be recorded for the period from January 1, 2022 to July 5, 2022 and for the years ended December 31, 2021 and December 31, 2020.

(k) Dry-Docking and Special Survey Costs

The Subsidiary follows the deferral method of accounting for dry-docking costs and special survey costs whereby actual costs incurred are deferred and are amortized on a straight-line basis over the period through the expected date of the next dry-docking which is scheduled to become due in 2 to 3 years. Dry-docking costs which are not fully amortized by the next dry-docking period are expensed.

(l) Commitments and Contingencies

Liabilities for loss contingencies, arising from claims, assessments, litigation, fines and penalties, environmental and remediation obligations and other sources are recorded when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

(m) Revenue Recognition

Revenues are generated from time charters. A time charter is a contract for the use of a vessel as well as vessel operations for a specific period of time and a specified daily charter hire rate, which is generally payable in advance. A bareboat charter is a contract in which the vessel is provided to the charterer for a fixed period of time at a specified daily rate, which is generally payable in advance.

Time charter revenue is recorded over the term of the charter agreement as the service is provided and collection of the related revenue is reasonably assured. Under a time charter, revenue is adjusted for a vessel's off hire days due to major repairs, dry dockings or special or intermediate surveys.

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In February 2016, the FASB issued ASU No. 2016—2 - Leases (ASC 842), and as amended, it requires lessees to recognize most leases on the carve-out balance sheet. The Subsidiary adopted ASC 842, as amended from time to time, retrospectively from January 1, 2018. The Subsidiary also elected to apply the additional and optional transition method to new and existing leases at the adoption date as well as all the practical expedients which allowed the Subsidiary's existing lease arrangements, in which it was a lessee or lessor, classified as operating leases under ASC 840 to continue to be classified as operating leases under ASC 842. The Subsidiary assessed the time charter contracts and concluded that these contracts contain a lease with the related executory costs (insurance), as well as non-lease components to provide other services related to the operation of the vessel, with the most substantial service being the crew cost to operate the vessel. The Subsidiary concluded that the criteria for not separating lease and non-lease components of its time charter contracts are met, since (i) the time pattern of recognizing revenues for crew and other services for the operation of the vessels is similar to the time pattern of recognizing rental income, (ii) the lease component of the time charter contracts, if accounted for separately, would be classified as an operating lease, and (iii) the predominant component in its time charter agreements is the lease component. In this respect, the Subsidiary accounts for the combined component as an operating lease in accordance with ASC 842. The Subsidiary recognizes income from lease payments over the lease term on a straight-line basis. The Subsidiary recognizes income for variable lease payments in the period when changes in facts and circumstances on which the variable lease payments occur. Rental income on the Subsidiary's time charterers is mostly calculated at an index linked rate based on the five T/C routes rate of the Baltic Capesize Index. In addition, the Subsidiary had the option to convert the index-linked rate to a fixed one for a period ranging between 2 and 12 months, based on the prevailing Capesize Forward Freight Agreement ("FFA") rate for the selected period. The Subsidiary exercised such option and earned fixed rates for each of the last three quarters of 2021, after which it reverted to earn index-linked rate. On February 21, 2022, the Subsidiary exercised its option and converted the index-linked rate to a fixed rate until July 5, 2022. (Note 8).

Charterers individually accounting for more than 10% of revenues during the period from January 1, 2022 through July 5, 2022 and for the years ended December 31, 2021 and 2020 were:

Customer	From January 1, 2022 through July 5, 2022	2021	2020
A	100 %	100 %	100 %
Total	100 %	100 %	100 %

Subsidiary's vessel revenue, net figures derived from time charters for the period from January 1, 2022 to July 5, 2022 and for the years ended December 31, 2021 and 2020 was \$ 2,327,323 , \$ 7,395,241 and \$ 4,124,016 , respectively.

Deferred revenue represents cash received in advance of performance under the contract prior to the balance sheet date and is realized when the associated revenue is recognized under the contract in periods after such date. The Deferred revenue is allocated on a straight-line basis over the minimum duration of each charter party, except for unearned revenue, which represents cash received in advance of services which have not yet been provided.

(n) Commissions

Commissions, which include address and brokerage commissions, are recognized in the same period as the respective charter revenues. Address commissions to third parties are included in Commissions. Address commission to related parties are included in Commissions-related party. Brokerage commissions to third parties are included in Voyage expenses.

(o) Voyage Expenses

Voyage expenses primarily consist of port, canal, bunker expenses and brokerage commissions that are unique to a particular charter and are paid for by the charterer under time charter agreements.

Subsidiary's voyage expenses figures derived from time charters for the period ended from January 1, 2022 to July 5, 2022 and for the years ended December 31, 2021 and 2020 was \$ 440,132 , \$ 144,614 and \$ 132,796 , respectively.

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(p) Repairs and Maintenance

All repair and maintenance expenses, including major overhauling and underwater inspection expenses are expensed in the year incurred. Such costs are included in Vessel operating expenses.

(q) Finance Costs

Underwriting, legal and other direct costs incurred with the issuance of long-term debt or to refinance existing debt are deferred and amortized to interest expense over the life of the related debt using the effective interest method. Unamortized fees relating to loans repaid are expensed in the period the repayment is made. The Subsidiary presents unamortized deferred financing costs as a reduction of long-term debt in the accompanying carve-out balance sheet.

(r) Income Taxes

Under the laws of the country of the Subsidiary's incorporation and the vessel's registration, the Subsidiary is not subject to tax on international shipping income; however, it is subject to registration and tonnage taxes, which are included in vessel operating expenses in the accompanying carve-out statements of operations.

The vessel-owning companies with vessels that have called on the United States are obliged to file tax returns with the Internal Revenue Service and pay tax at a rate of 4 % on U.S.-source gross transportation income (generally, 50% of revenues from voyages to or from the U.S.) unless an exemption applies. The Subsidiary's vessel did not call on U.S. ports at any time between 2020 through July 5, 2022.

(s) Fair Value Measurements

The Subsidiary follows the provisions of ASC 820 "*Fair Value Measurements and Disclosures*", which defines fair value and provides guidance for using fair value to measure assets and liabilities. The guidance creates a fair value hierarchy of measurement and describes fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts.

In accordance with the requirements of accounting guidance relating to Fair Value Measurements, the Subsidiary classifies and discloses its assets and liabilities carried at the fair value in one of the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Unobservable inputs that are not corroborated by market data.

(t) Debt Modifications and Extinguishments

The Subsidiary follows the provisions of ASC 470-50, *Modifications and Extinguishments*, to account for all modifications or extinguishments of debt instruments, except debt that is extinguished through a troubled debt restructuring or a conversion of debt to equity securities of the debtor pursuant to conversion privileges provided in terms of the debt at issuance. This Subtopic also provides guidance on whether an exchange of debt instruments with the same creditor constitutes an extinguishment and whether a modification of a debt instrument should be accounted for in the same manner as an extinguishment. In circumstances where an exchange of debt instruments or a modification of a debt instrument does not result in extinguishment accounting, this Subtopic provides guidance on the appropriate accounting treatment. Costs associated with new loans or refinancing of existing loans, including fees paid to lenders or required to be paid to third parties on the lender's behalf for obtaining new loans or refinancing existing loans, are recorded as deferred charges. Costs paid directly to third parties are expensed as incurred. Deferred financing costs are presented as a deduction from the corresponding liability. Such fees are deferred and amortized to interest and finance costs during the life of the related debt using the effective interest method. For loans repaid or refinanced that meet the criteria of debt extinguishment, the difference between the settlement price and the net carrying amount of the debt being extinguished (which includes any deferred debt issuance costs) is recognized as a gain or loss in the carve-out statements of operations.

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(u) Segment Reporting

The Subsidiary reports financial information and evaluates its operations by total charter revenues and not by the length of vessel employment, customer, or type of charter. As a result, management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet and thus, the Subsidiary has determined that it operates under one reportable segment. Furthermore, a vessel is chartered, the charterer is free to trade the vessel worldwide and, as a result, disclosure of geographic information is impracticable.

(v) Going Concern

Under ASC 205-40, Going Concern, management is required to evaluate whether there is substantial doubt about a company's ability to continue as a going concern and on related required footnote disclosures. For each reporting period, management is required to evaluate whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued.

Recent Accounting Pronouncements Adopted

The Subsidiary has adopted ASU No. 2021-05 *Leases (Topic 842): Lessors-Certain Leases with Variable Lease Payments*. The ASU amends the lessor lease classification guidance in ASC 842 for leases that include any amount of variable lease payments that are not based on an index or rate. If such a lease meets the criteria in ASC 842-10-25-2 through 25-3 for classification as either a sales-type or direct financing lease, and application of the sales-type or direct financing lease recognition guidance would result in recognition of a selling loss, then the amendments require the lessor to classify the lease as an operating lease. The adoption of ASU No. 2021-05 did not have an impact in the Subsidiary's financial statements and related disclosures.

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Recent Accounting Pronouncements – Not Yet Adopted

There are no recent accounting pronouncements the adoption of which is expected to have a material effect on the Company's financial statements in the current or any future periods.

3. Transactions with Related Parties:

The Subsidiary receives management services from Seanergy Management Corp. ("Seanergy Management"), a Marshall Islands corporation, a wholly owned subsidiary controlled by Seanergy. Under the services agreement entered into on May 15, 2017, United Maritime Predecessor pays Seanergy Management a commission of 1.25 % on hire and freight revenue earned for chartering and post fixture services provided. The commission expense for the period from January 1, 2022 through July 5, 2022 and for the years ended December 31, 2021 and 2020 amounted to \$ 29,479 , \$ 97,695 and \$ 53,515 , respectively, and is separately reflected under Commissions - related party in the accompanying carve-out statements of operations. In addition, under the same agreement, the Subsidiary pays Seanergy Management a daily fee of \$ 650 for the provision of management services. United Maritime Predecessor pays Seanergy Shipmanagement, a subsidiary of Seanergy, a fixed management fee of \$ 14,000 per vessel per month starting in June 2022. Management fees charged from January 1, 2022 through July 2022, and for the years ended 2021 and 2020 amounted to \$ 136,225 , \$ 237,250 and \$ 237,900 , respectively, and are separately reflected as Management fees - related party in the accompanying carve-out statements of operations. United Maritime Predecessor's amounts due to Seanergy Management as of December 31, 2021 are assumed by the Parent (Note 4).

4. Parent Investment, Net:

As of December 31, 2021 and 2020, Parent investment, net consists of the amounts contributed by the Parent, to finance part of the acquisition cost of the vessel, commercial and management services, intercompany amounts due to or from the Parent for working capital purposes, which are forgiven and treated as contributions or distributions of capital and other general and administrative expenses allocated to the United Maritime Predecessor by Parent. Allocated general and administrative expenses include expenses of Parent such as executive's cost, legal, treasury, regulatory compliance and other costs. These expenses were allocated on a pro rata basis, based on the number of ownership days of the Subsidiary's vessel compared to the number of ownership days of the total Seanergy fleet. Such allocations are believed to be reasonable, but may not reflect the actual costs if the United Maritime Predecessor had operated as a standalone company. Capital contributions during 2020 and for the period from January 1, 2022 through July 5, 2022, amounted to \$ 1,960,687 and \$ 1,253,526 , respectively. Capital distributions for 2021 amounted to \$ 2,441,795 .

As part of Parent, United Maritime Predecessor is dependent upon Parent for all of its working capital and financing requirements, as Parent uses a centralized approach to cash management and financing of its operations. Financial transactions relating to United Maritime Predecessor are accounted for through the Parent equity account and reflected in the carve-out statements of Parent's equity as an increase or decrease in Parent investment, net. Accordingly, none of Parent's cash, cash equivalents or debt at the corporate level have been assigned to the United Maritime Predecessor in the financial statements. Parent equity, net represents Parent's interest in the recorded net assets of the United Maritime Predecessor.

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5. Vessel, Net:

The amounts in the accompanying carve-out balance sheet are analyzed as follows:

	<u>December 31, 2021</u>
Cost:	
Beginning balance	16,925,546
- Additions	-
Ending balance	<u>16,925,546</u>
Accumulated depreciation:	
Beginning balance	(3,888,510)
- Additions	(756,765)
Ending balance	<u>(4,645,275)</u>
Net book value	<u>12,280,271</u>

On November 3, 2015, the Subsidiary acquired the *Gloriuship* for a purchase price of \$ 16,833,520 , which was financed through a loan with Hamburg Commercial Bank AG, or HCOB (formerly known as HSH Nordbank AG).

The *Gloriuship* is mortgaged to the secured loan with EnTrust (Note 6).

Vessel's depreciation expense for the period from January 1, 2022 through July 5, 2022, and for the years ended December 31, 2021 and 2020, amounted to \$ 400,285 , \$ 756,765 and \$ 758,839 , respectively, and is included in "Depreciation" in the accompanying carve- out statements of operations.

6. Long-Term Debt:

The amounts in the accompanying carve-out balance sheet are analyzed as follows:

	<u>December 31, 2021</u>
Secured loan facilities	5,500,000
Less: Deferred financing costs	(119,256)
Total	<u>5,380,744</u>
Less – current portion	(1,177,074)
Long-term portion	<u>4,203,670</u>

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Existing Loan Facilities

New EnTrust Facility

On July 15, 2020, following the repayment of the previous loan agreement, that resulted in "Gain on debt refinancing of \$ 1,490,601 , Seanergy's two vessel owning subsidiaries of the *Gloriuship* and the *Geniuship* entered into a secured loan facility of \$ 22,500,000 with Kroll Agency Services Limited, previously known as Lucid Agency Services Limited, and Kroll Trustee Services Limited, previously known as Lucid Trustee Services Limited, as facility agent and security agent, respectively, and certain nominees of EnTrust Global, as lenders, or the New EnTrust Facility, with Seanergy acting as the guarantor, and the amount of \$ 22,500,000 was drawn down on July 16, 2020. The New EnTrust Facility was split into two tranches, secured by the *Geniuship* and the *Gloriuship*. Of the total amount, \$ 16,000,000 was drawn under the *Geniuship* tranche and \$ 6,500,000 under the *Gloriuship* tranche. The New EnTrust Facility is maturing in July 2025 and was originally secured by first priority mortgages over the *Gloriuship* and the *Geniuship*, general assignments covering earnings, insurances and requisition compensation of each vessel, account pledge agreements concerning the earnings account of each vessel, share pledge agreements concerning each vessel-owning subsidiary's shares and relevant technical and commercial managers' undertakings. On December 20, 2021, the vessel owning subsidiary of the *Geniuship* fully prepaid the amount of \$ 14,617,500 outstanding under the *Geniuship* tranche of the New EnTrust Facility. As of December 31, 2021, the total amount outstanding under this facility was \$ 5,500,000 .

The annual principal payments required to be made after December 31, 2021, are as follows:

Year ended December 31,	Amount
2022	1,250,000
2023	1,400,000
2024	1,400,000
2025	1,450,000
2026	-
Total	5,500,000

7. Financial Instruments:

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of the following three categories based on the inputs used to determine its fair value:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Unobservable inputs that are not corroborated by market data.

(a) Significant Risks and Uncertainties, including Business and Credit Concentration

The Subsidiary places its temporary cash investments, consisting mostly of deposits, primarily with high credit qualified financial institutions. The Subsidiary performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Subsidiary's investment strategy. The Subsidiary limits its credit risk with accounts receivable trade by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk.

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(b) Fair Value of Financial Instruments

The fair values of the financial instruments shown in the carve-out balance sheet as of December 31, 2021, represent management's best estimate of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date.

Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Subsidiary's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Subsidiary based on the best information available in the circumstances.

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

- a) Cash and cash equivalents, accounts receivable trade and trade accounts and other payables: the carrying amounts approximate fair value because of the short maturity of these instruments.
- b) Long-term debt: The fair value of fixed interest long-term debt is estimated using prevailing market rates as of the period end. The Subsidiary believes the terms of its fixed interest long-term debt are similar to those that could be procured as of December 31, 2021, and the carrying value of \$ 5,500,000 is 3.11 % lower than the fair market value of \$ 5,670,844 . The fair value of the fixed interest long-term debt has been obtained through Level 2 inputs (interest rate curves) of the fair value hierarchy.

8. Commitments and Contingencies:

Commitments

As at July 5, 2022, future minimum contractual charter revenue based on vessel's committed non-cancelable time charter contracts using the charter rates that prevail at the balance sheet date for index-linked time charters and the fixed rates for fixed period time charters (these amounts do not include any assumed off-hire) is estimated at \$ 4,705,066 .

Contingencies

Various claims, lawsuits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Subsidiary's vessel. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying financial statements.

The Subsidiary accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying financial statements. The Subsidiary is covered for liabilities associated with the individual vessel's actions to the maximum limits as provided by Protection and Indemnity (P&I) Clubs, members of the International Group of P&I Clubs.

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9. Interest and Finance Costs:

Interest and finance costs are analyzed as follows:

	From January 1, 2022 through July 5, 2022	Year ended December 31, 2021	2020
Interest on long-term debt	280,554	621,046	592,801
Amortization of debt issuance costs	44,308	101,289	96,300
Other, net	(1,074)	21,352	19,344
Total	<u>323,788</u>	<u>743,687</u>	<u>708,445</u>

10. Subsequent Events:

Contribution by Parent of the Subsidiary to United Maritime Corporation: On July 5, 2022, the spin-off transaction was materialized and the Subsidiary was contributed to the Company by the Parent. Following the spin-off consummation, United Maritime Corporation and Seanergy Maritime Holdings Corp. are independent publicly traded companies.

**STATEMENT OF DESIGNATION OF RIGHTS, PREFERENCES AND PRIVILEGES OF SERIES A PARTICIPATING PREFERRED SHARES OF
UNITED MARITIME CORPORATION**

The undersigned, Stamatios Tsantanis and Stavros Gyftakis do hereby certify:

1. That they are the duly elected and acting Chief Executive Officer and Chief Financial Officer, respectively, of United Maritime Corporation, a Marshall Islands corporation (the "Company").
2. That pursuant to the authority conferred by the Company's Amended and Restated Articles of Incorporation (the "Articles of Incorporation"), the Company's Board of Directors on June 21, 2022 adopted the following resolution designating and prescribing the relative rights, preferences and limitations of the Company's Series A Participating Preferred Shares:

RESOLVED, that pursuant to the authority vested in the Board of Directors (the "Board") of the Company by the Articles of Incorporation, the Board does hereby establish a series of Preferred Shares, par value \$0.0001 per share, and the designation and certain powers, preferences and other special rights of the shares of such series, and certain qualifications, limitations and restrictions thereon, are hereby fixed as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Participating Preferred Shares". The Series A Participating Preferred Shares shall have a par value of \$0.0001 per share, and the number of shares constituting such series shall initially be 2,000,000, which number the Board may from time to time increase or decrease (but not below the number then outstanding).

Section 2. Proportional Adjustment. In the event the Company shall at any time after the issuance of any share or shares of Series A Participating Preferred Shares (i) declare any dividend on the Common Shares of the Company par value \$0.0001 per share (the "Common Shares") payable in Common Shares, (ii) subdivide the outstanding Common Shares or (iii) combine the outstanding Common Shares into a smaller number of shares, then in each such case the Company shall simultaneously effect a proportional adjustment to the number of outstanding shares of Series A Participating Preferred Shares.

Section 3. Dividends and Distributions.

(a) Subject to the prior and superior right of the holders of any shares of any series of Preferred Shares ranking prior and superior to the shares of Series A Participating Preferred Shares with respect to dividends, the holders of shares of Series A Participating Preferred Shares shall be entitled to receive when, as and if declared by the Board out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of January, April, July and October in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Participating Preferred Shares, in an amount per share (rounded to the nearest cent) equal to 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in Common Shares or a subdivision of the outstanding Common Shares (by reclassification or otherwise), declared on the Common Shares since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Participating Preferred Shares.

(b) The Company shall declare a dividend or distribution on the Series A Participating Preferred Shares as provided in paragraph (a) above immediately after it declares a dividend or distribution on the Common Shares (other than a dividend payable in Common Shares).

(c) Dividends shall begin to accrue on outstanding shares of Series A Participating Preferred Shares from the Quarterly Dividend Payment Date immediately preceding the date of issue of such shares of Series A Participating Preferred Shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Participating Preferred Shares entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Participating Preferred Shares in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board may fix a record date for the determination of holders of shares of Series A Participating Preferred Shares entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 4. Voting Rights. The holders of shares of Series A Participating Preferred Shares shall have the following voting rights:

(a) Each share of Series A Participating Preferred Shares shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the shareholders of the Company.

(b) Except as otherwise provided herein or by law, the holders of shares of Series A Participating Preferred Shares and the holders of Common Shares shall vote together as one class on all matters submitted to a vote of shareholders of the Company.

(c) Except as required by law, holders of Series A Participating Preferred Shares shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Shares as set forth herein) for taking any corporate action.

Section 5. Certain Restrictions.

(a) The Company shall not declare any dividend on, make any distribution on, or redeem or purchase or otherwise acquire for consideration any Common Shares after the first issuance of a share or fraction of a share of Series A Participating Preferred Shares unless concurrently therewith it shall declare a dividend on the Series A Participating Preferred Shares as required by Section 3 hereof.

(b) Whenever quarterly dividends or other dividends or distributions payable on the Series A Participating Preferred Shares as provided in Section 3 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Participating Preferred Shares outstanding shall have been paid in full, the Company shall not (i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Participating Preferred Shares; (ii) declare or pay dividends on, make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with Series A Participating Preferred Shares, except dividends paid ratably on the Series A Participating Preferred Shares and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled; (iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Participating Preferred Shares, provided that the Company may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Company ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Participating Preferred Shares; (iv) purchase or otherwise acquire for consideration any shares of Series A Participating Preferred Shares, or any shares of stock ranking on a parity with the Series A Participating Preferred Shares, except in accordance with a purchase offer made in writing or by publication (as determined by the Board) to all holders of such shares upon such terms as the Board, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(c) The Company shall not permit any subsidiary of the Company to purchase or otherwise acquire for consideration any shares of stock of the Company unless the Company could, under paragraph (a) of this Section 5, purchase or otherwise acquire such shares at such time and in such manner.

Section 6. Reacquired Shares. Any shares of Series A Participating Preferred Shares purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Shares and may be reissued as part of a new series of Preferred Shares to be created by resolution or resolutions of the Board, subject to the conditions and restrictions on issuance set forth herein and in the Articles of Incorporation.

Section 7. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Company, the holders of shares of Series A Participating Preferred Shares shall be entitled to receive an aggregate amount per share equal to 1,000 times the aggregate amount to be distributed per share to holders of Common Shares plus an amount equal to any accrued and unpaid dividends on such shares of Series A Participating Preferred Shares.

Section 8. Consolidation, Merger, etc. In case the Company shall enter into any consolidation, merger, combination or other transaction in which the Common Shares are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Participating Preferred Shares shall at the same time be similarly exchanged or changed in an amount per share equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged.

Section 9. No Redemption. The shares of Series A Participating Preferred Shares shall not be redeemable.

Section 10. Ranking. The Series A Participating Preferred Shares shall rank junior to all other series of the Company's Preferred Shares as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 11. Amendment. The Articles of Incorporation of the Company shall not be further amended in any manner which would materially alter or change the powers, preference or special rights of the Series A Participating Preferred Shares so as to affect them adversely without the affirmative vote of the holders of a majority of the outstanding shares of Series A Participating Preferred Shares, voting separately as a class.

Section 12. Fractional Shares. Series A Participating Preferred Shares may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Participating Preferred Shares.

RESOLVED FURTHER, that the President or any Vice President and the Secretary or any Assistant Secretary of this Company be, and they hereby are, authorized and directed to prepare and file a Statement of Designation of Rights, Preferences and Privileges in accordance with the foregoing resolution and the provisions of Marshall Islands law and to take such actions as they may deem necessary or appropriate to carry out the intent of the foregoing resolution.

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We further declare under penalty of perjury that the matters set forth in the foregoing Statement of Designation are true and correct of our own knowledge.

Executed on July 5, 2022.

/s/ Stamatios Tsantanis

Stamatios Tsantanis
Chief Executive Officer

/s/ Stavros Gyftakis

Stavros Gyftakis
Chief Financial Officer

Signature Page to Statement of Designation – Series A Preferred

STATEMENT OF DESIGNATION OF RIGHTS, PREFERENCES
AND PRIVILEGES OF SERIES B PREFERRED STOCK OF
UNITED MARITIME CORPORATION

(Pursuant to Section 35 of the Business Corporations Act of the Republic of the Marshall Islands)

The Amended and Restated Articles of Incorporation, as amended, of United Maritime Corporation, a Marshall Islands corporation (the "**Corporation**") confers upon the Board of Directors of the Corporation (the "**Board of Directors**") the authority to provide for the issuance of shares of preferred stock in series and to establish the number of shares to be included in each such series and to fix by resolution or resolutions the designations and the powers, preferences and relative, participating, optional or other rights and qualifications, limitations or restrictions thereon. On June 21, 2022, the Board of Directors duly adopted the following resolution creating a series of preferred stock designated as the Series B Preferred Stock, comprised initially of 40,000 shares and such resolution has not been modified and is in full force and effect on the date hereof:

RESOLVED that, pursuant to the authority vested in the Board of Directors in accordance with the provisions of the Amended and Restated Articles of Incorporation of the Corporation, as amended, a series of the class of authorized preferred stock, par value \$0.0001 per share, of the Corporation is hereby created and that the designation and number of shares thereof and the powers, preferences and relative, participating, optional or other rights and qualifications, limitations or restrictions thereon are as follows:

Section 1. Designation and Amount. The Corporation, out of its authorized, unissued and undesignated shares of preferred stock, par value \$0.0001 per share (the "**Preferred Stock**"), hereby designates Series B Preferred Shares, referred to herein as "Series B Preferred Shares". The Series B Preferred Shares shall have a par value of \$0.0001 per share, and the number of shares constituting such series shall initially be 40,000, which number the Board of Directors may increase or decrease (but not below the number of shares then outstanding) from time to time.

Section 2. Dividends and Distributions. Subject to Section 5, the Series B Preferred Shares shall not have dividend or distribution rights.

Section 3. Voting Rights. The holders of Series B Preferred Shares shall have the following voting rights:

(a) Each Series B Preferred Share shall entitle the holder to 25,000 votes per share on all matters submitted to a vote of the shareholders of the Corporation, provided however, that no holder of Series B Preferred Shares may exercise voting rights pursuant to Series B Preferred Shares that would result in the aggregate voting power of any beneficial owner of such shares and its affiliates (whether pursuant to ownership of Series B Preferred Shares, common shares or otherwise) to exceed 49.99% of the total number of votes eligible to be cast on any matter submitted to a vote of shareholders of the Corporation. For purposes of this Section 3(a), a holder of Series B Preferred Shares shall include each "beneficial owner" of such Series B Preferred Share, as determined in accordance with Section 13d-3 of the Securities Exchange Act of 1934, as amended, together with any person or entity that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such beneficial owner.

(b) Except as otherwise provided herein or by law, the holders of Series B Preferred Shares and the holders of Common Shares shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(c) Except as required by law, holders of Series B Preferred Shares shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Shares as set forth herein) for taking any corporate action.

Section 4. Reacquired Shares. Any Series B Preferred Shares purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein and in the Amended and Restated Articles of Incorporation of the Corporation, as then amended.

Section 5. Liquidation, Dissolution or Winding Up; Ranking. Upon any liquidation, dissolution or winding up of the Corporation, the Series B Preferred Shares will rank pari-passu with the holders of Common Shares and shall be entitled to receive a payment equal to the par value of \$0.0001 per share. Holders of Series B Preferred Shares will have no other rights to distributions upon any liquidation, dissolution or winding up of the Corporation.

Section 6. Consolidation, Merger, etc. Subject to Section 8, upon any consummation of a binding share exchange or reclassification involving the Series B Preferred Shares, or of a merger or consolidation of the Corporation with another corporation or other entity, then either (x) the shares of Series B Preferred Shares shall remain outstanding or, (y) in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, then the Series B Preferred Shares shall be converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent, and in either case of (x) or (y) such shares remaining outstanding or such preferred securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Series B Preferred Shares immediately prior to such consummation, taken as a whole; provided, however, that for all purposes of this Section 6, any increase in the authorized number of shares of Preferred Stock, including any increase in the authorized number of Series B Preferred Shares, will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the holders of Series B Preferred Shares.

Section 7. No Redemption. The Series B Preferred Shares shall not be redeemable.

Section 8. Amendment. At any time when any Series B Preferred Shares are outstanding, none of this Statement of Designation, the Amended and Restated Articles of Incorporation of the Corporation, as amended, or the Bylaws, as amended, of the Corporation shall be amended (including by merger, consolidation or otherwise) in any manner which would materially or adversely alter, change or affect the powers, preferences or rights of the Series B Preferred Shares without the affirmative vote of the holders of a majority of the outstanding Series B Preferred Shares, voting separately as a class.

Section 9. Transferability. Notwithstanding anything to the contrary in this Statement of Designation, holders of Series B Preferred Shares shall not Transfer (as defined below) the Series B Preferred Shares to any person or entity. Any purported Transfer of the Series B Preferred Shares shall be null and void and shall have no force or effect. "Transfer" shall mean directly or indirectly (i) any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift or other transfer or disposition of any kind, including, but not limited to, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of Series B Preferred Shares or (ii) any change in the record or beneficial ownership of the Series B Preferred Shares after the date of their issuance, in each case that is not approved in advance by the Board of Directors; and provided, however, that notwithstanding anything to the contrary in this Statement of Designation under no circumstances may more than one person or entity, at any time, be a record holder of any Series B Preferred Shares, and all issued and outstanding Series B Preferred Shares must be held of record by one holder.

Section 10. Fractional Shares. Series B Preferred Stock may not be issued in fractional shares.

Section 11. Notices. Any notice to be delivered hereunder shall be delivered (via overnight courier, facsimile or email) to each holder at its last address as it shall appear upon the books and records of the Corporation.

Section 12. Record Holders. To the fullest extent permitted by applicable law, the Corporation may deem and treat each holder of any Series B Preferred Share as the true, lawful and absolute owner thereof for all purposes, and the Corporation shall not be affected by any notice to the contrary.

Section 13. No Other Rights. The Series B Preferred Shares shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth in this Statement of Designation or in the Amended and Restated Articles of Incorporation of the Corporation, as amended, or as provided by applicable law.

Section 14. No Impairment. The Corporation shall not, by amendment of this Statement of Designation, through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid or reduce the observance or performance of any of the terms to be observed or performed under this Statement of Designation by the Corporation, but shall at all times in good faith assist in the carrying out of all the provisions of this Statement of Designation and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holders of the Series B Preferred Shares against impairment.

Section 15. Lost or Stolen Certificates. Upon receipt by the Corporation of evidence of the loss, theft, destruction or mutilation of any Series B Preferred Share certificate (if any), and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactory to the Corporation, and upon surrender and cancellation of the Series B Preferred Share certificate(s), if any, the Corporation shall execute and deliver new Series B Preferred Share certificate(s) of like tenor and date.

Section 16. Maturity. The Series B Preferred Shares shall be perpetual, unless purchased or otherwise acquired by the Corporation.

Section 17. No Preemptive Rights. No holders of Series B Preferred Shares will, as holders of Series B Preferred Shares, have any preemptive rights to purchase or subscribe for Common Shares or any other security of the Corporation.

Section 18. Severability; Headings. If any provision of this Statement of Designation is invalid, illegal or unenforceable, the balance of this Statement of Designation shall remain in effect, and if any provision is inapplicable to any person, entity or circumstance, it shall nevertheless remain applicable to all other persons, entities and circumstances. Headings in this Statement of Designation are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

[Signature Page Follows]

IN WITNESS WHEREOF, this Statement of Designation is executed on behalf of the Corporation by its Secretary on this 5th day of July, 2022.

By: /s/ Stamatios Tsantanis

Name: Stamatios Tsantanis

Title: Chief Executive Officer

Signature Page to Statement of Designation – Series B Preferred

DESCRIPTION OF SECURITIES

For the complete terms of our capital stock, please refer to our amended and restated articles of incorporation and our second amended and restated bylaws, which are filed as exhibits to the annual report of which this exhibit forms a part. The Business Corporations Act of the Republic of the Marshall Islands, as amended from time to time ("BCA") may also affect the terms of our capital stock.

For purposes of the following description of capital stock, references to "us", "we" and "our" refer only to United Maritime Corporation and not any of its subsidiaries.

Capitalized terms used but not defined herein have the meanings given to them in the annual report of which this exhibit forms a part.

Purpose

Our purpose, as stated in our amended and restated articles of incorporation, is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the BCA. We are not aware of any limitations on the rights to own our securities, including rights of non-resident or foreign stockholders to hold or exercise voting rights on our securities, imposed by foreign law or by our restated articles of incorporation or second amended and restated bylaws.

Authorized Capitalization

Our authorized capital stock consists of 2,000,000,000 shares of common stock, par value \$0.0001 ("common shares"), and 100,000,000 shares of preferred stock, par value \$0.0001, of which 2,000,000 shares are designated Series A Preferred Stock and 40,000 shares are designated Series B Preferred Stock. As of December 31, 2023, 8,694,630 common shares were issued and outstanding and as of March 28, 2024, 9,012,456 common shares were issued and outstanding. As of December 31, 2023 and as of March 28, 2024, no shares of Series A Preferred Stock and 40,000 shares of Series B Preferred Stock were outstanding. All of our shares of stock are in registered form.

Description of Common Shares

Subject to preferences that may be applicable to any outstanding preferred shares, holders of common shares are entitled to receive ratably all dividends, if any, declared by our board of directors out of funds legally available for dividends. Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our common shares will be entitled to receive pro rata our remaining assets available for distribution. Holders of common shares do not have conversion, redemption or preemptive rights to subscribe to any of our securities. The rights, preferences and privileges of holders of common shares are subject to the rights of the holders of any preferred shares which we have issued or may issue in the future. Our common shares are not subject to any sinking fund provisions and no holder of any shares will be required to make additional contributions of capital with respect to our shares in the future.

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of shareholders. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of shares of common stock are entitled to receive ratably all dividends, if any, declared by our board of directors out of funds legally available for dividends. Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our common stock will be entitled to receive pro rata our remaining assets available for distribution. Holders of common stock do not have conversion, redemption or preemptive rights to subscribe to any of our securities. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of our preferred stock.

Prior to our initial spin-off transaction, or the Spin-Off, Seanergy Maritime Holdings Corp., of the Republic of the Marshall Islands ("Parent"), as our sole shareholder approved the amendment of our articles of incorporation to effect one or more reverse stock splits of the shares of our common stock issued and outstanding at the time of the reverse split at a cumulative exchange ratio of between one-for-two and one-for-five hundred, with our board of directors to determine, in its sole discretion, whether to implement any reverse stock split, as well as the specific timing and ratio, within such approved range of ratios; provided that any such reverse stock split or splits are implemented prior to the third anniversary of the Spin-Off. While our board of directors will exercise its sole discretion as to whether and in what circumstances to effect any reverse stock split pursuant to this amendment of our articles of incorporation, the Parent's determination to approve such amendment is intended to provide us the means to maintain compliance with the continued listing requirements of the Nasdaq Capital Market, in particular the bid price requirement, as well as to realize certain beneficial effects of a higher trading price for our common shares, including the ability to appeal to certain investors and potentially increased trading liquidity.

Description of Preferred Stock Purchase Rights

We have entered into a Shareholders Rights Agreement (as amended and restated, the "Rights Agreement") with Equiniti Trust Company, LLC (f/k/a American Stock Transfer & Trust Company, LLC), as Rights Agent.

Under the Rights Agreement, we declared a dividend payable of one preferred stock purchase right, or Right, for each share of common stock outstanding immediately prior to the Spin-Off. Each Right entitles the registered holder to purchase from us one one-thousandth of a share of Series A Participating Preferred Stock, par value \$0.0001, at an exercise price of \$40.00 per share. The Rights will separate from the common stock and become exercisable only if a person or group acquires beneficial ownership of 10% (15% in the case of a passive institutional investor) or more of our common stock (including through entry into certain derivative positions) in a transaction not approved by our board of directors. In that situation, each holder of a Right (other than the acquiring person, whose Rights will become void and will not be exercisable) will have the right to purchase, upon payment of the exercise price, a number of shares of our common stock having a then-current market value equal to twice the exercise price. In addition, if the Company is acquired in a merger or other business combination after an acquiring person acquires 10% (15% in the case of a passive institutional investor) or more of our common stock, each holder of the Right will thereafter have the right to purchase, upon payment of the exercise price, a number of shares of common stock of the acquiring person having a then-current market value equal to twice the exercise price. The acquiring person will not be entitled to exercise these Rights. Until a Right is exercised, the holder of a Right will have no rights to vote or receive dividends or any other shareholder rights.

The Rights may have anti-takeover effects. The Rights will cause substantial dilution to any person or group that attempts to acquire us without the approval of our board of directors. As a result, the overall effect of the Rights may be to render more difficult or discourage any attempt to acquire us. Because our board of directors can approve a redemption of the Rights or a permitted offer, the Rights should not interfere with a merger or other business combination approved by our board of directors.

We have summarized the material terms and conditions of the Rights Agreement and the Rights below. For a complete description of the Rights, we encourage you to read the Rights Agreement, which we have filed as an exhibit to the annual report of which this exhibit forms a part .

Detachment of the Rights

The Rights are attached to all certificates representing our currently outstanding common stock, or, in the case of uncertificated common shares registered in book entry form, which we refer to as "book entry shares," by notation in book entry accounts reflecting ownership, and will attach to all common stock certificates and book entry shares we issue prior to the Rights distribution date that we describe below. The Rights are not exercisable until after the Rights distribution date and will expire at the close of business on July 1, 2032, unless we redeem or exchange them earlier as we describe below. The Rights will separate from the common stock and a Rights distribution date would occur, subject to specified exceptions, on the earlier of the following two dates:

- the 10th day after public announcement that a person or group has acquired ownership of 10% (15% in the case of a passive institutional investor) or more of the Company's common stock; or
- the 10th business day (or such later date as determined by the Company's board of directors) after a person or group announces a tender or exchange offer which would result in that person or group holding 10% (15% in the case of a passive institutional investor) or more of the Company's common stock.

"Acquiring person" is generally defined in the Rights Agreement as any person, together with all affiliates or associates, who beneficially owns 10% or more of the Company's common stock then outstanding, provided that none of Stamatios Tsantanis, his immediate family members, or any of their affiliates or associates will be considered an acquiring person. However, the Company, any subsidiary of the Company or any employee benefit plan of the Company or of any subsidiary of the Company, any person holding shares of common stock for or pursuant to the terms of any such plan, or a passive institutional investor, are excluded from the definition of "acquiring person." Inadvertent owners that would otherwise become an acquiring person, including those who would have this designation as a result of repurchases of common stock by us, will not become acquiring persons as a result of those transactions.

Our board of directors may defer the Rights distribution date in some circumstances, and some inadvertent acquisitions will not result in a person becoming an acquiring person if the person promptly divests itself of a sufficient number of shares of common stock.

Until the Rights distribution date: (i) the Rights will be evidenced by the certificates for shares of Common Stock registered in the names of the holders thereof or, in the case of uncertificated shares of Common Stock registered in book-entry form by notation in book entry accounts reflecting the ownership of such shares of Common Stock (which certificates and Book Entry Shares, as applicable, shall also be deemed to be Rights Certificates) and not by separate Rights Certificates and (ii) the right to receive Rights Certificates will be transferable only in connection with the transfer of shares of Common Stock.

As soon as practicable after the Rights distribution date, we will prepare, execute and send, or cause to be sent (and the Rights Agent will, if requested and provided with all necessary information and documents, in the discretion of the Rights Agent, at the expense of the Company, send or cause to be sent) by first-class, postage-prepaid mail, to each record holder of shares of Common Stock as of the close of business on the Rights distribution date, at the address of such holder shown on the records of the Company, or the transfer agent or registrar for the Common Stock, a Rights Certificate evidencing one Right for each share of Common Stock so held.

We will not issue Rights with any shares of common stock we issue after the Rights distribution date, except as our board of directors may otherwise determine.

Flip-In Event

If an Acquiring Person obtains beneficial ownership of 10% (15% in the case of a passive institutional investor) or more of the common shares, then each Right will entitle the holder thereof to purchase, for the Exercise Price, a number of common shares (or, in certain circumstances, cash, property or other securities of the Company) having a then-current market value of twice the Exercise Price. However, the Rights are not exercisable following the occurrence of the foregoing event until such time as the Rights are no longer redeemable by the Company, as further described below under "Redemption of Rights".

Following the occurrence of an event set forth in preceding paragraph, all Rights that are or, under certain circumstances specified in the Rights Agreement, were beneficially owned by an Acquiring Person or certain of its transferees will be null and void.

Flip-Over Event

If, after an Acquiring Person obtains 10% (15% in the case of a passive institutional investor) or more of the common shares, (i) the Company merges into another entity; (ii) an acquiring entity merges into the Company; or (iii) the Company sells or transfers 50% or more of its assets, cash flow or earning power, then each Right (except for Rights that have previously been voided as set forth above) will entitle the holder thereof to purchase, for the Exercise Price, a number of common shares of the person engaging in the transaction having a then-current market value of twice the Exercise Price.

Anti-dilution

We may adjust the purchase price of the Preferred Shares, the number of Preferred Shares issuable and the number of outstanding Rights to prevent dilution that may occur from a stock dividend, a stock split, or a reclassification of the Preferred Shares or common shares. No adjustments to the Exercise Price of less than 1% will be made.

Redemption of Rights

We may redeem the Rights for \$0.0001 per Right under certain circumstances. If we redeem any Rights, we must redeem all of the Rights. Once the Rights are redeemed, the only right of the holders of the Rights will be to receive the redemption price of \$0.0001 per Right, payable, at the option of the Company, in cash, common shares or such other form of consideration as the Company's board of directors shall determine. The redemption price will be adjusted if we effect a stock dividend or a stock split.

Exchange of Rights

After a person or group becomes an Acquiring Person, but before an Acquiring Person owns 50% or more of the outstanding common shares, our board of directors may extinguish the Rights by exchanging one common share or an equivalent security for each Right, other than Rights held by the Acquiring Person. In certain circumstances, we may elect to exchange the Rights for cash or other securities of the Company having a value approximately equal to one common share.

Amendment of Terms of Rights

The terms of the Rights and the Rights Agreement may be amended in any respect without the consent of the holders of the Rights for so long as the Rights are then redeemable. Thereafter, the terms of the Rights and the Rights Agreement may be amended without the consent of the holders of Rights, with certain exceptions, in order to (i) cure any ambiguities; (ii) correct or supplement any provision contained in the Rights Agreement that may be defective or inconsistent with any other provision therein; (iii) shorten or lengthen any time period pursuant to the Rights Agreement; or (iv) make changes that do not adversely affect the interests of holders of the Rights (other than an Acquiring Person or an affiliate or associate of an Acquiring Person).

Description of Preferred Stock

Our board of directors is authorized to provide for the issuance of preferred stock in one or more series with designations as may be stated in the resolution or resolutions providing for the issue of such preferred stock. At the time that any series of our preferred stock is authorized, our board of directors will fix the dividend rights, any conversion rights, any voting rights, redemption provisions, liquidation preferences and any other rights, preferences, privileges and restrictions of that series, as well as the number of shares constituting that series and their designation. Our board of directors could, without shareholder approval, cause us to issue preferred stock which has voting, conversion and other rights and preferences that could adversely affect the voting power and other rights of holders of our common stock and Series B Preferred Stock, or make it more difficult to effect a change in control. In addition, preferred stock could be used to dilute the share ownership of persons seeking to obtain control of us and thereby hinder a possible takeover attempt which, if our shareholders were offered a premium over the market value of their shares, might be viewed as being beneficial to our shareholders. The material terms of any series of preferred stock that we offer through a prospectus supplement will be described in that prospectus supplement.

Description of Series B Preferred Stock

The following description of the characteristics of the Series B Preferred Shares is a summary and does not purport to be complete and is qualified by reference to the Statement of Designation which is filed as an exhibit to the annual report of which this exhibit forms a part.

Voting. To the fullest extent permitted by law, each Series B preferred share entitles the holder hereof to 25,000 votes per share on all matters submitted to a vote of the shareholders of the Company, *provided however*, that no holder of Series B Preferred Shares may exercise voting rights pursuant to Series B Preferred Shares that would result in the aggregate voting power of any beneficial owner of such shares and its affiliates (whether pursuant to ownership of Series B Preferred Shares, common shares or otherwise) to exceed 49.99% of the total number of votes eligible to be cast on any matter submitted to a vote of shareholders of the Company. To the fullest extent permitted by law, the holder of Series B Preferred Shares shall have no special voting or consent rights and shall vote together as one class with the holders of the common shares on all matters put before the shareholders.

Conversion. The Series B Preferred Shares are not convertible into common shares or any other security.

Redemption. The Series B Preferred Shares are not redeemable.

Dividends. The Series B Preferred Shares have no dividend rights.

Transferability. All issued and outstanding Series B Preferred Shares must be held of record by one holder, and the Series B Preferred Shares shall not be transferred or sold without the prior approval of our board of directors.

Liquidation Preference. Upon any liquidation, dissolution or winding up of the Company, the Series B Preferred Shares will rank pari-passu with the common shareholders and shall be entitled to receive a payment equal to \$0.0001 per share. The Series B preferred holder has no other rights to distributions upon any liquidation, dissolution or winding up of the Company.

Shareholder Meetings

Under our second amended and restated bylaws, annual shareholder meetings will be held at a time and place selected by our board of directors. The meetings may be held in or outside of the Marshall Islands. Special meetings of the shareholders, unless otherwise prescribed by law, may be called for any purpose or purposes at any time by the chairman of the board of directors, a majority of the entire board of directors, or the chief executive officer. Notice of every annual and special meeting of shareholders shall be given at least 15 but not more than 60 days before such meeting to each shareholder of record entitled to vote thereat.

Directors

Our directors are elected by the affirmative vote of a plurality of the votes cast at a meeting of the shareholders by the holders of shares entitled to vote in the election. Our amended and restated articles of incorporation and second amended and restated bylaws do not provide for cumulative voting in the election of directors.

The board of directors must consist of at least one member. Each director shall be elected to serve until the third succeeding annual meeting of shareholders and until his successor shall have been duly elected and qualified, except in the event of his death, resignation, removal, or the earlier termination of his term of office. The board of directors has the authority to fix the amounts which shall be payable to the members of our board of directors, and to members of any committee, for attendance at any meeting or for services rendered to us.

Election and Removal

Our second amended and restated bylaws require parties other than the board of directors to give advance written notice of nominations for the election of directors. The entire board of directors or any individual director may be removed, with cause, by the vote of two-thirds of the votes eligible to be cast by the holders of outstanding shares of our capital stock then entitled to vote at an election of directors. No director may be removed without cause by either the shareholders or the board of directors. Except as otherwise provided by applicable law, cause for the removal of a director shall be deemed to exist only if the director whose removal is proposed: (i) has been convicted, or has been granted immunity to testify in any proceeding in which another has been convicted, of a felony by a court of competent jurisdiction and that conviction is no longer subject to direct appeal; (ii) has been found to have been negligent or guilty of misconduct in the performance of his duties to the Company in any matter of substantial importance to the Company by (A) the affirmative vote of at least 80% of the directors then in office at any meeting of the board of directors called for that purpose or (B) a court of competent jurisdiction; or (iii) has been adjudicated by a court of competent jurisdiction to be mentally incompetent, which mental incompetence directly affects his ability to serve as a director of the Company. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Super-Majority Approval Requirements

Our amended and restated articles of incorporation and second amended and restated bylaws provide that the vote of two-thirds of the votes eligible to be cast by holders of outstanding shares of our capital stock then entitled to vote at an election of directors is required to amend our bylaws or certain provisions of our articles of incorporation at any annual or special meeting of shareholders.

Dissenters' Rights of Appraisal and Payment

Under the BCA, our shareholders generally have the right to dissent from the sale of all or substantially all of our assets not made in the usual course of our business and receive payment of the fair value of their shares. However, the right of a dissenting shareholder to receive payment of the appraised fair value of his shares is not available under the BCA for the shares of any class or series of stock, which shares at the record date fixed to determine the shareholders entitled to receive notice of and to vote at the meeting of the shareholders to act upon the agreement of merger or consolidation, were either (i) listed on a securities exchange or admitted for trading on an interdealer quotation system or (ii) held of record by more than 2,000 holders. In the event of any further amendment of our articles of incorporation, a shareholder also has the right to dissent and receive payment for his or her shares if the amendment alters certain rights in respect of those shares. The dissenting shareholder must follow the procedures set forth in the BCA to receive payment.

Shareholders' Derivative Actions

Under the BCA, any of our shareholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the shareholder bringing the action is a holder of common shares both at the time the derivative action is commenced and at the time of the transaction to which the action relates.

Forum Selection

Our second amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the High Court of the Republic of Marshall Islands shall be the sole and exclusive forum for (i) any shareholders' derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the Company to the Company or the Company's shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Business Corporations Act of the Republic of the Marshall Islands (as amended from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine. However, the enforceability of similar forum selection provisions in other companies' governing documents has been challenged in legal proceedings, and it is possible that in connection with any action a court could find the forum selection provision contained in our second amended and restated bylaws to be inapplicable or unenforceable in such action. In particular, Section 27 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, Section 22 of the Securities Act, creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Shareholders' derivative actions, including those arising under the Exchange Act or Securities Act, are subject to our forum selection provision. To the extent that the exclusive forum provision would apply to restrict the courts in which our shareholders may bring claims arising under the Exchange Act or the Securities Act and the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such a provision. Investors cannot waive compliance with the federal securities laws and the rules and regulations promulgated thereunder. If a court were to find the forum selection provision to be inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition and results of operations. Any person or entity holding, owning, or otherwise acquiring any shares of capital stock of us shall be deemed to have notice of and consented to the forum selection provisions in our second amended and restated bylaws. Although our forum selection provisions shall not relieve us of our statutory duties to comply with the federal securities laws and the rules and regulations thereunder, and our shareholders are not deemed to have waived our compliance with these laws, rules, and regulations, as applicable, our forum selection provisions may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits with respect to such claims. For more information regarding the risks connected to the forum selection provisions in our second amended and restated bylaws, see "Risk Factors—We may not achieve the intended benefits of having a forum selection provision if it is found to be unenforceable."

Indemnification of Officers and Directors

Our second amended and restated bylaws provide that we must indemnify our directors, officers, employees and agents, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. We are also required to advance certain expenses (including attorney's fees and disbursements and court costs) to our directors and officers and we may carry directors' and officers' insurance providing indemnification for our directors and officers for some liabilities. We believe that these indemnification provisions and this insurance are useful to attract and retain qualified directors and officers.

The indemnification provisions in our second amended and restated bylaws may discourage shareholders from bringing a lawsuit against directors and officers for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, an investment in our common shares may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Anti-takeover Provisions of our Charter Documents

Several provisions of our amended and restated articles of incorporation and second amended and restated bylaws may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our board of directors to maximize shareholder value in connection with any unsolicited offer to acquire us. However, these anti-takeover provisions, which are summarized below, could also discourage, delay or prevent (1) the merger or acquisition of our company by means of a tender offer, a proxy contest or otherwise, that a shareholder may consider in its best interest and (2) the removal of incumbent officers and directors.

Classified Board of Directors

Our amended and restated articles of incorporation provide for the division of our board of directors into three classes of directors, with each class as nearly equal in number as possible, serving staggered, three-year terms. Approximately one-third of our board of directors will be elected each year. This classified board provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of our company. It could also delay shareholders who do not agree with the policies of the board of directors from removing a majority of the board of directors for two years.

Election and Removal of Directors

Our amended and restated articles of incorporation and second amended and restated bylaws prohibit cumulative voting in the election of directors. Our second amended and restated bylaws require parties other than our board of directors to give advance written notice of nominations for the election of directors. Our second amended and restated bylaws also provide that our directors may be removed only for cause and only upon the affirmative vote of two-thirds of the votes eligible to be cast by holders of outstanding shares of our capital stock then entitled to vote at an election of directors. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Limited Actions by Shareholders

Our second amended and restated bylaws provide that any action required or permitted to be taken by our shareholders must be effected at an annual or special meeting of shareholders or by the unanimous written consent of our shareholders.

Our second amended and restated bylaws provide that the chairman of the board of directors, a majority of the board of directors, or the chief executive officer may call special meetings of our shareholders and the business transacted at the special meeting is limited to the purposes stated in the notice. Accordingly, a shareholder may be prevented from calling a special meeting for shareholder consideration of a proposal over the opposition of our board of directors and shareholder consideration of a proposal may be delayed until the next annual meeting.

Our second amended and restated bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing. Our second amended and restated bylaws also specify requirements as to the form and content of a shareholder's notice. These provisions may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

Blank Check Preferred Stock

Under the terms of our amended and restated articles of incorporation, our board of directors has authority, without any further vote or action by our shareholders, to issue up to 100,000,000 shares of blank check preferred stock. Our board of directors may issue shares of preferred stock on terms calculated to discourage, delay or prevent a change of control of our company or the removal of our management.

Business Combinations with Interested Shareholders

Although the BCA does not contain specific provisions regarding "business combinations" between companies organized under the laws of the Marshall Islands and "interested shareholders," we will include these provisions in our amended and restated articles of incorporation. Specifically, our amended and restated articles of incorporation will prohibit us from engaging in a "business combination" with certain persons for three years following the date the person becomes an interested shareholder. Interested shareholders generally include:

- any person who is the beneficial owner of 15% or more of our issued and outstanding voting stock; or
- any person who is our affiliate or associate and who held 15% or more of our issued and outstanding voting stock at any time within three years before the date on which the person's status as an interested shareholder is determined, and the affiliates and associates of such person.
- Subject to certain exceptions, a business combination includes, among other things:
 - o certain mergers or consolidations of us or any direct or indirect majority-owned subsidiary of ours;
 - o any sale, lease, exchange, mortgage, pledge, transfer or other disposition of our assets or of any subsidiary of ours having an aggregate market value equal to 10% or more of either the aggregate market value of all of our assets, determined on a combined basis, or the aggregate value of all of our issued and outstanding stock;
 - o certain transactions that result in the issuance or transfer by us of any stock of ours to the interested shareholder;
 - o any transaction involving us or any of our subsidiaries that has the effect of increasing the proportionate share of any class or series of stock, or securities convertible into any class or series of stock, of ours or any such subsidiary that is owned directly or indirectly by the interested shareholder or any affiliate or associate of the interested shareholder; and
 - o any receipt by the interested shareholder of the benefit directly or indirectly (except proportionately as a shareholder) of any loans, advances, guarantees, pledges or other financial benefits provided by or through us.
- These provisions of our amended and restated articles of incorporation do not apply to a business combination if:
 - o before a person became an interested shareholder, our board of directors approved either the business combination or the transaction in which the shareholder became an interested shareholder;
 - o upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of our voting stock issued and outstanding at the time the transaction commenced, other than certain excluded shares;
 - o at or following the transaction in which the person became an interested shareholder, the business combination is approved by our board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of the holders of at least two-thirds of our issued and outstanding voting stock that is not owned by the interest shareholder;
 - o the shareholder was or became an interested shareholder prior to the consummation of the transactions;
 - o a shareholder became an interested shareholder inadvertently and (i) as soon as practicable divested itself of ownership of sufficient shares so that the shareholder ceased to be an interested shareholder; and (ii) would not, at any time within the three-year period immediately prior to a business combination between us and such shareholder, have been an interested shareholder but for the inadvertent acquisition of ownership; or
 - o the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required under our amended and restated articles of incorporation which (i) constitutes one of the transactions described in the following sentence; (ii) is with or by a person who either was not an interested shareholder during the previous three years or who became an interested shareholder with the approval of the board; and (iii) is approved or not opposed by a majority of the members of the board of directors then in office (but not less than one) who were directors prior to any person becoming an interested shareholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to:

- (i) a merger or consolidation of us (except for a merger in respect of which, pursuant to the BCA, no vote of our shareholders is required);
- (ii) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of us or of any direct or indirect majority-owned subsidiary of ours (other than to any direct or indirect wholly owned subsidiary or to us) having an aggregate market value equal to 50% or more of either the aggregate market value of all of our assets determined on a consolidated basis or the aggregate market value of all the issued and outstanding shares; or
- (iii) a proposed tender or exchange offer for 50% or more of our issued and outstanding voting stock.

Class A Warrants

As of March 28, 2024, we had Class A Warrants to purchase up to 6,962,770 common shares outstanding. The following summary of certain terms and provisions of the Class A Warrants is not complete and is subject to, and qualified in its entirety by the provisions of the form of Class A Warrant, which is filed as exhibits to the annual report of which this exhibit forms a part. Prospective purchasers should carefully review the terms and provisions set forth in the form of Class A Warrant.

Exercisability. The Class A Warrants are exercisable at any time after their original issuance through July 20, 2027, the date that is five years after their original issuance. The Class A Warrants will be exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and, at any time a registration statement registering the issuance of the common shares underlying the Class A Warrants under the Securities Act is effective and available for the issuance of such shares, or an exemption from registration under the Securities Act is available for the issuance of such shares, by payment in full in immediately available funds for the number of common shares purchased upon such exercise. If a registration statement registering the issuance of the common shares underlying the Class A Warrants under the Securities Act is not effective or available, the holder may, in its sole discretion, elect to exercise the Class A Warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of common shares determined according to the formula set forth in the Class A Warrant. No fractional common shares will be issued in connection with the exercise of a Class A Warrant. In lieu of fractional shares, we will pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price.

Exercise Limitation. A holder will not have the right to exercise any portion of the Class A Warrants if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, upon election by a holder prior to the issuance of any warrants, 9.99%) of the number of shares of our common shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99%, upon at least 61 days' prior notice from the holder to us with respect to any increase in such percentage.

Exercise Price. The exercise price per whole common share purchasable upon exercise of the Class A Warrants is \$2.25 per share. The exercise price of the Class A Warrants may also be reduced to any amount and for any period of time at the sole discretion of our board of directors. The exercise price and number of common shares issuable upon exercise will adjust in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common shares.

Transferability. Subject to applicable laws, the Class A Warrants may be offered for sale, sold, transferred or assigned without our consent.

Exchange Listing. We do not intend to apply for the listing of the Class A Warrants on any stock exchange. Without an active trading market, the liquidity of the Class A Warrants will be limited.

Warrant Agent. The Class A Warrants are issued in registered form under a warrant agreement between Equiniti Trust Company, LLC (as successor to American Stock Transfer & Trust Company, LLC), as warrant agent, and us. The Class A Warrants shall initially be represented only by one or more global warrants deposited with the warrant agent, as custodian on behalf of The Depository Trust Company (DTC) and registered in the name of Cede & Co., a nominee of DTC, or as otherwise directed by DTC.

Rights as a Shareholder. Except as otherwise provided in the Class A Warrants or by virtue of such holder's ownership of our common shares, the holder of a Class A Warrant does not have the rights or privileges of a holder of our common shares, including any voting rights, until the holder exercises the warrant.

Fundamental Transactions. In the event of a fundamental transaction, as described in the Class A Warrants and generally including, with certain exceptions, any reorganization, recapitalization or reclassification of our common shares, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of more than 50% of our outstanding common shares, or any person or group becoming the beneficial owner of 50% of the voting power represented by our outstanding common shares, the holders of the Class A Warrants will be entitled to receive upon exercise of the warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the warrants immediately prior to such fundamental transaction. Additionally, as more fully described in the Class A Warrant, in the event of certain fundamental transactions, the holders of the Class A Warrants will be entitled to receive consideration in an amount equal to the Black Scholes value of the Class A Warrants on the date of consummation of such transaction.

Governing Law. The Class A Warrants and Warrant Agreement are governed by New York law.

Transfer Agent

Equiniti Trust Company, LLC is the transfer agent and registrar for our common shares and the warrant agent for our Class A Warrants.

Listing

Our common shares (together with the related Rights) trade on the Nasdaq Capital Market under the symbol "USEA".

CERTAIN MARSHALL ISLANDS COMPANY CONSIDERATIONS

Our corporate affairs are governed by our amended and restated articles of incorporation, second amended and restated bylaws and the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States, including Delaware. While the BCA also provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands, and we cannot predict whether Marshall Islands courts would reach the same conclusions as Delaware or other courts in the United States. Accordingly, you may have more difficulty in protecting your interests under Marshall Islands law in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction that has developed a substantial body of case law. Furthermore, the Marshall Islands lacks a bankruptcy statute, and in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding involving the Company, the bankruptcy laws of the United States or of another country having jurisdiction over the Company would apply. The following table provides a comparison between certain statutory provisions of the BCA and the Delaware General Corporation Law relating to shareholders' rights.

Marshall Islands	Delaware
Shareholder Meetings	
Held at a time and place as designated in the bylaws.	May be held at such time or place as designated in the certificate of incorporation or the bylaws, or if not so designated, as determined by the board of directors.
Special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the articles of incorporation or by the bylaws.	Special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws.
May be held in or outside of the Marshall Islands.	May be held in or outside of Delaware.
<i>Notice:</i>	<i>Notice:</i>
Whenever shareholders are required to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting and, unless it is an annual meeting, indicate that it is being issued by or at the direction of the person calling the meeting.	Whenever shareholders are required to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any.
A copy of the notice of any meeting shall be given personally or sent by mail not less than 15 nor more than 60 days before the meeting.	Written notice shall be given not less than 10 nor more than 60 days before the meeting.
Shareholders' Voting Rights	
Unless otherwise provided in the articles of incorporation, any action required by the BCA to be taken at a meeting of shareholders may be taken without a meeting if a consent or consents in writing, setting forth the action so taken, shall be signed by all the shareholders entitled to vote with respect to the subject matter thereof, or if the articles of incorporation so provide, by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.	Any action required to be taken by a meeting of shareholders may be taken without a meeting if a consent for such action is in writing and is signed by shareholders having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.
Any person authorized to vote may authorize another person or persons to act for him by proxy.	Any person authorized to vote may authorize another person or persons to act for him by proxy.

Marshall Islands

Unless otherwise provided in the articles of incorporation or the bylaws, a majority of shares entitled to vote constitutes a quorum. In no event shall a quorum consist of fewer than one-third of the common shares entitled to vote at a meeting.

When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.

The articles of incorporation may provide for cumulative voting in the election of directors.

Removal:

If the articles of incorporation or the bylaws so provide, any or all of the directors may be removed without cause by vote of the shareholders.

Any or all of the directors may be removed for cause by vote of the shareholders. The articles of incorporation or the specific provisions of a bylaw may provide for such removal by action of the board.

Delaware

For stock corporations, the certificate of incorporation or bylaws may specify the number of shares required to constitute a quorum but in no event shall a quorum consist of less than one-third of shares entitled to vote at a meeting. In the absence of such specifications, a majority of shares entitled to vote shall constitute a quorum.

When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.

The certificate of incorporation may provide for cumulative voting in the election of directors.

Removal:

Any or all of the directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote except: (1) unless the certificate of incorporation otherwise provides, in the case of a corporation whose board is classified, shareholders may effect such removal only for cause, or (2) if the corporation has cumulative voting, if less than the entire board is to be removed, no director may be removed without cause if the votes cast against such director's removal would be sufficient to elect such director if then cumulatively voted at an election of the entire board of directors, or, if there be classes of directors, at an election of the class of directors of which such director is a part.

Directors

Number of board members can be changed by an amendment to the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw.

The board of directors must consist of at least one member. If the board of directors is authorized to change the number of directors, it can only do so by a majority of the entire board of directors and so long as no decrease in the number shortens the term of any incumbent director.

Number of board members shall be fixed by, or in a manner provided by, the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number shall be made only by amendment to the certificate of incorporation.

The board of directors must consist of at least one member.

Dissenter's Rights of Appraisal

Shareholders have a right to dissent from any plan of merger, consolidation or sale of all or substantially all assets not made in the usual course of business, and receive payment of the fair value of their shares. However, the right of a dissenting shareholder under the BCA to receive payment of the appraised fair value of his shares is not available for the shares of any class or series of stock, which shares at the record date fixed to determine the shareholders entitled to receive notice of and to vote at the meeting of the shareholders to act upon the agreement of merger or consolidation or any sale or exchange of all or substantially all assets, were either (i) listed on a securities exchange or admitted for trading on an interdealer quotation system or (ii) held of record by more than 2,000 holders.

Appraisal rights shall be available for the shares of any class or series of stock of a corporation in a merger or consolidation, subject to limited exceptions, such as a merger or consolidation of corporations listed on a national securities exchange in which listed shares are the offered consideration or if such shares are held of record by more than 2,000 holders.

A holder of any adversely affected shares who does not vote on or consent in writing to an amendment to the articles of incorporation has the right to dissent and to receive payment for such shares if the amendment:

Alters or abolishes any preferential right of any outstanding shares having preference; or

Creates, alters or abolishes any provision or right in respect to the redemption of any outstanding shares.

Alters or abolishes any preemptive right of such holder to acquire shares or other securities; or

Excludes or limits the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class.

Shareholders' Derivative Actions

An action may be brought in the right of a corporation to procure a judgment in its favor, by a holder of shares or of voting trust certificates or of a beneficial interest in such shares or certificates. It shall be made to appear that the plaintiff is such a holder at the time the action is brought and that he was such a holder at the time of the transaction of which he complains, or that his shares or his interest therein devolved upon him by operation of law.

A complaint shall set forth with particularity the efforts of the plaintiff to secure the initiation of such action by the board of directors or the reasons for not making such effort. Such action shall not be discontinued, compromised or settled without the approval of the High Court of the Republic of The Marshall Islands.

Reasonable expenses including attorneys' fees may be awarded if the action is successful.

A corporation may require a plaintiff bringing a derivative suit to give security for reasonable expenses if the plaintiff owns less than 5% of any class of stock and the common shares have a value of \$50,000 or less.

In any derivative suit instituted by a shareholder or a corporation, it shall be averred in the complaint that the plaintiff was a shareholder of the corporation at the time of the transaction of which he complains or that such shareholder's stock thereafter devolved upon such shareholder by operation of law.

AMENDMENT NO. 1
TO
AMENDED AND RESTATED SHAREHOLDERS' RIGHTS AGREEMENT

This Amendment No. 1 to the Amended and Restated Shareholders' Rights Agreement, effective as of April 1, 2024 (this "Amendment"), amends that certain Amended and Restated Shareholders' Rights Agreement, dated as of December 27, 2023 (the "Rights Agreement"), United Maritime Corporation, a Marshall Islands corporation (the "Company"), and Equiniti Trust Company, LLC (f/k/a American Stock Transfer & Trust Company, LLC), as rights agent (the "Rights Agent"). Capitalized terms used herein but not defined herein shall have their defined meanings set forth in the Rights Agreement.

WHEREAS, pursuant to Section 27 of the Rights Agreement and under the circumstances specified therein, the Company and the Rights Agent may amend the Rights Agreement in any respect without the approval of any holders of the Rights;

WHEREAS, the Company and the Rights Agent now desire to amend the Rights Agreement as set forth in this Amendment; and

WHEREAS, the Board of Directors of the Company has determined that this Amendment and the transactions contemplated hereby are advisable and in the best interests of the Company and the holders of Common Stock.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. The following sentence shall be added as the last sentence of the definition of "Acquiring Person" appearing in Section 1 of the Rights Agreement:

"Notwithstanding anything to the contrary set forth herein, none of Stamatios Tsantanis, his immediate family members, or any of his or their Affiliates or Associates shall be considered an Acquiring Person."

2. This Amendment shall be effective as of the date of this Amendment, and all references to the Rights Agreement shall, from and after such time, be deemed references to the Rights Agreement as amended hereby.

3. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants, or agreements contained in the Rights Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect and shall be otherwise unaffected.

4. This Rights Agreement and each Right and each Rights Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

5. This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile or other customary means of electronic transmission (e.g., "pdf") shall be effective as delivery of a manually executed counterpart hereof.

6. The undersigned officer of the Company, being duly authorized on behalf of the Company, hereby certifies in such officer's capacity as an officer of the Company to the Rights Agent by execution hereof that this Amendment is in compliance with the terms of Section 27 of the Rights Agreement.

IN WITNESS WHEREOF, the Company and the Rights Agent have executed this Amendment effective as of the date first above written.

UNITED MARITIME CORPORATION

By: /s/ Stavros Gyftakis
Name: Stavros Gyftakis
Title: Chief Financial Officer

EQUINITI TRUST COMPANY, LLC, as Rights Agent

By: /s/ Steve Hoffman
Name: Steve Hoffman
Title: SVP, Sr. Relationship Director

AMENDED AND RESTATED
UNITED MARITIME CORPORATION
2022 EQUITY INCENTIVE PLAN

ADOPTED ON MARCH 27, 2024

ARTICLE I.
General

1.1. Purpose

The United Maritime Corporation 2022 Equity Incentive Plan (the “Plan”) is designed to provide certain Key Persons (as defined below), whose initiative and efforts are deemed to be important to the successful conduct of the business of United Maritime Corporation (the “Company”), with incentives to (a) enter into and remain in the service of the Company or its Affiliates (as defined below), (b) acquire a proprietary interest in the success of the Company, (c) maximize their performance and (d) enhance the long-term performance of the Company.

1.2. Administration

(a) Administration. The Plan shall be administered by the Compensation Committee of the Company’s Board of Directors (the “Board”) or such other committee of the Board as may be designated by the Board to administer the Plan (the “Administrator”); provided that (i) in the event the Company is subject to Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the “1934 Act”), the Administrator shall be composed of two or more directors, each of whom is a “Non-Employee Director” (a “Non-Employee Director”) under Rule 16b-3 (as promulgated and interpreted by the Securities and Exchange Commission (the “SEC”) under the 1934 Act, or any successor rule or regulation thereto as in effect from time to time (“Rule 16b-3”)), and (ii) the Administrator shall be composed solely of two or more directors who are “independent directors” under the rules of any stock exchange on which the Company’s Common Stock (as defined below) is traded; provided further, however, that, (A) the requirement in the preceding clause (i) shall apply only when required to exempt an Award intended to qualify for an exemption under the applicable provisions referenced therein, (B) the requirement in the preceding clause (ii) shall apply only when required pursuant to the applicable rules of the applicable stock exchange and (C) if at any time the Administrator is not so composed as required by the preceding provisions of this sentence, that fact will not invalidate any grant made, or action taken, by the Administrator hereunder that otherwise satisfies the terms of the Plan. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Administrator by the Plan, the Administrator shall have the full power and authority to: (1) designate the Persons (as defined below) to receive Awards (as defined below) under the Plan; (2) determine the types of Awards granted to a participant under the Plan; (3) determine the number of shares to be covered by, or with respect to which payments, rights or other matters are to be calculated with respect to, Awards; (4) determine the terms and conditions of any Awards; (5) determine whether, and to what extent, and under what circumstances, Awards may be settled or exercised in cash, shares, other securities, other Awards or other property, or cancelled, forfeited or suspended, and the methods by which Awards may be settled, exercised, cancelled, forfeited or suspended; (6) determine whether, to what extent, and under what circumstances cash, shares, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred, either automatically or at the election of the holder thereof or the Administrator; (7) construe, interpret and implement the Plan and any Award Agreement (as defined below); (8) prescribe, amend, rescind or waive rules and regulations relating to the Plan, including rules governing its operation, and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (9) correct any defect, supply any omission and reconcile any inconsistency in the Plan or any Award Agreement; and (10) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Administrator, may be made at any time and shall be final, conclusive and binding upon all Persons.

(b) General Right of Delegation. Except to the extent prohibited by applicable law, the applicable rules of a stock exchange or any charter, by-laws or other agreement governing the Administrator, the Administrator may delegate all or any part of its responsibilities to any Person or Persons selected by it; provided, however, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (i) individuals who are subject to Section 16 of the 1934 Act, or (ii) officers of the Company (or directors of the Company) to whom authority to grant or amend Awards has been delegated hereunder; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under applicable securities laws (including, without limitation, Rule 16b-3, to the extent applicable) and the rules of any applicable stock exchange. Any delegation hereunder shall be subject to the restrictions and limits that the Administrator specifies at the time of such delegation, and the Administrator may at any time rescind the authority so delegated or appoint a new delegate. At all times, the delegates appointed under this Section 1.2(b) shall serve in such capacity at the pleasure of the Administrator.

(c) Indemnification. No member of the Board, the Administrator or any employee of the Company or an Affiliate (each such Person, a "Covered Person") shall be liable for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award hereunder. Each Covered Person shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Award Agreement and (ii) any and all amounts paid by such Covered Person, with the Company's approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; provided that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company's articles of incorporation or by-laws (in each case, as amended and/or restated). The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company's articles of incorporation or by-laws (in each case, as amended and/or restated), as a matter of law, or otherwise, or any other power that the Company may have to indemnify such Persons or hold them harmless.

(d) Delegation of Authority to Senior Officers. The Administrator may, in accordance with and subject to the terms of Section 1.2(b), delegate, on such terms and conditions as it determines, to one or more senior officers of the Company the authority to make grants of Awards to employees of the Company and its Subsidiaries (as defined below) (including any such prospective employee) and consultants of the Company and its Subsidiaries.

(e) Award Grants. Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, grant Awards to Non-Employee Directors or administer the Plan with respect to such Awards, in which event the Board shall have all the authority and responsibility granted to the Administrator herein with respect to such Awards. In determining Awards to be granted under the Plan, the Administrator shall take into account such factors as it deem advisable, which may include taking into account the Company's performance, the Award recipient's performance, and/or the satisfaction of any performance goals or targets as may established from time to time.

1.3. Persons Eligible for Awards

The Persons eligible to receive Awards under the Plan are those directors, officers and employees (including any prospective officer or employee) of the Company and its Subsidiaries and Affiliates and consultants and service providers (including individuals who are employed by or provide services to any entity that is itself such a consultant or service provider) to the Company and its Subsidiaries and Affiliates (collectively, "Key Persons") as the Administrator shall select.

1.4. Types of Awards

Awards may be made under the Plan in the form of (a) "incentive stock options" that are intended to qualify for special U.S. federal income tax treatment pursuant to Sections 421 and 422 of the Code (as defined below), as may be amended from time to time, or pursuant to a successor provision of the Code, and which is so designated in the applicable Award Agreement, (b) non-qualified stock options (i.e., any stock options granted under the Plan that are not "incentive stock options"), (c) stock appreciation rights, (d) restricted stock, (e) restricted stock units and (f) unrestricted stock, all as more fully set forth in the Plan. The term "Award" means any of the foregoing that are granted under the Plan. No incentive stock option (other than an incentive stock option that may be assumed or issued by the Company in connection with a transaction to which Section 424(a) of the Code applies) may be granted under the Plan to a Person who is not eligible to receive an incentive stock option under the Code.

1.5. Shares Available for Awards; Adjustments for Changes in Capitalization

(a) Maximum Number. Subject to adjustment as provided in Section 1.5(c), the aggregate number of shares of common stock of the Company, par value \$0.0001 ("Common Stock"), with respect to which Awards may at any time be granted under the Plan shall be 400,000. The following shares of Common Stock shall again become available for Awards under the Plan: (i) any shares that are subject to an Award under the Plan and that remain unissued upon the cancellation or termination of such Award for any reason whatsoever; (ii) any shares of restricted stock forfeited pursuant to the Plan or the applicable Award Agreement; provided that any dividend equivalent rights with respect to such shares that have not theretofore been directly remitted to the grantee are also forfeited; and (iii) any shares in respect of which an Award is settled for cash without the delivery of shares to the grantee. Any shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any Award shall again become available to be delivered pursuant to Awards under the Plan.

(b) Source of Shares. Shares issued pursuant to the Plan may be authorized but unissued Common Stock or treasury shares. The Administrator may direct that any stock certificate evidencing shares issued pursuant to the Plan shall bear a legend setting forth such restrictions on transferability as may apply to such shares.

(c) Adjustments. (i) In the event that any dividend or other distribution (whether in the form of cash, Company shares, other securities or other property), stock split, reverse stock split, reorganization, merger, consolidation, split-up, combination, repurchase or exchange of Company shares or other securities of the Company, issuance of warrants or other rights to purchase Company shares or other securities of the Company, or other similar corporate transaction or event, other than an Equity Restructuring (as defined below), affects the Company shares such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to an Award, then the Administrator shall, in such manner as it may deem equitable, adjust any or all of the number of shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted under the Plan, including the maximum number of shares issuable to an individual as set forth in Section 1.5(d).

(ii) The Administrator is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including the events described in Section 1.5(c) (i) or the occurrence of a Change in Control (as defined below), other than an Equity Restructuring) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to an Award, including providing for (A) adjustment to (1) the number of shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards or to which outstanding Awards relate and (2) the Exercise Price (as defined below) with respect to any Award and (B) a substitution or assumption of Awards, accelerating the exercisability or vesting of, or lapse of restrictions on, Awards, or accelerating the termination of Awards by providing for a period of time for exercise prior to the occurrence of such event, or, if deemed appropriate or desirable, providing for a cash payment to the holder of an outstanding Award in consideration for the cancellation of such Award (it being understood that, in such event, any option or stock appreciation right having a per share Exercise Price equal to, or in excess of, the Fair Market Value (as defined below) of a share subject to such option or stock appreciation right may be cancelled and terminated without any payment or consideration therefor); provided, however, that with respect to options and stock appreciation rights, unless otherwise determined by the Administrator, such adjustment shall be made in accordance with the provisions of Section 424(h) of the Code.

(iii) In the event of (A) a dissolution or liquidation of the Company, (B) a sale of all or substantially all the Company's assets or (C) a merger, reorganization or consolidation involving the Company or one of its Subsidiaries (as defined below), the Administrator shall have the power to:

(1) provide that outstanding options, stock appreciation rights and/or restricted stock units (including any related dividend equivalent right) shall either continue in effect, be assumed or an equivalent award shall be substituted therefor by the successor corporation or a parent corporation or subsidiary corporation;

(2) cancel, effective immediately prior to the occurrence of such event, options, stock appreciation rights and/or restricted stock units (including each dividend equivalent right related thereto) outstanding immediately prior to such event (whether or not then exercisable) and, in full consideration of such cancellation, pay to the holder of such Award a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Administrator) of the shares subject to such Award over the aggregate Exercise Price of such Award (it being understood that, in such event, any option or stock appreciation right having a per share Exercise Price equal to, or in excess of, the Fair Market Value of a share subject to such option or stock appreciation right may be cancelled and terminated without any payment or consideration therefor); or

(3) notify the holder of an option or stock appreciation right in writing or electronically that each option and stock appreciation right shall be fully vested and exercisable for a period of 30 days from the date of such notice, or such shorter period as the Administrator may determine to be reasonable, and the option or stock appreciation right shall terminate upon the expiration of such period (which period shall expire no later than immediately prior to the consummation of the corporate transaction).

(iv) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in this Section 1.5(c):

(A) The number and type of securities or other property subject to each outstanding Award and the Exercise Price or grant price thereof, if applicable, shall be equitably adjusted; and

(B) The Administrator shall make such equitable adjustments, if any, as the Administrator may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations set forth in Sections 1.5(a) and 1.5(d)). The adjustments provided under this Section 1.5(c)(iv) shall be nondiscretionary and shall be final and binding on the affected participant and the Company.

(d) Individual Limit. Except for the limits set forth in this Section 1.5, no provision of this Plan shall be deemed to limit the number or value of shares of Common Stock with respect to which the Administrator may make Awards to any Key Person. Subject to adjustment as provided in Section 1.5(c), the total number of shares of Common Stock with respect to which incentive stock options may be granted under the Plan to any one employee of the Company or a "parent corporation" or "subsidiary corporation" (as such terms are defined in Section 424 of the Code) of the Company during any one calendar year shall not exceed 3,125,000. Incentive stock options granted and subsequently cancelled or deemed to be cancelled (e.g., as a result of re-pricing) in a calendar year count against the limit in the preceding sentence even after their cancellation.

1.6. Definitions of Certain Terms

(a) "Affiliate" shall mean (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Administrator.

(b) Unless otherwise set forth in the applicable Award Agreement, in connection with a termination of employment or consultancy/service relationship or a dismissal from Board membership, for purposes of the Plan, the term "for Cause" shall be defined as follows:

(i) if there is an employment, severance, consulting, service, change in control or other agreement governing the relationship between the grantee, on the one hand, and the Company or an Affiliate, on the other hand, that contains a definition of "cause" (or similar phrase), for purposes of the Plan, the term "for Cause" shall mean those acts or omissions that would constitute "cause" under such agreement; or

(ii) if the preceding clause (i) is not applicable to the grantee, for purposes of the Plan, the term "for Cause" shall mean any of the following:

(A) any failure by the grantee substantially to perform the grantee's employment or consulting/service or Board membership duties;

(B) any excessive unauthorized absenteeism by the grantee;

(C) any refusal by the grantee to obey the lawful orders of the Board or any other Person to whom the grantee reports;

(D) any act or omission by the grantee that is or may be injurious to the Company or any Affiliate, whether monetarily, reputationally or otherwise;

(E) any act by the grantee that is inconsistent with the best interests of the Company or any Affiliate;

(F) the grantee's gross negligence that is injurious to the Company or any Affiliate, whether monetarily, reputationally or otherwise;

(G) the grantee's material violation of any of the policies of the Company or an Affiliate, as applicable, including, without limitation, those policies relating to discrimination or sexual harassment;

(H) the grantee's material breach of his or her employment or service contract with the Company or any Affiliate;

(I) the grantee's unauthorized (1) removal from the premises of the Company or an Affiliate of any document (in any medium or form) relating to the Company or an Affiliate or the customers or clients of the Company or an Affiliate or (2) disclosure to any Person of any of the Company's, or any Affiliate's, confidential or proprietary information;

(J) the grantee's being convicted of, or entering a plea of guilty or nolo contendere to, any crime that constitutes a felony or involves moral turpitude; and

(K) the grantee's commission of any act involving dishonesty or fraud.

Any rights the Company or its Affiliates may have under the Plan in respect of the events giving rise to a termination or dismissal "for Cause" shall be in addition to any other rights the Company or its Affiliates may have under any other agreement with a grantee or at law or in equity. Any determination of whether a grantee's employment, consultancy/service relationship or Board membership is (or is deemed to have been) terminated "for Cause" shall be made by the Administrator. If, subsequent to a grantee's voluntary termination of employment or consultancy/service relationship or voluntarily resignation from the Board or involuntary termination of employment or consultancy/service relationship without Cause or removal from the Board other than "for Cause", it is discovered that the grantee's employment or consultancy/service relationship or Board membership could have been terminated "for Cause", the Administrator may deem such grantee's employment or consultancy/service relationship or Board membership to have been terminated "for Cause" upon such discovery and determination by the Administrator.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) Unless otherwise set forth in the applicable Award Agreement, "Disability" shall mean the grantee's being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or the grantee's, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the grantee's employer. The existence of a Disability shall be determined by the Administrator.

(e) "Equity Restructuring" shall mean a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price thereof and causes a change in the per share value of the shares underlying outstanding Awards.

(f) “Exercise Price” shall mean (i) in the case of options, the price specified in the applicable Award Agreement as the price-per-share at which such share can be purchased pursuant to the option or (ii) in the case of stock appreciation rights, the price specified in the applicable Award Agreement as the reference price-per-share used to calculate the amount payable to the grantee.

(g) The “Fair Market Value” of a share of Common Stock on any day shall be the closing price on the Nasdaq Global Market, or such other primary stock exchange upon which such shares are then listed, as reported for such day in The Wall Street Journal, or, if no such price is reported for such day, the average of the high bid and low asked price of Common Stock as reported for such day. If no quotation is made for the applicable day, the Fair Market Value of a share of Common Stock on such day shall be determined in the manner set forth in the preceding sentence for the next preceding trading day. Notwithstanding the foregoing, if there is no reported closing price or high bid/low asked price that satisfies the preceding sentences, or if otherwise deemed necessary or appropriate by the Administrator, the Fair Market Value of a share of Common Stock on any day shall be determined by such methods and procedures as shall be established from time to time by the Administrator. The “Fair Market Value” of any property other than Common Stock shall be the fair market value of such property determined by such methods and procedures as shall be established from time to time by the Administrator.

(h) “Person” shall mean any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind.

(i) “Repricing” shall mean (i) lowering the Exercise Price of an option or a stock appreciation right after it has been granted, (ii) the cancellation of an option or a stock appreciation right in exchange for cash or another Award when the Exercise Price exceeds the Fair Market Value of the underlying shares subject to the Award and (iii) any other action with respect to an option or a stock appreciation right that is treated as a repricing under (A) generally accepted accounting principles or (B) any applicable stock exchange rules.

(j) Unless otherwise set forth in the applicable Award Agreement, “Retirement” shall mean a grantee’s resignation of employment or consultancy/service relationship or dismissal from the Board, with the Company’s or its applicable Affiliate’s prior consent, on or after (i) his or her 65th birthday, (ii) the date on which he or she has attained age 60 and completed at least five years of service with the Company or one or more of its Affiliates (using any method of calculation the Administrator deems appropriate) or (iii) if approved by the Administrator, on or after his or her having completed at least 20 years of service with the Company or one or more of its Affiliates (using any method of calculation the Administrator deems appropriate).

(k) “Subsidiary” shall mean any entity in which the Company, directly or indirectly, has a 50% or more equity interest.

ARTICLE II. Awards Under the Plan

2.1. Agreements Evidencing Awards

Each Award granted under the Plan shall be evidenced by a written certificate (“Award Agreement”), which shall contain such provisions as the Administrator may deem necessary or desirable and which may, but need not, require execution or acknowledgment by a grantee. The Award shall be subject to all of the terms and provisions of the Plan and the applicable Award Agreement.

2.2. Grant of Stock Options and Stock Appreciation Rights

(a) Stock Option Grants. The Administrator may grant non-qualified stock options and/or incentive stock options (collectively, “options”) to purchase shares of Common Stock from the Company to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. Except to the extent otherwise specifically provided in the applicable Award Agreement, no option will be treated as an “incentive stock option” for purposes of the Code. Incentive stock options may be granted to employees of the Company and any “parent corporation” or “subsidiary corporation” (as such terms are defined in Section 424 of the Code) of the Company. In the case of incentive stock options, the terms and conditions of such Awards shall be subject to such applicable rules as may be prescribed by Sections 421, 422 and 424 of the Code and any regulations related thereto, as may be amended from time to time. If an option is intended to be an incentive stock option, and if for any reason such option (or any portion thereof) shall not qualify as an incentive stock option for purposes of Section 422 of the Code, then, to the extent of such non-qualification, such option (or portion thereof) shall be regarded as a non-qualified stock option appropriately granted under the Plan; provided that such option (or portion thereof) otherwise complies with the Plan’s requirements relating to option Awards. It shall be the intent of the Administrator to not grant an Award in the form of stock options to any Key Person who is then subject to the requirements of Section 409A of the Code with respect to such Award if the Common Stock (as defined below) underlying such Award does not then qualify as “service recipient stock” for purposes of Section 409A. Furthermore, it shall be the intent of the Administrator, in granting options to Key Persons who are subject to Section 409A and/or 457 of the Code, to structure such options so as to comply with the requirements of Section 409A and/or 457 of the Code, as applicable.

(b) Stock Appreciation Right Grants; Types of Stock Appreciation Rights. The Administrator may grant stock appreciation rights to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. The terms of a stock appreciation right may provide that it shall be automatically exercised for a payment upon the happening of a specified event that is outside the control of the grantee and that it shall not be otherwise exercisable. Stock appreciation rights may be granted in connection with all or any part of, or independently of, any option granted under the Plan. It shall be the intent of the Administrator to not grant an Award in the form of stock appreciation rights to any Key Person (i) who is then subject to the requirements of Section 409A of the Code with respect to such Award if the Common Stock underlying such Award does not then qualify as "service recipient stock" for purposes of Section 409A or (ii) if such Award would create adverse tax consequences for such Key Person under Section 457A of the Code.

(c) Nature of Stock Appreciation Rights. The grantee of a stock appreciation right shall have the right, subject to the terms of the Plan and the applicable Award Agreement, to receive from the Company an amount equal to (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the stock appreciation right over the Exercise Price of the stock appreciation right, multiplied by (ii) the number of shares with respect to which the stock appreciation right is exercised. Each Award Agreement with respect to a stock appreciation right shall set forth the Exercise Price of such Award and, unless otherwise specifically provided in the Award Agreement, the Exercise Price of a stock appreciation right shall equal the Fair Market Value of a share of Common Stock on the date of grant; provided that in no event may such Exercise Price be less than the greater of (A) the Fair Market Value of a share of Common Stock on the date of grant and (B) the par value of a share of Common Stock. Payment upon exercise of a stock appreciation right shall be in cash or in shares of Common Stock (valued at their Fair Market Value on the date of exercise of the stock appreciation right) or any combination of both, all as the Administrator shall determine. Repricing of stock appreciation rights granted under the Plan shall not be permitted (1) to the extent such action could cause adverse tax consequences to the grantee under Sections 409A or 457A of the Code or (2) without prior shareholder approval, to the extent such approval would be required to be obtained by the Company pursuant to the applicable rules of any applicable stock exchange on which the Common Stock is then listed, and any action that would be deemed to result in a Repricing of a stock appreciation right shall be deemed null and void if it would cause such adverse tax consequences or if any requisite shareholder approval related thereto is not obtained prior to the effective time of such action. Upon the exercise of a stock appreciation right granted in connection with an option, the number of shares subject to the option shall be reduced by the number of shares with respect to which the stock appreciation right is exercised. Upon the exercise of an option in connection with which a stock appreciation right has been granted, the number of shares subject to the stock appreciation right shall be reduced by the number of shares with respect to which the option is exercised.

(d) Option Exercise Price. Each Award Agreement with respect to an option shall set forth the Exercise Price of such Award and, unless otherwise specifically provided in the Award Agreement, the Exercise Price of an option shall equal the Fair Market Value of a share of Common Stock on the date of grant; provided that in no event may such Exercise Price be less than the greater of (i) the Fair Market Value of a share of Common Stock on the date of grant and (ii) the par value of a share of Common Stock. Repricing of options granted under the Plan shall not be permitted (1) to the extent such action could cause adverse tax consequences to the grantee under Sections 409A or 457A of the Code or (2) without prior shareholder approval, to the extent such approval would be required to be obtained by the Company pursuant to the applicable rules of any applicable stock exchange on which the Common Stock is then listed, and any action that would be deemed to result in a Repricing of an option shall be deemed null and void if it would cause such adverse tax consequences or if any requisite shareholder approval related thereto is not obtained prior to the effective time of such action.

2.3. Exercise of Options and Stock Appreciation Rights

Subject to the other provisions of this Article II and the Plan, each option and stock appreciation right granted under the Plan shall be exercisable as follows:

(a) Timing and Extent of Exercise. Options and stock appreciation rights shall be exercisable at such times and under such conditions as determined by the Administrator and set forth in the corresponding Award Agreement, but in no event shall any portion of such Award be exercisable subsequent to the tenth anniversary of the date on which such Award was granted. Unless the applicable Award Agreement otherwise provides, an option or stock appreciation right may be exercised from time to time as to all or part of the shares as to which such Award is then exercisable.

(b) Notice of Exercise. An option or stock appreciation right shall be exercised by the filing of a written notice with the Company or the Company's designated exchange agent (the "Exchange Agent"), on such form and in such manner as the Administrator shall prescribe.

(c) Payment of Exercise Price. Any written notice of exercise of an option shall be accompanied by payment for the shares being purchased. Such payment shall be made: (i) by certified or official bank check (or the equivalent thereof acceptable to the Company or its Exchange Agent) for the full option Exercise Price; (ii) with the consent of the Administrator, which consent shall be given or withheld in the sole discretion of the Administrator, by delivery of shares of Common Stock having a Fair Market Value (determined as of the exercise date) equal to all or part of the option Exercise Price and a certified or official bank check (or the equivalent thereof acceptable to the Company or its Exchange Agent) for any remaining portion of the full option Exercise Price; or (iii) at the sole discretion of the Administrator and to the extent permitted by law, by such other provision, consistent with the terms of the Plan, as the Administrator may from time to time prescribe (whether directly or indirectly through the Exchange Agent), or by any combination of the foregoing payment methods.

(d) Delivery of Certificates Upon Exercise. Subject to Sections 3.2, 3.4 and 3.13, promptly after receiving payment of the full option Exercise Price, or after receiving notice of the exercise of a stock appreciation right for which the Administrator determines payment will be made partly or entirely in shares, the Company or its Exchange Agent shall (i) deliver to the grantee, or to such other Person as may then have the right to exercise the Award, a certificate or certificates for the shares of Common Stock for which the Award has been exercised or, in the case of stock appreciation rights, for which the Administrator determines will be made in shares or (ii) establish an account evidencing ownership of the stock in uncertificated form. If the method of payment employed upon an option exercise so requires, and if applicable law permits, an optionee may direct the Company or its Exchange Agent, as the case may be, to deliver the stock certificate(s) to the optionee's stockbroker.

(e) No Stockholder Rights. No grantee of an option or stock appreciation right (or other Person having the right to exercise such Award) shall have any of the rights of a stockholder of the Company with respect to shares subject to such Award until the issuance of a stock certificate to such Person for such shares. Except as otherwise provided in Section 1.5(c), no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued.

2.4. Termination of Employment; Death Subsequent to a Termination of Employment

(a) General Rule. Except to the extent otherwise provided in paragraphs (b), (c), (d), (e) or (f) of this Section 2.4 or Section 3.5(b)(iii), a grantee who incurs a termination of employment or consultancy/service relationship or dismissal from the Board may exercise any outstanding option or stock appreciation right on the following terms and conditions: (i) exercise may be made only to the extent that the grantee was entitled to exercise the Award on the date of termination of employment or consultancy/service relationship or dismissal from the Board, as applicable; and (ii) exercise must occur within three months after termination of employment or consultancy/service relationship or dismissal from the Board but in no event after the original expiration date of the Award.

(b) Dismissal "for Cause". If a grantee incurs a termination of employment or consultancy/service relationship or dismissal from the Board "for Cause", all options and stock appreciation rights not theretofore exercised shall immediately terminate upon the grantee's termination of employment or consultancy/service relationship or dismissal from the Board.

(c) Retirement. If a grantee incurs a termination of employment or consultancy/service relationship or dismissal from the Board as the result of his or her Retirement, then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such Retirement, remain exercisable for a period of three years after such Retirement; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award.

(d) Disability. If a grantee incurs a termination of employment or consultancy/service relationship or a dismissal from the Board by reason of a Disability, then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such termination or dismissal, remain exercisable for a period of one year after such termination or dismissal; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award.

(e) Death.

(i) *Termination of Employment as a Result of Grantee's Death*. If a grantee incurs a termination of employment or consultancy/service relationship or leaves the Board as the result of his or her death, then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such death, remain exercisable for a period of one year after such death; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award.

(ii) *Restrictions on Exercise Following Death*. Any such exercise of an Award following a grantee's death shall be made only by the grantee's executor or administrator or other duly appointed representative reasonably acceptable to the Administrator, unless the grantee's will specifically disposes of such Award, in which case such exercise shall be made only by the recipient of such specific disposition. If a grantee's personal representative or the recipient of a specific disposition under the grantee's will shall be entitled to exercise any Award pursuant to the preceding sentence, such representative or recipient shall be bound by all the terms and conditions of the Plan and the applicable Award Agreement which would have applied to the grantee.

(f) Administrator Discretion. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.4.

2.5. Transferability of Options and Stock Appreciation Rights

Except as otherwise specifically provided in this Plan or the applicable Award Agreement evidencing an option or stock appreciation right, during the lifetime of a grantee, each such Award granted to a grantee shall be exercisable only by the grantee, and no such Award may be sold, assigned, transferred, pledged or otherwise encumbered or disposed of other than by will or by the laws of descent and distribution. The Administrator may, in any applicable Award Agreement evidencing an option or stock appreciation right, permit a grantee to transfer all or some of the options or stock appreciation rights to (a) the grantee's spouse, children or grandchildren ("Immediate Family Members"), (b) a trust or trusts for the exclusive benefit of such Immediate Family Members or (c) other parties approved by the Administrator. Following any such transfer, any transferred options and stock appreciation rights shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

2.6. Grant of Restricted Stock

(a) Restricted Stock Grants. The Administrator may grant restricted shares of Common Stock to such Key Persons, in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions as the Administrator shall determine, subject to the provisions of the Plan. A grantee of a restricted stock Award shall have no rights with respect to such Award unless such grantee accepts the Award within such period as the Administrator shall specify by accepting delivery of a restricted stock Award Agreement in such form as the Administrator shall determine and, in the event the restricted shares are newly issued by the Company, makes payment to the Company or its Exchange Agent by certified or official bank check (or the equivalent thereof acceptable to the Administrator) in an amount at least equal to the par value of the shares covered by the Award (which payment may be waived at the time of grant of the restricted stock Award to the extent the restricted shares granted hereunder are otherwise deemed to be fully paid and non-assessable).

(b) Issuance of Stock Certificate. Promptly after a grantee accepts a restricted stock Award in accordance with Section 2.6(a), subject to Sections 3.2, 3.4 and 3.13, the Company or its Exchange Agent shall issue to the grantee a stock certificate or stock certificates for the shares of Common Stock covered by the Award or shall establish an account evidencing ownership of the stock in uncertificated form. Upon the issuance of such stock certificates, or establishment of such account, the grantee shall have the rights of a stockholder with respect to the restricted stock, subject to: (i) the nontransferability restrictions and forfeiture provisions described in the Plan (including paragraphs (d) and (e) of this Section 2.6); (ii) in the Administrator's sole discretion, a requirement, as set forth in the Award Agreement, that any dividends paid on such shares shall be held in escrow and, unless otherwise determined by the Administrator, shall remain forfeitable until all restrictions on such shares have lapsed; and (iii) any other restrictions and conditions contained in the applicable Award Agreement.

(c) Custody of Stock Certificate. Unless the Administrator shall otherwise determine, any stock certificates issued evidencing shares of restricted stock shall remain in the possession of the Company until such shares are free of any restrictions specified in the applicable Award Agreement. The Administrator may direct that such stock certificates bear a legend setting forth the applicable restrictions on transferability.

(d) Nontransferability. Except as otherwise specifically provided in this Plan or the applicable Award Agreement evidencing a restricted stock Award, shares of restricted stock granted under the Plan may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of prior to the lapsing of all restrictions thereon. The Administrator at the time of grant shall specify the date or dates (which may depend upon or be related to the attainment of performance goals and other conditions) on which the nontransferability of the restricted stock shall lapse. The Administrator may, in any applicable Award Agreement evidencing a restricted stock Award, permit a grantee to transfer all or some of the shares of restricted stock prior to the lapsing of all restrictions thereon to (i) the grantee's Immediate Family Members, (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members or (iii) other parties approved by the Administrator. Following any permitted transfer prior to the lapsing of all restrictions on the restricted stock, any transferred shares of restricted stock shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

(e) Consequence of Termination of Employment. Unless otherwise set forth in the applicable Award Agreement, (i) a grantee's termination of employment or consultancy/service relationship or dismissal from the Board for any reason other than death, Disability or Retirement shall cause the immediate forfeiture of all shares of restricted stock that have not yet vested as of the date of such termination of employment or consultancy/service relationship or dismissal from the Board and (ii) if a grantee incurs a termination of employment or consultancy/service relationship or dismissal from the Board as the result of his or her death, Disability or Retirement, all shares of restricted stock that have not yet vested as of the date of such termination or departure from the Board shall immediately vest as of such date. Unless otherwise determined by the Administrator, all dividends paid on shares forfeited under this Section 2.6(e) that have not theretofore been directly remitted to the grantee shall also be forfeited, whether by termination of any escrow arrangement under which such dividends are held or otherwise. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.6(e).

2.7. Grant of Restricted Stock Units

(a) Restricted Stock Unit Grants. The Administrator may grant restricted stock units to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. A restricted stock unit granted under the Plan shall confer upon the grantee a right to receive from the Company, conditioned upon the occurrence of such vesting event as shall be determined by the Administrator and specified in the Award Agreement, the number of such grantee's restricted stock units that vest upon the occurrence of such vesting event multiplied by the Fair Market Value of a share of Common Stock on the date of vesting. Payment upon vesting of a restricted stock unit shall be in cash or in shares of Common Stock (valued at their Fair Market Value on the date of vesting) or both, all as the Administrator shall determine, and such payments shall be made to the grantee at such time as provided in the Award Agreement, which the Administrator shall intend to be (i) if Section 409A of the Code is applicable to the grantee, within the period required by Section 409A such that it qualifies as a "short-term deferral" pursuant to Section 409A and the Treasury Regulations issued thereunder, unless the Administrator shall provide for deferral of the Award intended to comply with Section 409A, (ii) if Section 457A of the Code is applicable to the grantee, within the period required by Section 457A(d)(3)(B) such that it qualifies for the exemption thereunder, or (iii) if Sections 409A and 457A of the Code are not applicable to the grantee, at such time as determined by the Administrator.

(b) Dividend Equivalents. The Administrator may include in any Award Agreement with respect to a restricted stock unit a dividend equivalent right entitling the grantee to receive amounts equal to the ordinary dividends that would be paid, during the time such Award is outstanding and unvested, on the shares of Common Stock underlying such Award if such shares were then outstanding. In the event such a provision is included in a Award Agreement, the Administrator shall determine whether such payments shall be (i) paid to the holder of the Award, as specified in the Award Agreement, either (A) at the same time as the underlying dividends are paid, regardless of the fact that the restricted stock unit has not theretofore vested, or (B) at the time at which the Award's vesting event occurs, conditioned upon the occurrence of the vesting event, (ii) made in cash, shares of Common Stock or other property and (iii) subject to such other vesting and forfeiture provisions and other terms and conditions as the Administrator shall deem appropriate and as shall be set forth in the Award Agreement.

(c) Consequence of Termination of Employment. Unless otherwise set forth in the applicable Award Agreement, (i) a grantee's termination of employment or consultancy/service relationship or dismissal from the Board for any reason other than death, Disability or Retirement shall cause the immediate forfeiture of all restricted stock units that have not yet vested as of the date of such termination of employment or consultancy/service relationship or dismissal from the Board and (ii) if a grantee incurs a termination of employment or consultancy/service relationship or dismissal from the Board as the result of his or her death, Disability or Retirement, all restricted stock units that have not yet vested as of the date of such termination or departure from the Board shall immediately vest as of such date. Unless otherwise determined by the Administrator, any dividend equivalent rights on any restricted stock units forfeited under this Section 2.7(c) that have not theretofore been directly remitted to the grantee shall also be forfeited, whether by termination of any escrow arrangement under which such dividends are held or otherwise. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.7(c).

(d) No Stockholder Rights No grantee of a restricted stock unit shall have any of the rights of a stockholder of the Company with respect to such Award unless and until a stock certificate is issued with respect to such Award upon the vesting of such Award (it being understood that the Administrator shall determine whether to pay any vested restricted stock unit in the form of cash or Company shares or both), which issuance shall be subject to Sections 3.2, 3.4 and 3.13. Except as otherwise provided in Section 1.5(c), no adjustment to any restricted stock unit shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate, if any, is issued.

(e) Transferability of Restricted Stock Units Except as otherwise provided in an applicable Award Agreement evidencing a restricted stock unit, no restricted stock unit granted under the Plan shall be assignable or transferable. The Administrator may, in any applicable Award Agreement evidencing a restricted stock unit, permit a grantee to transfer all or some of the restricted stock units to (i) the grantee's Immediate Family Members, (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members or (iii) other parties approved by the Administrator. Following any such transfer, any transferred restricted stock units shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

2.8. Grant of Unrestricted Stock

The Administrator may grant (or sell at a purchase price at least equal to par value) shares of Common Stock free of restrictions under the Plan to such Key Persons and in such amounts and subject to such forfeiture provisions as the Administrator shall determine. Shares may be thus granted or sold in respect of past services or other valid consideration.

ARTICLE III. Miscellaneous

3.1. Amendment of the Plan; Modification of Awards

(a) Amendment of the Plan The Board may from time to time suspend, discontinue, revise or amend the Plan in any respect whatsoever, except that no such amendment shall materially impair any rights or materially increase any obligations under any Award theretofore made under the Plan without the consent of the grantee (or, upon the grantee's death, the Person having the right to exercise the Award). For purposes of this Section 3.1, any action of the Board or the Administrator that in any way alters or affects the tax treatment of any Award shall not be considered to materially impair any rights of any grantee.

(b) Stockholder Approval Requirement. If (1) required by applicable rules or regulations of a national securities exchange or the SEC, the Company shall obtain stockholder approval with respect to any amendment to the Plan that (i) expands the types of Awards available under the Plan, (ii) materially increases the aggregate number of shares which may be issued under the Plan, except as permitted pursuant to Section 1.5(c), (iii) materially increases the benefits to participants under the Plan, including any material change to (A) permit, or that has the effect of, a Repricing of any outstanding Award, (B) reduce the price at which shares or options to purchase shares may be offered or (C) extend the duration of the Plan, or (iv) materially expands the class of Persons eligible to receive Awards under the Plan, or (2) the Administrator determines that it desires to retain the ability to grant incentive stock options under the Plan thereafter, the Company shall obtain stockholder approval with respect to any amendment to the Plan that (i) increases the number of shares that may be issued under the Plan or the individual limit set forth under Section 1.5(d) of the Plan (except, in each case, as permitted pursuant to Section 1.5(c)) or (ii) expands the class of Persons eligible to receive incentive stock options under the Plan.

(c) Modification of Awards. The Administrator may cancel any Award under the Plan. The Administrator also may amend any outstanding Award Agreement, including, without limitation, by amendment which would: (i) accelerate the time or times at which the Award becomes unrestricted, vested or may be exercised; (ii) waive or amend any goals, restrictions or conditions set forth in the Award Agreement; or (iii) waive or amend the operation of Sections 2.4, 2.6(e) or 2.7(c) with respect to the termination of the Award upon termination of employment or consultancy/service relationship or dismissal from the Board; provided, however, that no such amendment shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Award. However, any such cancellation or amendment (other than an amendment pursuant to Section 1.5, 3.5 or 3.16) that materially impairs the rights or materially increases the obligations of a grantee under an outstanding Award shall be made only with the consent of the grantee (or, upon the grantee's death, the Person having the right to exercise the Award). In making any modification to an Award (e.g., an amendment resulting in a direct or indirect reduction in the Exercise Price or a waiver or modification under Section 2.4(f), 2.6(e) or 2.7(c)), the Administrator may consider the implications, if any, of such modification under the Code with respect to incentive stock options granted under the Plan and/or Sections 409A and 457A of the Code with respect to Awards granted under the Plan to individuals subject to such provisions of the Code.

3.2. Consent Requirement

(a) No Plan Action Without Required Consent. If the Administrator shall at any time determine that any Consent (as defined below) is necessary or desirable as a condition of, or in connection with, the granting of any Award under the Plan, the issuance or purchase of shares or other rights thereunder, or the taking of any other action thereunder (each such action being hereinafter referred to as a "Plan Action"), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Administrator.

(b) Consent Defined. The term "Consent" as used herein with respect to any Plan Action means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or under any federal, state or local law, rule or regulation, (ii) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter, which the Administrator shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made and (iii) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies.

3.3. Nonassignability

Except as provided in Sections 2.4(e), 2.5, 2.6(d) or 2.7(e), (a) no Award or right granted to any Person under the Plan or under any Award Agreement shall be assignable or transferable other than by will or by the laws of descent and distribution and (b) all rights granted under the Plan or any Award Agreement shall be exercisable during the life of the grantee only by the grantee or the grantee's legal representative or the grantee's permissible successors or assigns (as authorized and determined by the Administrator). All terms and conditions of the Plan and the applicable Award Agreements will be binding upon any permitted successors or assigns.

3.4. Taxes

(a) Withholding. A grantee or other Award holder under the Plan shall be required to pay, in cash, to the Company, and the Company and its Affiliates shall have the right and are hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to such grantee or other Award holder, the amount of any applicable withholding taxes in respect of an Award, its grant, its exercise, its vesting, or any payment or transfer under an Award or under the Plan, and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for payment of such taxes. Whenever shares of Common Stock are to be delivered pursuant to an Award under the Plan, with the approval of the Administrator, which the Administrator shall have sole discretion whether or not to give, the grantee may satisfy the foregoing condition by electing to have the Company withhold from delivery shares having a value equal to the amount of minimum tax required to be withheld. Such shares shall be valued at their Fair Market Value as of the date on which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Such a withholding election may be made with respect to all or any portion of the shares to be delivered pursuant to an Award as may be approved by the Administrator in its sole discretion.

(b) Liability for Taxes. Grantees and holders of Awards are solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with Awards (including, without limitation, any taxes arising under Sections 409A and 457A of the Code) and the Company shall not have any obligation to indemnify or otherwise hold any such Person harmless from any or all of such taxes. The Administrator shall have the discretion to organize any deferral program, to require deferral election forms, and to grant or, notwithstanding anything to the contrary in the Plan or any Award Agreement, to unilaterally modify any Award in a manner that (i) conforms with the requirements of Sections 409A and 457A of the Code (to the extent applicable), (ii) voids any participant election to the extent it would violate Sections 409A or 457A of the Code (to the extent applicable) and (iii) for any distribution event or election that could be expected to violate Section 409A of the Code, make the distribution only upon the earliest of the first to occur of a “permissible distribution event” within the meaning of Section 409A of the Code or a distribution event that the participant elects in accordance with Section 409A of the Code. The Administrator shall have the sole discretion to interpret the requirements of the Code, including, without limitation, Sections 409A and 457A, for purposes of the Plan and all Awards.

3.5. Change in Control

(a) Change in Control Defined. Unless otherwise set forth in the applicable Award Agreement, for purposes of the Plan, “Change in Control” shall mean the occurrence of any of the following:

(i) any “person” (as defined in Section 13(d)(3) of the 1934 Act), company or other entity (other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or an Affiliate or (C) any company or other entity owned, directly or indirectly, by the holders of the voting stock of the Company in substantially the same proportions as their ownership of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company directly or indirectly “controls” (as defined in Rule 12b-2 under the 1934 Act)) acquires “beneficial ownership” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company;

(ii) the sale of all or substantially all the Company’s assets in one or more related transactions to any “person” (as defined in Section 13(d)(3) of the 1934 Act), company or other entity, other than such a sale (A) to a Subsidiary which does not involve a material change in the equity holdings of the Company, (B) to an entity which has acquired all or substantially all the Company’s assets (any such entity described in clause (A) or (B), the “Acquiring Entity”) if, immediately following such sale, 50% or more of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Acquiring Entity (or, if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Acquiring Entity) is beneficially owned by the holders of the voting stock of the Company, and such voting power among the persons who were holders of the voting stock of the Company immediately prior to such sale is, immediately following such sale, held in substantially the same proportions as the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such sale;

(iii) any merger, consolidation, reorganization or similar event of the Company or any Subsidiary as a result of which the holders of the voting stock of the Company immediately prior to such merger, consolidation, reorganization or similar event do not directly or indirectly hold 50% or more of the aggregate voting power of the capital stock of the surviving entity ordinarily entitled to elect directors of the surviving entity (or, if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the surviving entity) and such voting power among the persons who were holders of the voting stock of the Company immediately prior to such sale is, immediately following such sale, held in substantially the same proportions as the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such sale;

(iv) the approval by the Company's stockholders of a plan of complete liquidation or dissolution of the Company; or

(v) during any period of 12 consecutive calendar months, individuals:

shall cease to constitute a majority of the Board.

Notwithstanding the foregoing, unless otherwise set forth in the applicable Award Agreement, for each Award subject to Section 409A of the Code, a Change in Control shall be deemed to have occurred under this Plan with respect to such Award only if a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company shall also be deemed to have occurred under Section 409A of the Code, provided that such limitation shall apply to such Award only to the extent necessary to avoid adverse tax effects under Section 409A of the Code.

(b) Effect of a Change in Control. Unless the Administrator provides otherwise in an Award Agreement, upon the occurrence of a Change in Control:

(i) notwithstanding any other provision of this Plan, any Award then outstanding shall become fully vested and any restriction and forfeiture provisions thereon imposed pursuant to the Plan and the Award Agreement shall lapse and any Award in the form of an option or stock appreciation right shall be immediately exercisable;

(ii) to the extent permitted by law and not otherwise limited by the terms of the Plan, the Administrator may amend any Award Agreement in such manner as it deems appropriate;

(iii) a grantee who incurs a termination of employment or consultancy/service relationship or dismissal from the Board for any reason, other than a termination or dismissal "for Cause", concurrent with or within one year following the Change in Control may exercise any outstanding option or stock appreciation right, but only to the extent that the grantee was entitled to exercise the Award on the date of his or her termination of employment or consultancy/service relationship or dismissal from the Board, until the earlier of (A) the original expiration date of the Award and (B) the later of (x) the date provided for under the terms of Section 2.4 without reference to this Section 3.5(b)(iii) and (y) the first anniversary of the grantee's termination of employment or consultancy/service relationship or dismissal from the Board.

(c) Miscellaneous. Whenever deemed appropriate by the Administrator, any action referred to in paragraph (b)(ii) of this Section 3.5 may be made conditional upon the consummation of the applicable Change in Control transaction. For purposes of the Plan and any Award Agreement granted hereunder, the term "Company" shall include any successor to United Maritime Corporation.

3.6. Operation and Conduct of Business

Nothing in the Plan or any Award Agreement shall be construed as limiting or preventing the Company or any Affiliate from taking any action with respect to the operation and conduct of their business that they deem appropriate or in their best interests, including any or all adjustments, recapitalizations, reorganizations, exchanges or other changes in the capital structure of the Company or any Affiliate, any merger or consolidation of the Company or any Affiliate, any issuance of Company shares or other securities or subscription rights, any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or other securities or rights thereof, any dissolution or liquidation of the Company or any Affiliate, any sale or transfer of all or any part of the assets or business of the Company or any Affiliate, or any other corporate act or proceeding, whether of a similar character or otherwise.

3.7. No Rights to Awards

No Key Person or other Person shall have any claim to be granted any Award under the Plan.

3.8. Right of Discharge Reserved

Nothing in the Plan or in any Award Agreement shall confer upon any grantee the right to continue his or her employment with the Company or any Affiliate, his or her consultancy/service relationship with the Company or any Affiliate, or his or her position as a director of the Company or any Affiliate, or affect any right that the Company or any Affiliate may have to terminate such employment or consultancy/service relationship or service as a director.

3.9. Non-Uniform Determinations

The Administrator's determinations and the treatment of Key Persons and grantees and their beneficiaries under the Plan need not be uniform and may be made and determined by the Administrator selectively among Persons who receive, or who are eligible to receive, Awards under the Plan (whether or not such Persons are similarly situated). Without limiting the generality of the foregoing, the Administrator shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Award Agreements, as to (a) the Persons to receive Awards under the Plan, (b) the types of Awards granted under the Plan, (c) the number of shares to be covered by, or with respect to which payments, rights or other matters are to be calculated with respect to, Awards and (d) the terms and conditions of Awards.

3.10. Other Payments or Awards

Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company from making any award or payment to any Person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

3.11. Headings

Any section, subsection, paragraph or other subdivision headings contained herein are for the purpose of convenience only and are not intended to expand, limit or otherwise define the contents of such subdivisions.

3.12. Effective Date and Term of Plan

(a) Adoption; Stockholder Approval. The Plan was adopted by the Board on June 21, 2022. The Board may, but need not, make the granting of any Awards under the Plan subject to the approval of the Company's stockholders.

(b) Termination of Plan. The Board may terminate the Plan at any time. All Awards made under the Plan prior to its termination shall remain in effect until such Awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Award Agreements. No Awards may be granted under the Plan following the tenth anniversary of the date on which the Plan was adopted by the Board.

3.13. Restriction on Issuance of Stock Pursuant to Awards

The Company shall not permit any shares of Common Stock to be issued pursuant to Awards granted under the Plan unless such shares of Common Stock are fully paid and non-assessable under applicable law. Notwithstanding anything to the contrary in the Plan or any Award Agreement, at the time of the exercise of any Award, at the time of vesting of any Award, at the time of payment of shares of Common Stock in exchange for, or in cancellation of, any Award, or at the time of grant of any unrestricted shares under the Plan, the Company and the Administrator may, if either shall deem it necessary or advisable for any reason, require the holder of an Award (a) to represent in writing to the Company that it is the Award holder's then-intention to acquire the shares with respect to which the Award is granted for investment and not with a view to the distribution thereof or (b) to postpone the date of exercise until such time as the Company has available for delivery to the Award holder a prospectus meeting the requirements of all applicable securities laws; and no shares shall be issued or transferred in connection with any Award unless and until all legal requirements applicable to the issuance or transfer of such shares have been complied with to the satisfaction of the Company and the Administrator. The Company and the Administrator shall have the right to condition any issuance of shares to any Award holder hereunder on such Person's undertaking in writing to comply with such restrictions on the subsequent transfer of such shares as the Company or the Administrator shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and all share certificates delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Company or the Administrator may deem advisable under the Plan, the applicable Award Agreement or the rules, regulations and other requirements of the SEC, any stock exchange upon which such shares are listed, and any applicable securities or other laws, and certificates representing such shares may contain a legend to reflect any such restrictions. The Administrator may refuse to issue or transfer any shares or other consideration under an Award if it determines that the issuance or transfer of such shares or other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the 1934 Act, and any payment tendered to the Company by a grantee or other Award holder in connection with the exercise of such Award shall be promptly refunded to the relevant grantee or other Award holder. Without limiting the generality of the foregoing, no Award granted under the Plan shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Administrator has determined that any such offer, if made, would be in compliance with all applicable requirements of any applicable securities laws.

3.14. Requirement of Notification of Election Under Section 83(b) of the Code or Upon Disqualifying Disposition Under Section 421(b) of the Code

(a) Notification of Election Under Section 83(b) of the Code If an Award recipient, in connection with the acquisition of Company shares under the Plan, makes an election under Section 83(b) of the Code (to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code), the grantee shall notify the Administrator of such election within ten days of filing notice of the election with the U.S. Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code.

(b) Notification of Disqualifying Disposition of Incentive Stock Options If an Award recipient shall make any disposition of Company shares delivered pursuant to the exercise of an incentive stock option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions) or any successor provision of the Code, the grantee shall notify the Company of such disposition within ten days thereof.

3.15. Severability

If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to the applicable laws or, if it cannot be construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

3.16. Sections 409A and 457A

To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Sections 409A and 457A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of the Plan or any applicable Award Agreement to the contrary, in the event that the Administrator determines that any Award may be subject to Section 409A or 457A of the Code, the Administrator may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (i) exempt the Plan and Award from Sections 409A and 457A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Sections 409A and 457A of the Code and related Department of Treasury guidance and thereby avoid the application of penalty taxes under Sections 409A and 457A of the Code.

3.17. Forfeiture; Clawback

The Administrator may, in its sole discretion, specify in the applicable Award Agreement that any realized gain with respect to options or stock appreciation rights and any realized value with respect to other Awards shall be subject to forfeiture or clawback, in the event of (a) a grantee's breach of any non-competition, non-solicitation, confidentiality or other restrictive covenants with respect to the Company or any Affiliate or (ii) a financial restatement that reduces the amount of bonus or incentive compensation previously awarded to a grantee that would have been earned had results been properly reported.

3.18. No Trust or Fund Created

Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and an Award recipient or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or its Affiliate.

3.19. No Fractional Shares

No fractional shares shall be issued or delivered pursuant to the Plan or any Award, and the Administrator shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional shares or whether such fractional shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

3.20. Governing Law

The Plan will be construed and administered in accordance with the laws of the State of New York, without giving effect to principles of conflict of laws.

DATED 5 APRIL 2023

United Management Corp.

-and-

Seanergy Management Corp.

**COMMERCIAL
MANAGEMENT AGREEMENT**

THIS AGREEMENT, dated 5 April 2023, is made between:

A) **United Management Corp.**, a company incorporated in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, MH 96960 Majuro, Marshall Islands (hereinafter called the "**Company**") for its own behalf and as agent for and on behalf of the Shipowning Entities;

-and-

B) **Seanergy Management Corp.**, a company incorporated in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, MH 96960 Majuro, Marshall Islands (hereinafter called the "**Commercial Manager**").

WHEREAS:

(A) The Company has been appointed by its shipowning affiliated entities and its affiliated entities engaged with bareboat chartering or sub-bareboat chartering from time to time (the "**Shipowning Entities**" and together with the Company, the "**Group**" and any of them a "**member of the Group**") as their agent to appoint and instruct on behalf of the Group agents for the provision of commercial management services and to monitor the performance of such agents.

(B) The Company, on behalf of the Group, wishes to appoint the Commercial Manager as the agent of the Group to provide the Management Services for the vessels owned, bareboat chartered or sub-bareboat chartered by the Shipowning Entities from time to time (the "**Vessels**" and each a "**Vessel**"), on the terms and conditions set out herein.

WHEREBY IT IS AGREED as follows:-

1. Definitions

1.1 In this Agreement, except where the context otherwise requires:-

"**Effective Date**" means 1 April 2023;

"**Management Services**" means the services provided by the Commercial Manager pursuant to Clause 6.

1.2. Unless the context otherwise requires, words in the singular include the plural and vice versa.

1.3. References to any document include the same as varied, supplemented or replaced from time to time.

- 1.4. References to any enactment include re-enactments, amendments and extensions thereof.
- 1.5. Clause headings are for convenience of reference only and are not to be taken into account in construction.

2 Appointment of Commercial Manager

In consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

The Company as principal and as agent for and on behalf of the Shipowning Entities hereby appoints as at the Effective Date the Commercial Manager as the agent of the Group for the provision of the Management Services.

3 Purpose, Authority and Basis of Agreement

- 3.1 Subject to the terms and conditions provided herein during the period of this Agreement, the Commercial Manager shall carry out the Management Services in respect of the Vessels as agent for and on behalf of the Shipowning Entities. The Commercial Manager (unless otherwise provided for herein) shall have authority to take such actions as it may from time to time in its discretion consider necessary to enable it to perform its obligations pursuant hereunder in accordance with sound ship management practices, provided the Company has given its written approval.
- 3.2 The Company hereby ratifies, confirms and undertakes at all times to ratify and to confirm all lawful conduct of the Commercial Manager, its employees, agents and subcontractors in connection with the provision of the Management Services pursuant to this Agreement.
- 3.3 The Company shall procure forthwith that each Shipowning Entity (including such entities as may become members of the Group from time to time) shall evidence its agreement to be bound by the terms and conditions of this Agreement by executing a deed of accession to this Agreement in the form of Schedule 1.

4 Obligations of Commercial Manager

The Commercial Manager undertakes in so far as applicable to its respective duties pursuant to this Agreement to use its best endeavours to provide the Management Services and to protect and promote the interests of the Company and of the Shipowning Entities in all matters relating to the efficient commercial management of the Vessels provided however that without prejudice to the generality of the foregoing, the Commercial Manager shall not be:

- (a) required to exercise its powers pursuant hereto as to give preference in any respect to Shipowning Entities, it being understood and agreed that the Commercial Manager shall so far as is practicable ensure a fair distribution of available manpower, supplies and services to all ships owned or managed by it;
- (b) restricted from carrying on or (whether as manager or otherwise) being concerned or interested in carrying on any business which is or may be similar to or competitive with the business presently or at any time carried on by the Shipowning Entity; and
- (c) answerable for the consequences of any decision or exercise of judgment taken or made in the exercise of its powers and taken or made honestly and in good faith.

5 Obligations of the Company

The Company shall pay or procure that the relevant member of the Group pays any moneys due to the Commercial Manager pursuant to this Agreement following receipt of a debit note/invoice issued by the Commercial Manager to the relevant member of the Group.

6 Management Services

- 6.1** As at the Effective Date, the Commercial Manager shall provide and/or procure the provision of the services specified hereunder in the name of the Shipowning Entities or otherwise on its behalf and do all things which may be expedient or necessary for the provision of said services or otherwise in relation to the commercial operation of the Vessels, such services as stated below:

(a) Commercial Management

(i) Postfixture

(ii) Commercial operation

Commercial operation of the Vessels, which includes, but is not limited to, the following functions:

- (aa)** Issuing voyage instructions, monitoring of voyage performance, speed and use of weather routing services, if deemed necessary by the Commercial Manager;
- (bb)** arranging the scheduling of the Vessel according to the terms of the Vessel's employment and issuing or causing to be issued documents, which may be required under the charter contracts on behalf of and in the name of the Shipowning Entities or charterers, following the Company's and/or the Shipowning Entities' information and approval;

- (cc) appointing stevedores, agents and negotiating tug-boat service contracts, provided such appointments are on competitive terms and prices;
- (dd) Arranging surveys associated with the commercial operation of the Vessels; and
- (ee) Estimation of bunker quantities and types to be supplied. Buying and supplying bunkers to the Vessel on the Shipowning Entities' behalf and account in compliance with requirements of safe navigation and delivery provisions of voyage charters as required.

(iii) Sale, purchase and bareboat chartering

Identifying potential opportunities and supervising the sale, purchase or bareboat charter in of the Vessels, including but not limited to the negotiation and the performance of the relevant sale, purchase and bareboat chartering agreements.

(iv) Accounting Services

- (aa) calculating and arranging for the collection of and receiving for and on behalf of the Shipowning Entity all hire, revenue or other monies of whatsoever kind to which the Shipowning Entity may from time to time be entitled arising out of the employment of or otherwise in connection with the Vessel and to this end co-ordinating the invoicing procedures on behalf of the Shipowning Entity of all aforesaid amounts due to the Shipowning Entity;
- (bb) arranging for the proper payment to the Company, or the Shipowning Entity or its nominee of all such monies;
- (cc) establishing and operating an accounting system which meets the requirements of the Company and providing regular accounting services, supplying regular reports and records in this regard; and
- (dd) maintaining the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.

6.2 The Commercial Manager shall not be entitled to appoint any third party to provide any of the Management Services provided by it without the prior written consent of the Company, provided however that where such consent is obtained and appointment made, in each such case the Commercial Manager shall continue to be responsible for the due performance of the Management Services concerned.

6.3 The Commercial Manager shall have the express authority to negotiate, conclude and execute all forms of documentation and agreements including contracts and acknowledgements on behalf of the Company in so far as is necessary for the provision by the Commercial Manager of its Management Services, provided that all such documentation will be approved in advance in writing by the Company.

7 Fees

- 7.1** For the services performed by the Commercial Manager pursuant to this Agreement, the Company shall procure that the relevant member of the Group pays, to the Commercial Manager: (i) a commission fee equal to zero point seventy five percent (0.75%) calculated on the collected gross hire/ freight/ demurrage payable when the relevant hire/ freight/ demurrage are collected (except for any Vessels that are chartered-out to Seanergy), and (ii) a fee equal to one per cent (1%) of the contract price of any Vessel bought, sold, bareboat chartered by the Commercial Manager on the Company's (and the respective Shipowning Entity's) behalf, except for any Vessels bought, sold or bareboat chartered from or to Seanergy, or in respect of any Vessel sale relating to a sale leaseback transaction (collectively, the "**Fee**").
- 7.2.** The Fee hereunder shall be paid to the Commercial Manager to an account of the Commercial Manager advised in writing to the Company.

8 Accounts and Management of Funds

- 8.1** In so far as applicable to the Commercial Managers' Services, the Commercial Manager shall operate accounting systems satisfactory to the Shipowning Entities and provide regular services, reports and records in this regard and maintain records of all expenditure and cost together with information necessary and appropriate for the settlement of accounts between the parties hereto.
- 8.2** Notwithstanding any contrary provisions herein the Commercial Manager shall in no circumstances whatsoever be required to use or commit its own funds to finance the provision of the Management Services.
- 8.3** The Commercial Manager shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Company at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Commercial Manager shall release to the Shipowning Entities, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessels and their commercial operation.

9 Management Expenses

- 9.1** The Commercial Manager shall, at no extra cost to the Company, provide its office accommodation and office staff. The Company will reimburse the Commercial Manager for all reasonable running and/or out of pocket expenses, including but not limited to, telephone, fax, stationary and printing expenses. Any required travelling expenses in relation to this Agreement and the Management Services will be pre-approved by the Company and the relevant expenses will be reimbursed to the Commercial Manager.
- 9.2** All moneys collected by the Commercial Manager pursuant to this Agreement (other than moneys payable by the Company to the Commercial Manager) and any interest thereon shall be held to the credit of each applicable Shipowning Entity in a separate bank account.

10 Termination

This Agreement may be terminated by either party giving to the other one (1) month prior notice in writing or by mutual written agreement between the parties.

10.1 Company's default

The Commercial Manager shall be entitled to terminate its appointment under this Agreement with immediate effect by notice in writing if any monies payable by the Company under this Agreement shall not have been received by the Commercial Manager within ten (10) running days of receipt by the Company of the Manager's written request.

10.2 Commercial Managers' default

If the Commercial Manager fails to meet its obligations under clauses 5 and 8 of this Agreement for any reason within its control, the Company may give notice to the Commercial Manager of the default, requesting also to remedy it as soon as practically possible. In the event that the Commercial Manager fails to remedy said default within a reasonable time to the satisfaction of the Company, the Company shall be entitled to terminate the Agreement with immediate effect by notice in writing.

10.3 Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.

10.4 For the purpose of sub-clause 10.3. hereof:

- (a)** the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Shipowning Entity cease to be registered as owner of the Vessel;
- (b)** the Vessel shall only be deemed lost where she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is nevertheless adjudged by a competent tribunal that a constructive total loss of the Vessel has been occurred.

10.5 Either party hereto may by notice to the other party terminate forthwith the appointment if an order is made or resolution is passed for the winding up, dissolution, liquidation or bankruptcy of such party (otherwise than for the purpose of reconstruction or amalgamation) or if any party ceases to carry on business or makes any special arrangement or composition with its creditors.

10.6 The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

11 Insurances

The Company shall procure that, throughout the period of this Agreement,

- (a) at no expense to the Commercial Manager, the Vessels are insured for not less than their sound market value or entered for their full gross tonnage, as the case may be for:
 - (i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;
 - (ii) protection and indemnity risks (including pollution risks and crew insurances); and
 - (iii) war risks (including protection and indemnity and crew risks),in accordance with the best practice of prudent owners of ships of a similar type to the Vessels, with first class insurance companies, underwriters or associations (the “**Shipowning Entities’ Insurances**”);
- (b) all premiums and calls on the Shipowning Entities’ Insurances are paid promptly by their due date;
- (c) the Shipowning Entities’ Insurances name the Commercial Manager and, subject to underwriters’ agreement, any third party designated by the Commercial Manager as a joint assured, with full cover, with the Company procuring on behalf of the relevant Shipowning Entity that the cover, if reasonably obtainable, shall be obtained on such terms that neither the Commercial Manager nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Shipowning Entities’ Insurances; and
- (d) written evidence is provided, to the reasonable satisfaction of the Commercial Manager, of compliance with the obligations under Clause 4 within a reasonable time from the commencement of this Agreement, and of each renewal date and, if specifically requested, of each payment date of the Shipowning Entities’ Insurances.

12 Force Majeure

Neither the Company nor the Commercial Manager shall be under any liability for any failure to perform or delay in the performance of any of their obligations under this Agreement by reason of any cause whatsoever beyond their reasonable control.

13 Indemnities

- 13.1** Subject to any liability of the Commercial Manager pursuant to Clause 13.2 hereto the members of the Group hereby ratify and confirm, and undertake at all times to ratify and confirm, whatever may be done or caused to be done by the Commercial Manager in the course of or in the provision of the Management Services and the members of the Group hereby undertake to keep the Commercial Manager and its respective employees and agents indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or any one of them or incurred or suffered by them or any one of them arising out of or in connection with the performance of this Agreement, and against and in respect of all loss, damages, costs and expenses (including legal costs and expenses on a full indemnity basis) which the Commercial Manager may suffer or incur (either directly or indirectly) in defending or settling the same.
- 13.2** The Commercial Manager shall be under no liability whatsoever to the members of the Group for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of the performance of the Management Services hereunder unless same is proved to have resulted solely from the negligence, gross negligence or willful default of the Commercial Manager or its employees or agents or subcontractors employed by it in connection with the Vessel, in which case (except where loss, damage, delay or expense has resulted from the Commercial Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage delay or expense would probably result) the Commercial Manager's liability (any such liability arising in accordance herewith always being on an individual basis in relation to each Manager) for all incidents or series of incidents arising in any calendar year shall never exceed a total of 10 times the actual annual fees paid in that year.
- 13.3** No employee, agent or subcontractor of the Commercial Manager shall in any circumstances whatsoever be liable to the members of the Group for any loss, damage or delay arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course or in connection with his employment and without prejudice to the generality of the forgoing provisions of this Clause 13, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to and enjoyed by the Commercial Manager or to which the said Commercial Manager is entitled hereunder shall also be available and shall extend to protect every such employee, agent or subcontractor of the Commercial Manager acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 13 the Commercial Manager is or shall be deemed to be acting as agents or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

14 Confidentiality and Commercial Manager's Documents

- 14.1** Save for the purpose of enforcing or carrying out as may be necessary the rights or obligations of the Commercial Manager hereunder, the Commercial Manager agrees to maintain and to use its best endeavours to procure that its officers and employees maintain confidence and secrecy in respect of all information relating to the Company's business received by the Commercial Manager directly or indirectly pursuant to this Agreement.
- 14.2** As between the Company, the members of the Group and the Commercial Manager, the Company hereby agrees and acknowledges that all title and property in and to the management manuals of the Commercial Manager and other written material concerning management functions and activities is vested in the Commercial Manager and the Company agrees not to disclose the same to any third party and, on termination of this Agreement, to return all such manuals and other material to the Commercial Manager.

15 Notices and Other Matters

- 15.1** Every notice, request, demand or other communication under this Agreement shall:
- (a) be in writing, delivered personally or by registered or recorded first-class prepaid letter (airmail if available) facsimile or telex;
 - (b) be deemed to have been received, subject as otherwise provided in this Agreement, in the case of a telex at the time of dispatch with confirmed answerback of the addressee appearing at the beginning and end of the communication (provided that if the date of dispatch is not a business day in the country of the addressee it shall be deemed to have been received at the opening of business on the next such business day), in the case of a facsimile at the time of dispatch evidenced by a timed and dated transmittal confirmation (provided that if the date of dispatch is not a business day in the country of the addressee it shall be deemed to have been received at the opening of business on the next business day), and in the case of a letter when delivered personally or five (5) days after it has been put into the post; and
 - (c) be sent to the respective addresses hereto or to such other address, facsimile or telex number as is notified by the parties hereto to the other parties to this Agreement:

(i) in respect of the Company to:

UNITED MANAGEMENT CORP.
c/o 154 Vouliagmenis Avenue,
16674 Glyfada, Greece
Emails:
Tel:

(ii) in respect of the Commercial Manager to:

SEANERGY MANAGEMENT CORP.
154 Vouliagmenis Avenue,
16674 Glyfada, Greece
Email:
Tel:

16 Law and Arbitration

- 16.1** This Agreement shall be governed by English Law and any dispute arising out of or in connection herewith shall be referred to arbitration in London.
- 16.2** Arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) rules current at the time of commencement of the arbitration.
- 16.3** Any referral made pursuant to this Clause 16 shall be to three (3) Arbitrators on the following basis: if a dispute arises between the parties then each shall appoint an Arbitrator and the two Arbitrators so appointed shall appoint a third.
- 16.4** Upon receipt of notice of appointment of an Arbitrator by the first notifying party (who shall therein state that it shall appoint its own arbitrator as sole arbitrator if the other party does not appoint an Arbitrator in accordance herewith), the second party shall appoint its Arbitrator and give notice of such appointment within fourteen (14) days, failing which the prior notifying party shall be entitled either to appoint its Arbitrator as Sole Arbitrator or appoint an Arbitrator on behalf of the second party who shall accept such appointment as if it had been made by itself.
- 16.5** If a party does not appoint its own Arbitrator and give due notice in accordance with Clause 16.4 the party referring the dispute to arbitration may without requirement for further notice to such other party failing to so appoint make appointment in accordance with Clause 16.4 and shall advise the other party accordingly and the award of a Sole Arbitrator or panel appointed in accordance with Clause 16.4 shall be binding on all parties as if appointment had been by agreement.
- 16.6** Nothing in this Clause 16 shall prevent the parties agreeing in writing to vary these provisions to provide for appointment of a Sole Arbitrator or to consolidate arbitration proceedings hereunder where thought appropriate or desirable.
- 16.7** In cases where neither the claim nor any counterclaim exceeds the sum of UK £50,000 (or such other sum as the parties may agree) (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

16.8 Any such Arbitration shall be in accordance with and subject to the Arbitration Act 1996 and any statutory amendment or modification thereto.

17 Miscellaneous

17.1 Subject to Clause 17.2 this Commercial Management Agreement contains the entire agreement and understanding between the parties and supersedes all prior negotiations, representations, warranties and other documents or matter related to any of the subject matter of this Commercial Management Agreement.

17.2 This Agreement may be amended by mutual agreement of both parties hereto provided that any such amendment is evidenced by written amendment duly executed by both parties and following which any such amendment shall be considered part of, appended to and read together with this Agreement.

17.3 All details of or pertaining to this Agreement shall be kept strictly private and confidential.

IN WITNESS WHEREOF the Company and the Commercial Manager have caused this Agreement to be duly executed as a deed the day and year first before written.

EXECUTED as a DEED

By Stamatios Tsantanis
the duly authorised attorney of
UNITED MANAGEMENT CORP.
of the Marshall Islands

/s/ Stamatios Tsantanis

EXECUTED as a DEED

By Stavros Gyftakis
the duly authorised attorney of
SEANERGY MANAGEMENT CORP.
of the Marshall Islands

/s/ Stavros Gyftakis

Schedule 1

Deed of Accession

[] 20 []

From: []

To: []

Dear Sirs,

Re: Commercial Management Agreement of [] and made between (1) United Management Corp. (the “Company”) and Seanergy Management Corp. (the “Commercial Manager”)

We refer to the Commercial Management Agreement (the “**Agreement**”). We are a Shipowning Entity as defined in the Agreement and are to become [owners][disponent owners] of the motor vessel “[]” (the “Vessel”).

We hereby confirm that:

- (a) the Company has entered into the Agreement as our agent, for and on our behalf; and
- (b) we are bound to observe the terms and conditions of the Agreement as if we were a named signatory therein.

We confirm that we are the Company’s principal in respect of the Agreement as it relates to the Vessel and ourselves. We hereby confirm that the Company has full authority on our behalf (i) to execute the Agreement and any agreement or addendum supplemental thereto, (ii) to give to the Commercial Manager any instructions required of us under the Agreement, (iii) to exercise any of our rights under the Agreement and (iv) to act in accordance with the terms contained in the Agreement, both on our behalf and on all matters relating to us, which are the subject of the Agreement and as they relate to the Vessel. We hereby confirm that we will be bound by any actions taken by the Company under the Agreement on our behalf and we hereby confirm and ratify any such actions taken by the Company.

The terms and provisions of this letter shall be governed by and construed in accordance with English law, and this letter is being executed as a deed on the date first above written.

Yours faithfully,

For and on behalf of
[]

DATED 5 APRIL 2023

United Management Corp.

-and-

Fidelity Marine Inc.

**COMMERCIAL
MANAGEMENT AGREEMENT**

THIS AGREEMENT, dated 5 April 2023, is made between:

A) **United Management Corp.**, a company incorporated in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, MH 96960 Majuro, Marshall Islands (hereinafter called the "**Company**") for its own behalf and as agent for and on behalf of the Shipowning Entities;

-and-

B) **Fidelity Marine Inc.**, a company incorporated in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, MH 96960 Majuro, Marshall Islands (hereinafter called the "**Commercial Manager**").

WHEREAS:

(A) The Company has been appointed by its shipowning affiliated entities and its affiliated entities engaged with bareboat chartering or sub-bareboat chartering from time to time (the "**Shipowning Entities**" and together with the Company, the "**Group**" and any of them a "**member of the Group**") as their agent to appoint and instruct on behalf of the Group agents for the provision of commercial management services and to monitor the performance of such agents.

(B) The Company, on behalf of the Group, wishes to appoint the Commercial Manager as the agent of the Group to seek, negotiate and conclude charterparties or other contracts for the employment of the vessels owned, bareboat chartered or sub-bareboat chartered by the Shipowning Entities from time to time (the "**Vessels**" and each a "**Vessel**"), on the terms and conditions set out herein.

WHEREBY IT IS AGREED as follows:-

1. Definitions

1.1 In this Agreement, except where the context otherwise requires:-

"**Effective Date**" means 1 April 2023;

"**Management Services**" means the services provided by the Commercial Manager pursuant to Clauses 2 and 6.

1.2. Unless the context otherwise requires, words in the singular include the plural and vice versa.

1.3. References to any document include the same as varied, supplemented or replaced from time to time.

- 1.4. References to any enactment include re-enactments, amendments and extensions thereof.
- 1.5. Clause headings are for convenience of reference only and are not to be taken into account in construction.

2 Appointment of Commercial Manager

In consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

The Company as principal and as agent for and on behalf of the Shipowning Entities hereby appoints as at the Effective Date the Commercial Manager as the agent of the Group for the provision of chartering services to the Group, which include seeking and negotiating employment for the Vessels in accordance with the Company's instructions and subject to the Company's prior approval the conclusion (including the execution) of charter parties or other contracts relating to the employment of the Vessels, as described in detail in this Agreement.

3 Purpose, Authority and Basis of Agreement

- 3.1 Subject to the terms and conditions provided herein during the period of this Agreement, the Commercial Manager shall carry out the Management Services in respect of the Vessels as agent for and on behalf of the Shipowning Entities. The Commercial Manager (unless otherwise provided for herein) shall have authority to take such actions as it may from time to time in its discretion consider necessary to enable it to perform its obligations pursuant hereunder in accordance with sound ship management practices, provided the Company has given its written approval.
- 3.2 The Company hereby ratifies, confirms and undertakes at all times to ratify and to confirm all lawful conduct of the Commercial Manager, its employees, agents and subcontractors in connection with the provision of the Management Services pursuant to this Agreement.
- 3.3 The Company shall procure forthwith that each Shipowning Entity (including such entities as may become members of the Group from time to time) shall evidence its agreement to be bound by the terms and conditions of this Agreement by executing a deed of accession to this Agreement in the form of Schedule 1.

4 Obligations of Commercial Manager

The Commercial Manager undertakes in so far as applicable to its respective duties pursuant to this Agreement to use its best endeavours to provide the Management Services and to protect and promote the interests of the Company and of the Shipowning Entities in all matters relating to the efficient commercial management of the Vessels provided however that without prejudice to the generality of the foregoing, the Commercial Manager shall not be:

- (a) required to exercise its powers pursuant hereto as to give preference in any respect to Shipowning Entities, it being understood and agreed that the Commercial Manager shall so far as is practicable ensure a fair distribution of available manpower, supplies and services to all ships owned or managed by it;
- (b) restricted from carrying on or (whether as manager or otherwise) being concerned or interested in carrying on any business which is or may be similar to or competitive with the business presently or at any time carried on by the Shipowning Entity; and
- (c) answerable for the consequences of any decision or exercise of judgment taken or made in the exercise of its powers and taken or made honestly and in good faith.

5 Obligations of the Company

The Company shall pay or procure that the relevant member of the Group pays any moneys due to the Commercial Manager pursuant to this Agreement following receipt of a debit note/invoice issued by the Commercial Manager to the relevant member of the Group.

6 Management Services

6.1 As at the Effective Date, the Commercial Manager shall provide and/or procure the provision of the services specified hereunder in the name of the Shipowning Entities or otherwise on its behalf and do all things which may be expedient or necessary for the provision of said services or otherwise in relation to the commercial operation of the Vessels, such services as stated below:

(a) Commercial Management

(i) Employment of the Vessels

Seeking and negotiating employment of the Vessels in accordance with the Company's instructions.

(aa) Chartering

Providing chartering services which include, but are not limited to seeking, negotiating and the concluding (including the execution thereof) of charterparties and on behalf of the Shipowning Entities agreeing with the charterers (inter alia) on the itineraries and timetables of the Vessels during the charter period, charter hire and other monies payable to the Shipowning Entities and methods of payment thereof and any other terms and conditions in relation to the employment of the Vessels, provided that the Commercial Manager received the Company's prior written approval.

(ii) **Commercial operation**

Commercial operation of the Vessels, which includes, but is not limited to, the following function:

- (aa) Providing detailed voyage estimates and accounts and calculating hire, freights, demurrage and/or dispatch moneys due from or due to the charterers of the Vessels.

6.2 The Commercial Manager shall not be entitled to appoint any third party to provide any of the Management Services provided by it without the prior written consent of the Company, provided however that where such consent is obtained and appointment made, in each such case the Commercial Manager shall continue to be responsible for the due performance of the Management Services concerned.

6.3 The Commercial Manager shall have the express authority to negotiate, conclude and execute all forms of documentation and agreements including contracts and acknowledgements on behalf of the Company in so far as is necessary for the provision by the Commercial Manager of its Management Services, provided that all such documentation will be approved in advance in writing by the Company.

7 Fees

7.1 For the services performed by the Commercial Manager pursuant to this Agreement, the Company shall pay to the Commercial Manager a monthly retainer fee (the "**Monthly Fee**") of United States Dollars five thousand (US\$5,000), and shall procure that the relevant member of the Group pays to the Commercial Manager a commission fee equal to zero point five percent (0.5%) calculated on the collected gross hire/ freight/ demurrage payable when the relevant hire/ freight/ demurrage are collected (the "**Commission Fee**") which may be increased to one point twenty five percent (1.25%) in cases when there is no other ship brokerage firm involved in the negotiations, charterparty drafting and final agreement in regards to the employment of the Vessel (the "**Increased Commission Fee**").

- 7.2. The Monthly Fee, Commission Fee and/or Increased Commission Fee hereunder shall be paid to the Commercial Manager to an account of the Commercial Manager advised in writing to the Company.

8 Management Expenses

- 8.1 The Commercial Manager shall, at no extra cost to the Company, provide its office accommodation and office staff. The Company will reimburse the Commercial Manager for all reasonable running and/or out of pocket expenses, including but not limited to, telephone, fax, stationary and printing expenses. Any required travelling expenses in relation to this Agreement and the Management Services will be pre-approved by the Company and the relevant expenses will be reimbursed to the Commercial Manager.

- 8.2 All moneys collected by the Commercial Manager pursuant to this Agreement (other than moneys payable by the Company to the Commercial Manager) and any interest thereon shall be held to the credit of each applicable Shipowning Entity in a separate bank account.

9 Termination

This Agreement may be terminated by either party giving to the other one (1) month prior notice in writing or by mutual written agreement between the parties.

9.1 Company's default

The Commercial Manager shall be entitled to terminate its appointment under this Agreement with immediate effect by notice in writing if any monies payable by the Company under this Agreement shall not have been received by the Commercial Manager within ten (10) running days of receipt by the Company of the Manager's written request.

9.2 Commercial Managers' default

If the Commercial Manager fails to meet its obligations under clause 5 of this Agreement for any reason within its control, the Company may give notice to the Commercial Manager of the default, requesting also to remedy it as soon as practically possible. In the event that the Commercial Manager fails to remedy said default within a reasonable time to the satisfaction of the Company, the Company shall be entitled to terminate the Agreement with immediate effect by notice in writing.

9.3 Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.

9.4 For the purpose of sub-clause 9.3. hereof:

- (a) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Shipowning Entity cease to be registered as owner of the Vessel;
- (b) the Vessel shall only be deemed lost where she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is nevertheless adjudged by a competent tribunal that a constructive total loss of the Vessel has been occurred.

9.5 Either party hereto may by notice to the other party terminate forthwith the appointment if an order is made or resolution is passed for the winding up, dissolution, liquidation or bankruptcy of such party (otherwise than for the purpose of reconstruction or amalgamation) or if any party ceases to carry on business or makes any special arrangement or composition with its creditors.

9.6 The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

10 Insurances

The Company shall procure that, throughout the period of this Agreement,

- (a) at no expense to the Commercial Manager, the Vessels are insured for not less than their sound market value or entered for their full gross tonnage, as the case may be for:

- (i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;
- (ii) protection and indemnity risks (including pollution risks and crew insurances); and
- (iii) war risks (including protection and indemnity and crew risks),

in accordance with the best practice of prudent owners of ships of a similar type to the Vessels, with first class insurance companies, underwriters or associations (the “**Shipowning Entities’ Insurances**”);

- (b) all premiums and calls on the Shipowning Entities’ Insurances are paid promptly by their due date;
- (c) the Shipowning Entities’ Insurances name the Commercial Manager and, subject to underwriters’ agreement, any third party designated by the Commercial Manager as a joint assured, with full cover, with the Company procuring on behalf of the relevant Shipowning Entity that the cover, if reasonably obtainable, shall be obtained on such terms that neither the Commercial Manager nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Shipowning Entities’ Insurances; and

- (d) written evidence is provided, to the reasonable satisfaction of the Commercial Manager, of compliance with the obligations under Clause 4 within a reasonable time from the commencement of this Agreement, and of each renewal date and, if specifically requested, of each payment date of the Shipowning Entities' Insurances.

11 Force Majeure

Neither the Company nor the Commercial Manager shall be under any liability for any failure to perform or delay in the performance of any of their obligations under this Agreement by reason of any cause whatsoever beyond their reasonable control.

12 Indemnities

- 12.1** Subject to any liability of the Commercial Manager pursuant to Clause 12.2 hereto the members of the Group hereby ratify and confirm, and undertake at all times to ratify and confirm, whatever may be done or caused to be done by the Commercial Manager in the course of or in the provision of the Management Services and the members of the Group hereby undertake to keep the Commercial Manager and its respective employees and agents indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or any one of them or incurred or suffered by them or any one of them arising out of or in connection with the performance of this Agreement, and against and in respect of all loss, damages, costs and expenses (including legal costs and expenses on a full indemnity basis) which the Commercial Manager may suffer or incur (either directly or indirectly) in defending or settling the same.
- 12.2** The Commercial Manager shall be under no liability whatsoever to the members of the Group for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of the performance of the Management Services hereunder unless same is proved to have resulted solely from the negligence, gross negligence or willful default of the Commercial Manager or its employees or agents or subcontractors employed by it in connection with the Vessel, in which case (except where loss, damage, delay or expense has resulted from the Commercial Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage delay or expense would probably result) the Commercial Manager's liability (any such liability arising in accordance herewith always being on an individual basis in relation to each Manager) for all incidents or series of incidents arising in any calendar year shall never exceed a total of 10 times the actual annual management fees paid in that year.

12.3 No employee, agent or subcontractor of the Commercial Manager shall in any circumstances whatsoever be liable to the members of the Group for any loss, damage or delay arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course or in connection with his employment and without prejudice to the generality of the foregoing provisions of this Clause 12, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to and enjoyed by the Commercial Manager or to which the said Commercial Manager is entitled hereunder shall also be available and shall extend to protect every such employee, agent or subcontractor of the Commercial Manager acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 12 the Commercial Manager is or shall be deemed to be acting as agents or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

13 Confidentiality and Commercial Manager's Documents

13.1 Save for the purpose of enforcing or carrying out as may be necessary the rights or obligations of the Commercial Manager hereunder, the Commercial Manager agrees to maintain and to use its best endeavours to procure that its officers and employees maintain confidence and secrecy in respect of all information relating to the Company's business received by the Commercial Manager directly or indirectly pursuant to this Agreement.

13.2 As between the Company, the members of the Group and the Commercial Manager, the Company hereby agrees and acknowledges that all title and property in and to the management manuals of the Commercial Manager and other written material concerning management functions and activities is vested in the Commercial Manager and the Company agrees not to disclose the same to any third party and, on termination of this Agreement, to return all such manuals and other material to the Commercial Manager.

14 Notices and Other Matters

Every notice, request, demand or other communication under this Agreement shall:

- (a) be in writing, delivered personally or by registered or recorded first-class prepaid letter (airmail if available) facsimile or telex;
- (b) be deemed to have been received, subject as otherwise provided in this Agreement, in the case of a telex at the time of dispatch with confirmed answerback of the addressee appearing at the beginning and end of the communication (provided that if the date of dispatch is not a business day in the country of the addressee it shall be deemed to have been received at the opening of business on the next such business day), in the case of a facsimile at the time of dispatch evidenced by a timed and dated transmittal confirmation (provided that if the date of dispatch is not a business day in the country of the addressee it shall be deemed to have been received at the opening of business on the next business day), and in the case of a letter when delivered personally or five (5) days after it has been put into the post; and

- (c) be sent to the respective addresses hereto or to such other address, facsimile or telex number as is notified by the parties hereto to the other parties to this Agreement:

(i) in respect of the Company to:

UNITED MANAGEMENT CORP.
c/o 154 Vouliagmenis Avenue,
16674 Glyfada, Greece
Emails:
Tel:

(ii) in respect of the Commercial Manager to:

FIDELITY MARINE INC.
7 Vasileos Georgiou Street
16673 Voula, Greece
Email:

15 Law and Arbitration

- 15.1** This Agreement shall be governed by English Law and any dispute arising out of or in connection herewith shall be referred to arbitration in London.
- 15.2** Arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) rules current at the time of commencement of the arbitration.
- 15.3** Any referral made pursuant to this Clause 15 shall be to three (3) Arbitrators on the following basis: if a dispute arises between the parties then each shall appoint an Arbitrator and the two Arbitrators so appointed shall appoint a third.
- 15.4** Upon receipt of notice of appointment of an Arbitrator by the first notifying party (who shall therein state that it shall appoint its own arbitrator as sole arbitrator if the other party does not appoint an Arbitrator in accordance herewith), the second party shall appoint its Arbitrator and give notice of such appointment within fourteen (14) days, failing which the prior notifying party shall be entitled either to appoint its Arbitrator as Sole Arbitrator or appoint an Arbitrator on behalf of the second party who shall accept such appointment as if it had been made by itself.

- 15.5** If a party does not appoint its own Arbitrator and give due notice in accordance with Clause 15.4 the party referring the dispute to arbitration may without requirement for further notice to such other party failing to so appoint make appointment in accordance with Clause 15.4 and shall advise the other party accordingly and the award of a Sole Arbitrator or panel appointed in accordance with Clause 15.4 shall be binding on all parties as if appointment had been by agreement.
- 15.6** Nothing in this Clause 15 shall prevent the parties agreeing in writing to vary these provisions to provide for appointment of a Sole Arbitrator or to consolidate arbitration proceedings hereunder where thought appropriate or desirable.
- 15.7** In cases where neither the claim nor any counterclaim exceeds the sum of UK £50,000 (or such other sum as the parties may agree) (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
- 15.8** Any such Arbitration shall be in accordance with and subject to the Arbitration Act 1996 and any statutory amendment or modification thereto.

16 Miscellaneous

- 16.1** Subject to Clause 16.2 this Commercial Management Agreement contains the entire agreement and understanding between the parties and supersedes all prior negotiations, representations, warranties and other documents or matter related to any of the subject matter of this Commercial Management Agreement.
- 16.2** This Agreement may be amended by mutual agreement of both parties hereto provided that any such amendment is evidenced by written amendment duly executed by both parties and following which any such amendment shall be considered part of, appended to and read together with this Agreement.
- 16.3** All details of or pertaining to this Agreement shall be kept strictly private and confidential.

IN WITNESS WHEREOF the Company and the Commercial Manager have caused this Agreement to be duly executed as a deed the day and year first before written.

EXECUTED as a **DEED**
by
the duly authorised attorney of
UNITED MANAGEMENT CORP.
of the Marshall Islands

/s/ Stamatios Tsantanis

EXECUTED as a **DEED**
by Nikolaos Frantzeskakis
the duly authorised attorney of
FIDELITY MARINE INC.
of the Marshall Islands

/s/ Nikolaos Frantzeskakis

Schedule 1

Deed of Accession

[] 20 []

From: []

To: []

Dear Sirs,

Re: Commercial Management Agreement of [] and made between (1) United Management Corp. (the "Company") and Fidelity Marine Inc. (the "Commercial Manager")

We refer to the Commercial Management Agreement (the "**Agreement**"). We are a Shipowning Entity as defined in the Agreement and are to become [owners][disponent owners] of the motor vessel "[]" (the "Vessel").

We hereby confirm that:

- (a) the Company has entered into the Agreement as our agent, for and on our behalf; and
- (b) we are bound to observe the terms and conditions of the Agreement as if we were a named signatory therein.

We confirm that we are the Company's principal in respect of the Agreement as it relates to the Vessel and ourselves. We hereby confirm that the Company has full authority on our behalf (i) to execute the Agreement and any agreement or addendum supplemental thereto, (ii) to give to the Commercial Manager any instructions required of us under the Agreement, (iii) to exercise any of our rights under the Agreement and (iv) to act in accordance with the terms contained in the Agreement, both on our behalf and on all matters relating to us, which are the subject of the Agreement and as they relate to the Vessel. We hereby confirm that we will be bound by any actions taken by the Company under the Agreement on our behalf and we hereby confirm and ratify any such actions taken by the Company.

The terms and provisions of this letter shall be governed by and construed in accordance with English law, and this letter is being executed as a deed on the date first above written.

Yours faithfully,

For and on behalf of
[]

Dated [●]

FOR

M/V “[●]”

between

[●][THE ENTITIES LISTED IN SCHEDULE 1]

and

UNITED MANAGEMENT CORP.

SERVICES AGREEMENT

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THIS SERVICES AGREEMENT for the [motor] vessel[s] “[●]” ([each] the “**Vessel**” [and together, the “**Vessels**”]) (this “**Agreement**”), dated as of [●], is entered into [between [●] (the “**SPV**”)] [among the entities set forth on Schedule I attached hereto (collectively a “**member of the Group**” or “**SPVS**” and each an “**SPV**”)], which SPV[S] [are owners, disponent owners/bareboat charterers/sub-bareboat charterers or buyers of the respective Vessels as set forth in Schedule I] [is to become the registered owner of the Vessel] and United Management Corp., a corporation formed under the laws of the Republic of the Marshall Islands (the “**Company**”, together with the SPV, the “**Parties**” and each a “**Party**”).

WHEREAS:

- (A) The SPV[S] [are][is] affiliated to the Company.
- (B) The Company has the benefit of expertise in management services, including commercial management, corporate finance, and administration generally.
- (C) [Each][The] SPV has requested the Company, and the Company has agreed[, as at the Effective Date] to assist the SPV[S] in its dealings with third parties and to provide services to the SPV in connection with the management and administration of its business.

NOW THEREFORE THE PARTIES HEREBY AGREE:

1. INTERPRETATION

1.1 In this Agreement unless the context otherwise requires:

“**Business Days**” means a day (excluding Saturdays and Sundays) on which banks are open for business in Greece and New York.

[“**Effective Day**” means [●].]

“**Services**” means the services described in Clause 2.1.

1.2 The headings of this Agreement are for ease of reference and do not limit or otherwise affect the meaning hereof.

1.3 All the terms of this Agreement, whether so expressed or not, shall be binding upon the parties hereto and their respective successors and assigns.

1.4 Unless the context otherwise requires, words in the singular include the plural and vice versa.

2 SERVICES

2.1 During the term hereof (as provided in Clause 5 of this Agreement), the Company shall provide the following services to [each][the] SPV:

- (a) the provision of acting as agent of the SPV for the Vessel's commercial management services; and
- (b) the provision of such other services as the authorized representative of the SPV may request and the Company may agree to provide from time to time.

2.2 During the term hereof, the Company shall do use its reasonable commercial efforts to promote the business of the SPV in accordance with the directions of the authorized representative of the SPV and shall at all times use its reasonable commercial efforts to conform to and comply with the lawful directions, regulations and recommendation made by such authorised representative and in the absence of any specific directions, regulations and recommendations as aforesaid and subject to the terms and conditions of this Agreement shall provide general administrative and advisory services in connection with the management of the business of the SPV.

2.3 The Company in the performance of its responsibilities under this Agreement shall be entitled to have regard to its overall responsibilities in relation to the management of its clients (which include but shall not be restricted to the Company) and in particular, without prejudice to the generality of the foregoing, the Company shall be entitled to allocate available resources and services in such manner as in the prevailing circumstances the Company in its absolute discretion considers to be fair and reasonable.

3 FEES AND EXPENSES

3.1 In consideration of the Company providing the Services to [each][the] SPV, [each][the] SPV shall pay the Company a commission fee of one point twenty five percent (1.25%) calculated on the collected gross hire/ freight/ demurrage payable when hire/ freight/ demurrage is collected from the SPV for each relevant Vessel (the "**Commission Fee**") which may be increased to two percent (2%) in cases where the Company will appoint Fidelity Marine Inc., of the Republic of the Marshall Islands to act solely as the chartering broker to seek, negotiate and conclude chartering arrangements for the Vessel (the "**Increased Commission Fee**" and together with the Commission Fee, the **Fees**"). The Commission Fee and the Increased Commission Fee, as applicable, shall be due and payable by the SPV upon the Company's request.

3.2 The SPV will reimburse the Company for postage and communication expenses, travelling expenses and other expenses properly incurred by the Company in the provision of the Services.

4 LIABILITY AND INDEMNITY

4.1 Neither the SPV nor the Company shall be under any liability for any failure to perform any of its obligations hereunder by reason of any cause whatsoever of any nature or kind beyond its reasonable control ("**Force Majeure**").

4.2 Subject to Clause 4.1, the Company shall be under no liability whatsoever to the SPV for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, and howsoever arising in the course of the performance of this Agreement, unless and to the extent that the same is proved to have resulted solely from the gross negligence or willful default of the Company, its employees, agents (in which case, with the exception of fraud or willful misconduct, the Company's liability for each incident or series of incidents giving rise to a claim or claims under this Agreement shall never exceed a total of ten times the Fees earned up to the time the claim is brought for the relevant Vessel).

4.3 Except to the extent that the Company would be liable under Clause 4.2, the SPV hereby undertakes to keep the Company and its employees, agents indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever and howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of this Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Company, its employees, agents may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement unless the same is proven to have resulted solely from the negligence, gross negligence or willful default of the Company or its employees, or agents or sub-contractors employed by them.

4.4 No employee or agent of the Company shall in any circumstances whatsoever be under any liability of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 4.4, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Company or to which the Company is entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Company acting as aforesaid, and all such persons shall have the right under the Contracts (Rights of Third Parties) Act 1999 to enforce and to enjoy the benefit of this Clause 4.

5 DURATION OF THE AGREEMENT

5.1 The term of this Agreement shall commence [on the Effective Date] or on the date of the Vessel's delivery to the Company [under the MOA dated [●]], as applicable,] and shall continue until it is terminated by the Parties as provided in Clause 5.2.

5.2 The SPV or the Company may terminate this Agreement by providing to the other party five (5) Business Days prior written notice.

6 NOTICES

6.1 All notices, consents, and other communications hereunder or necessary to exercise any rights granted hereunder, shall be writing, either by hand, by prepaid registered mail or telefax.

7 APPLICABLE LAW AND JURISDICTION

7.1 This Agreement shall be governed by, and construed in accordance with, English law. Any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996, or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause. The Arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) terms current at the time when the arbitration proceedings are commenced. The reference shall be to three arbitrators. Each party to appoint one arbitrator and the two so appointed to appoint the third who shall act as chairman of the Tribunal. On the receipt by one party of the nomination in writing of the other party's arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the single arbitrator shall act as sole arbitrator and any decision of the sole arbitrator shall be binding in both parties. The two arbitrators so appointed shall appoint the third arbitrator within fourteen days.

8 MISCELLANEOUS

8.1 This Agreement constitutes the sole understanding and agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements or understandings, written or oral, with respect thereto. This Agreement may not be amended, waived, or discharged except by an instrument in writing executed by the party against whom enforcement of such amendment, waiver or discharge is sought.

8.2 This Agreement may be executed in one or more written counterparts each of which shall be deemed an original, but all of which together shall constitute one instrument.

IN WITNESS whereof the undersigned have executed this agreement as of the date first above written.

The Company

SIGNED by Stamatios Tsantanis
For and behalf of
UNITED MANAGEMENT CORP.

The SPV[S]

SIGNED by Stavros Gyftakis
For and on behalf of
[•]

[Schedule I]

Vessel Name	SPV/Member of the Group
[•]	[•]

Private & Confidential

CRETANSEA MARITIME CO.
as Guarantor

and

NML TRUSTEE LLC
as Security Trustee

Guarantee
in respect of the bareboat charter of
the 82,217 dwt Kamsarmax bulk carrier
OASEA

 **NORTON ROSE FULBRIGHT**

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THIS GUARANTEE is made on 31 March 2023

BETWEEN:

- (1) **CRETANSEA MARITIME CO.**, a corporation organised and existing under the laws of the Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Guarantor**"); and
- (2) **NML TRUSTEE LLC** a limited liability company formed and existing under the laws of the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Island, Majuro, Marshall Islands MH 96960 as security trustee for the Creditor Parties (as such term is defined below) (the "**Security Trustee**").

WHEREAS:

- (A) NML OASEA LLC (the "**Lessor**") is the owner of the 82,217 dwt Kamsarmax bulk carrier vessel Oasea registered under the laws and flag of the Republic of the Marshall Islands with IMO No. 9376373, on the Delivery Date (the "**Vessel**").
- (B) By a bareboat charterparty dated 31 March 2023 made between the Lessor and Oasea Maritime Co. a corporation organised and existing under the laws of the Republic of the Marshall Islands, having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Lessee**"), as the same may from time to time be amended, varied or supplemented (together the "**Charter**"), the Lessor has agreed to let and the Lessee has agreed to take the Vessel on bareboat charter upon the terms therein described.
- (C) By a security trust dated 31 March 2023 made between inter alios, the Guarantor, the Lessor, the Lessee, NML Cretansea LLC, United Maritime Corporation, Seanergy Shipmanagement Corp. and the Security Trustee ("**Security Trust Deed**"), the Lessor has appointed the Security Trustee to hold the Secured Property (as defined in the Security Trust Deed) on trust for the benefit of the Creditor Parties, including the Lessor.
- (D) It is a condition precedent to, among others, the Lessor making or continuing to make the Vessel available to the Lessee pursuant to the terms of the Charter that the Guarantor shall execute and deliver to the Security Trustee this Guarantee.

NOW THIS GUARANTEE WITNESSES AND IT IS HEREBY AGREED

1 Definitions and Interpretation

- 1.1 Expressions defined in the Charter shall, unless the context otherwise requires, have the same meanings when used in this Guarantee.
- 1.2 In this Guarantee, unless there is something in the subject or context inconsistent therewith, the following expressions shall have the following meanings:

"**Associated Charter**" has the meaning given to such term in the Charter.

"**Associated Lessee**" has the meaning given to such term in the Charter.

"**Associated Lessor**" has the meaning given to such term in the Charter.

"**Creditor Parties**" means the Lessor, the Associated Lessor, the Security Trustee and each Creditor Party as such term is defined in the Charter and the Associated Charter.

"**Outstanding Indebtedness**" means the aggregate of all sums of money from time to time owing by the Lessee, the Associated Lessee, the Guarantor, any other Relevant Party or any of them to the Lessor, the Associated Lessor, the Security Trustee or any other Creditor Party or any of them, whether actually or contingently, present or future, under the Charter, the Associated Charter and the other Transaction Documents or any of them.

“Relevant Party” means each Relevant Party as that term is defined in each of the Charter and the Associated Charter.

“Security Period” means the period commencing on the date hereof and terminating on the date on which the Outstanding Indebtedness is irrevocably and unconditionally paid in full.

“Transaction Documents” has the meaning given to that term in the Security Trust Deed.

1.3 In this Guarantee:

- (a) clause headings are inserted for ease of reference only and shall not affect the construction of this Guarantee and unless otherwise specified, all references to Clauses and Schedules are to be construed as references to clauses and schedules of this Guarantee;
- (b) unless the context otherwise requires, words importing the plural include the singular and *vice versa*, and words importing a gender include every gender;
- (c) references to persons include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (d) references to assets include present and future properties, revenues and rights of every description;
- (e) references to any document are to be construed as references to such document as amended, novated, supplemented, extended or restated from time to time; and
- (f) references to any enactment include re-enactments, amendments and extensions thereof.

2 Guarantee

2.1 The Guarantor hereby irrevocably and unconditionally:

- (a) guarantees to the Security Trustee the due and punctual performance by each Relevant Party of all its obligations, duties and liabilities under or in connection with the Operative Documents to which it is a party, payment on the due date of all sums payable now or in the future to the Creditor Parties by each Relevant Party thereunder or in connection therewith (including, without limitation, any amount payable by way of liquidated and/or unliquidated damages for breach of any of the terms and conditions of the Operative Documents) when and as the same shall become due or as the case may be, liable, for the performance by each Relevant Party according to the terms of the Operative Documents to which it is a party;
- (b) undertakes with the Security Trustee that, if and whenever any Relevant Party does not pay any amount when due under or in connection with any Operative Document, it shall immediately on demand pay that amount as if it was the principal obligor (taking into account any taken grace period for such payment before it has become due as and if it may be applicable under the terms of the Operative Documents);
- (c) undertakes with the Security Trustee that if and whenever any Relevant Party shall be in default in the performance of any of its obligations whatsoever under or in connection with the Operative Documents to which it is a party, the Guarantor will perform such obligations on written demand; and

- (d) undertakes with the Security Trustee that if any obligation under an Operative Document is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify the Creditor Parties immediately on demand against any cost, loss or liability it incurs as a result of any Relevant Party not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it on the date when it would have been due. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 2.1 if the amount claimed had been recoverable on the basis of this Guarantee.

2.2 It is declared and agreed that:

- (a) this Guarantee shall be held by the Security Trustee as a continuing security and shall not be satisfied by any intermediate payment or satisfaction of any part of the moneys and liabilities hereby guaranteed;
- (b) the security so created shall be in addition to and shall not in any way be prejudiced or affected by any other security given in respect of the Operative Documents;
- (c) the Security Trustee shall not be bound to enforce the Operative Documents provided it must serve a written demand on the Lessee and the Associated Lessee for payment under the Charter and the Associated Charter, respectively, before enforcing its rights under this Guarantee;
- (d) no delay or omission on the part of the Security Trustee in exercising any right, power or remedy under this Guarantee shall impair such right, power or remedy or be construed as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights powers and remedies provided in this Guarantee are cumulative and not exclusive of any rights, powers and remedies provided by law and may be exercised from time to time and as often as the Security Trustee may deem expedient; and
- (e) any waiver by the Security Trustee of any terms of this Guarantee or any consent given by the Security Trustee under this Guarantee shall only be effective if given in writing and then only for the purpose and upon the terms for which it is given.

2.3 Any settlement or discharge under this Guarantee between the Security Trustee and the Guarantor shall be conditional upon no security or payment to the Security Trustee by any Relevant Party or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force, and if such condition is not satisfied, the Security Trustee shall be entitled to recover from the Guarantor on demand the value of such security or the amount of any such payment as if such settlement or discharge had not occurred.

2.4 The obligations of the Guarantor under this Guarantee shall not be affected by any act, omission, matter or thing which, but for this provision, might operate to release or otherwise exonerate the Guarantor from its obligations hereunder in whole or in part, including without limitation, and whether or not known to or discoverable by the Guarantor, the Lessee any other Relevant Party, the Lessor, the Security Trustee, any other Creditor Party or any other person:

- (a) any time or waiver granted to or composition with any Relevant Party or any other person; or
- (b) the release of any Relevant Party or any other person under the terms of any composition or arrangement with any creditor of any Relevant Party; or
- (c) the taking, variation, compromise, renewal or release of or refusal or neglect to perfect or enforce any rights, remedies or securities against any Relevant Party or any other person; or
- (d) any legal limitation, disability, incapacity or other circumstances relating to any Relevant Party or any other person; or

- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of any Operative Document or any other document or security; or
- (f) the dissolution, liquidation, amalgamation, reconstruction, reorganisation or similar proceedings of any Relevant Party or any other person; or
- (g) the unenforceability or invalidity of any obligations of any Relevant Party or any other person under the Operative Documents or any other document or security.

2.5 Until all amounts which may be or become payable by any Relevant Party under or in connection with the Operative Documents have been irrevocably paid in full, the Guarantor will not, without the prior written consent of the Security Trustee, exercise any rights which it may have by reason of performance by it of its obligations under the Operative Documents or by reason of any amount being payable, or liability arising, under this Guarantee:

- (a) to be indemnified by any Relevant Party;
- (b) to claim any contribution from any other guarantor of obligations of any Relevant Party under the Operative Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Creditor Parties under the Operative Documents or of any other guarantee or security taken pursuant to, or in connection with, the Operative Documents by the Creditor Parties;
- (d) to bring legal or other proceedings for an order requiring any Relevant Party to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Clause 2.1;
- (e) to exercise any right of set-off against any Relevant Party; and
- (f) to claim or prove as a creditor of any Relevant Party in competition with any Creditor Party.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Creditor Parties by any Relevant Party under or in connection with the Operative Documents to be repaid in full on trust for the Creditor Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct.

2.6 Until all moneys and liabilities hereby guaranteed have been unconditionally and irrevocably paid in full to the satisfaction of the Security Trustee and, for this purpose, the Security Trustee may keep in a separate account for as long as it may think fit, any moneys received, recovered or realised under this Guarantee or under any other guarantee, security or agreement relating in whole or in part to the moneys and liabilities hereby guaranteed without being under any intermediate obligation to apply the same or any part thereof in or towards the discharge of such amount.

2.7 The Guarantor waives any right it may have of first requiring the Security Trustee or any other Creditor Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of any document to the contrary.

3 Representations and Warranties

3.1 The Guarantor hereby represents and warrants to the Security Trustee as at the date of this Guarantee that:

(a) **Status**

- (i) it is a corporation, duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands; and
- (ii) it has the power and authority to own its assets and carry on its business as it is now being conducted.

(b) **Binding obligations**

the obligations expressed to be assumed by it in each Operative Document to which it is a party are legal, valid, binding and enforceable in accordance with their terms;

(c) **Non-conflict with other obligations**

the entry into and performance by it of, and the transactions contemplated by, the Operative Documents to which it is a party do not and will not conflict with:

- (i) any law or regulation applicable to it;
- (ii) its constitutional documents; or
- (iii) any agreement or instrument binding upon it or any of its assets,

nor constitute a default or termination event (however described) under any such agreement or instrument, or (except as provided in any Operative Document to which it is a party or in a case of a Permitted Lien) result in the existence of, or oblige it to create, any Lien over any of its assets;

(d) **Power and authority**

- (i) it has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, and compliance with, the Operative Documents to which it is a party and the transactions contemplated by those documents and to create the Liens expressed to be created by the Security Documents to which it is or will be a party; and
- (ii) no limitation on its powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of, any Operative Document to which it is, or is to be, a party;

(e) **Validity and admissibility in evidence**

all Authorisations required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in, the Operative Documents to which it is a party;
- (ii) to make the Operative Documents to which it is a party admissible in evidence in its jurisdiction of incorporation;
- (iii) for it to carry on its business; and
- (iv) to enable it to create the Liens to be created by it under any Operative Document to which it is a party and to ensure that such Lien has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect;

(f) **Governing law and enforcement**

- (i) the choice of English law as the governing law of the Operative Documents to which it is a party will be recognised and enforced in its jurisdiction of incorporation; and
- (ii) any judgment or arbitration award obtained in England in relation to an Operative Document to which it is a party will be recognised and enforced in its jurisdiction of incorporation;

(g) **Place of business**

- (i) it has not established a place of business in England; and
- (ii) its centre of main interest (as that term is used in Article 3(1) for the purposes of the Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the **Regulation**)) is situated in Greece and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

(h) **No misleading information**

- (i) all information provided by it for the purposes of any Operative Document to which it is a party was true, complete and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated;
- (ii) any financial projections provided by it or on its behalf and delivered to the Security Trustee in connection with this Guarantee or any other Operative Document have been prepared on the basis of recent historical information and on the basis of reasonable assumptions; and
- (iii) nothing has occurred or been omitted from the information so provided and no information has been given by it or withheld that results in any such information provided by it or on its behalf being untrue or misleading in any material respect;

(i) **Pari passu ranking**

- (i) each Operative Document to which it is a party creates (or, once entered into, will create) in favour of the Security Trustee the security which it is expressed to create with the ranking and priority it is expressed to have; and
- (ii) without limiting paragraph (i) above, its payment obligations under each Operative Document to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;

(j) **No insolvency**

no insolvency proceeding or creditors' process described in clause 63.11 (*Insolvency proceedings*) of the Charter has been taken or threatened in relation to it and no petition for the opening of such proceedings has been presented;

(k) **Deduction of Tax**

it is not required under the law it is incorporated to make any Tax Deduction from any payment it may make under any Operative Document to which it is a party;

(l) **No filing or stamp taxes**

under the law of its jurisdiction of incorporation, it is not necessary that any of the Operative Documents to which it is a party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid in that jurisdiction on or in relation to any of the Operative Documents to which it is a party or the transactions contemplated by any of the Operative Documents to which it is a party;

(m) **No Potential Termination Event**

- (i) No Potential Termination Event or Termination Event is continuing or might reasonably be expected to result from the entry into or performance of, or the transactions contemplated by, the Operative Documents to which it is a party; and
- (ii) no other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which would have a Material Adverse Effect;

(n) **No proceedings pending or threatened**

no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency (including any Environmental Claims) which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have been started or threatened against it;

(o) **Authorised signatures**

any person specified as its authorised signatory in documents delivered to the Lessee under schedule 1 (*Conditions precedent*) of the Charter is authorised to sign all documents and notices on its behalf;

(p) **No immunity**

it and its assets are not entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (including suit, attachment prior to judgment, execution or other enforcement);

(q) **Environmental Authorisations**

all records, reports, returns, registrations and information necessary for compliance with any Environmental Law or any Environmental Authorisations have been made or given to the relevant competent authority in accordance with the requirements thereof;

(r) **Environmental provisions**

- (i) all applicable Environmental Laws and Environmental Authorisations relating to the Vessel and her operation and management have been complied with;
- (ii) no Environmental Claim has been made or threatened against the Lessee or any Manager in connection with the Vessel; and
- (iii) no Environmental Incident has occurred;

(s) **Liens**

the Vessel will be free from all Liens at Delivery;

(t) **Vessel condition**

at Delivery, the Vessel will comply with all requirements of the Charter including, without limitation, in respect of its condition, insurance, class and employment;

(u) **Tax compliance**

it has complied in all material respects with all Tax laws and regulations applicable to it and its business; and

(v) **Disclosure of material facts**

it is not aware of any material facts or circumstances which have not been disclosed to the Security Trustee and which might, if disclosed, have adversely affected the decision of a person considering whether or not to acquire the Vessel from the Lessee and to charter it back to the Lessee.

3.2 Each of the representations and warranties set out in Clause 3.1 are deemed to be made by the Guarantor by reference to the facts and circumstances then existing on the Delivery Date and on each Payment Date.

4 Undertakings

The undertakings in this Clause 4 shall remain in force from the date of this Guarantee until the end of the Security Period.

4.1 Status

The Guarantor shall maintain its corporate existence under the laws of the Republic of the Marshall Islands.

4.2 Authorisations

The Guarantor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Security Trustee of,

any Authorisation required under any law or regulation to enable it to perform its obligations under any Operative Document to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Operative Document to which it is subject or to ensure that each of the Liens created under the Security Documents to which it is a party has the priority and ranking contemplated by them.

4.3 Compliance with laws

The Guarantor shall (and shall ensure that each other Group Member will comply in all material respects with all laws (including Environmental Laws) to which it may be subject.

4.4 Performance of obligations

The Guarantor shall comply with all its obligations under any Operative Document to which it is a party.

4.5 Pari passu

The Guarantor shall ensure that its liabilities under any Operative Document to which it is a party rank at least *pari passu* with all its other unsecured liabilities except where such liabilities are mandatorily preferred by laws of general application to companies.

4.6 Notification of default

The Guarantor shall notify the Security Trustee as soon as it becomes aware of:

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

and, in each case, shall keep the Security Trustee fully informed of all developments.

4.7 Notification of litigation

It shall provide the Security Trustee with details of any Environmental Claim, any legal or administrative proceedings involving it, the Vessel or any Operative Document to which it is a party as soon as it becomes aware that such action has been instituted or it becomes apparent to the Security Trustee that it is likely to be instituted and such action is likely to have a Material Adverse Effect on the ability of it to perform its obligations under any Operative Document to which it is a party.

4.8 Provision of information

It shall provide, or procure that there is provided, to the Security Trustee promptly, such information regarding compliance by it with the terms of any Operative Document to which it is a party, or with respect to the Vessel, as the Security Trustee may from time to time reasonably request.

4.9 Change of business

The Guarantor shall ensure that no substantial change is made to the general nature of its business from that carried on at the date of the Charter without the prior written consent of the Lessor.

4.10 Cancellation, termination and amendment of documents

Except with the prior written consent of the Lessor, the Guarantor shall not cancel, terminate or amend or permit to be cancelled, terminated or amended any Operative Document to which it is a party.

4.11 Taxes

The Guarantor shall:

- (a) file or cause to be filed all tax returns required to be filed in all jurisdictions in which it is situated or carries on business or otherwise is subject to Taxation;
- (b) pay all Taxes shown to be due and payable on such returns or any assessments made against it, except to the extent these are contested in good faith and by appropriate means where such payment may be lawfully withheld and for which adequate reserves have been established by the Guarantor taking into account the amount of Taxes payable;

- (c) except as approved by the Security Trustee, maintain its residence for Tax purposes in the jurisdiction in which it is currently resident for Tax purposes and ensure that it is not resident for Tax purposes in any other jurisdiction; and
- (d) promptly upon becoming aware of the same notify the Security Trustee of the imposition or the proposed levy of any taxes (by withholding or otherwise) on any payment to be made by the Guarantor under any Operative Document to which it is a party.

4.12 Sanctions, anti-corruption law and anti-bribery law

- (a) The Guarantor undertakes that it, and shall procure that each Group Member and each Relevant Party will (in the case of a Third Party Manager on a best efforts basis), comply with all Sanctions.
- (b) The Guarantor shall not become a Restricted Person or act on behalf of, or as an agent of, a Restricted Person. The Guarantor shall procure that no other Group Member and no Relevant Party shall (in the case of a Third Party Manager on a best efforts basis) , become a Restricted Person or act on behalf of, or as an agent of, a Restricted Person.
- (c) The Guarantor shall procure that no proceeds from any activity or dealing with a Restricted Person are credited to any bank account of any Creditor Party or any Affiliate of any Creditor Party.
- (d) The Guarantor shall, and it shall procure that each Group Member and each Relevant Party will (in the case of a Third Party Manager on a best efforts basis), promptly upon becoming aware of them supply to the Security Trustee details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority.
- (e) The Guarantor shall not, and it shall procure that no Group Member nor any Relevant Party will (in the case of a Third Party Manager on a best efforts basis), use any revenue or benefit derived from any activity or dealing with a Restricted Person in discharging any obligation due or owing to the Creditor Parties or any of them.
- (f) The Guarantor shall not, and it shall procure that no other Group Member nor any Relevant Party shall (in the case of a Third Party Manager on a best efforts basis), directly or indirectly, use, lend, contribute or otherwise make available any proceeds of the Purchase Price or other transaction contemplated by this Charter or the Memorandum of Agreement for the purpose of financing any trade, business or other activities with any Restricted Person.
- (g) The Guarantor shall, and shall procure that each Relevant Party (using all reasonable endeavours to procure the respective officers and/or directors, of the relevant entity to do the same) shall, (A) comply with all Anti-Money Laundering Laws; (B) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws; and (C) in respect of the Lessee, procure that it shall not use, or permit or authorize any person not to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws;
- (h) The Guarantor shall procure that the Lessee shall not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti-Money Laundering Laws.
- (i) The Guarantor shall promptly notify the Security Trustee of any non-compliance by any Relevant Party (in the case of a Third party Manager on a best effort basis), or its respective officers, directors, with all laws and regulations relating to Anti-Money Laundering Laws as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws.

4.13 Information: miscellaneous

The Guarantor shall promptly supply to the Security Trustee:

- (a) at the same time as they are dispatched, copies of all material documents dispatched by it to its shareholders generally (or any class of them) or its creditors generally (or any class of them);
- (b) such information regarding the employment status and operating status of the Vessel as the Security Trustee may reasonably request;
- (c) such further information regarding the financial condition, business and operations of the Lessee and/or the financial condition of the Guarantor, as the Security Trustee may reasonably request;
- (d) such further information and records relating to the Vessel and/or the Associated Vessel and/or the Lessee as the Security Trustee may reasonably request;
- (e) any notice being received from any competent authority amending, terminating or suspending or threatening to amend, terminate or suspend any Authorisation where such action (or implementing the result thereof) constitutes a Material Adverse Effect; and
- (f) upon becoming aware of them, details of any circumstances which may lead to:
 - (i) any Authorisation not being obtained or effected or not remaining in full force and effect (other than in accordance with its terms); or
 - (ii) any Authorisation not being obtained, renewed or effected when required,

where failure to obtain and/or maintain the same would constitute a Material Adverse Effect.

5 Payments, calculations and interest

5.1 All payments to be made by the Guarantor to the Security Trustee under this Guarantee shall be made:

- (a) in full, without any set-off or counterclaim and, subject as provided in Clause 48.1 (*Withholding Taxes*) of the Charter, free and clear of any deductions or withholdings; and
- (b) in Dollars, in same day funds before 11:00 a.m. (London time) on the due date for payment, to the Payment Account or such other account as the Security Trustee may notify the Guarantor in writing at least five (5) Business Days before the due date for payment.

5.2 Any payment which is due to be made under this Guarantee on a day which is not a Business Day shall be made on the next Business Day, unless such Business Day falls in the next calendar month or after the Expiry Date, in which case the due date shall be the preceding Business Day.

5.3 Without prejudice to the other rights and remedies of the Security Trustee hereunder, if any amount due and payable by the Guarantor hereunder is not received by the Security Trustee on the due date for payment thereof in the manner herein stipulated, the Guarantor shall pay interest on the same for the period starting on (and including) the due date for payment thereof and ending on (but excluding) the date on which the same is received or recovered by the Security Trustee in full (after as well as before judgment) at the rate(s) from time to time determined under this Clause 5.3. The period between the due date for payment of any sum due and payable hereunder or thereunder and the date upon which the obligation to pay such sum is discharged shall be divided into successive periods, the duration of which shall be selected by the Security Trustee. During each such period (as well after as before judgment) the outstanding balance of the unpaid sum shall bear interest which shall accrue from day to day and on the basis of actual days elapsed and shall be calculated at a rate per annum which is equal to the Default Rate calculated on the basis of a year of three hundred and sixty (360) days and actual days elapsed. Any such interest shall be due and payable when the relevant unpaid sum is paid or, if earlier, at the end of each period by reference to which it is calculated.

6 Expenses

The Guarantor shall pay to (and indemnify) the Security Trustee on demand all costs, fees and expenses including, but not limited to, legal fees and expenses and taxes thereon incurred by the Security Trustee in connection with the preserving or enforcing of, or attempting to preserve or enforce, any of its rights under this Guarantee.

7 Currency Indemnity

7.1 If any sum due from the Guarantor under any Operative Document to which it is a party (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (a) making or filing a claim or proof against the Guarantor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Guarantor shall indemnify the Security Trustee, on an After Tax Basis, against all Losses arising out of, or as a result of, the conversion, including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to the relevant Indemnatee at the time of its receipt of that Sum.

7.2 The Guarantor waives any right it may have in any jurisdiction to pay any amount under any relevant Operative Document to which it is a party in a currency or currency unit other than that in which it is expressed to be payable

8 Notices

8.1 Communications in writing

Any communication to be made under or in connection with this Guarantee shall be made in writing and, unless otherwise stated, may be made by letter or (under Clause 8.4 (*Electronic communication*)) email.

8.2 Addresses

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of the Guarantor and the Security Trustee for any communication or document to be made or delivered under or in connection with this Guarantee are as follows:

- (a) If to the Guarantor at:

c/o 154 Vouliagmenis Avenue
166 74 Glyfada
Greece
Attention: Legal Department & CFO
Tel:
Email:

- (b) If to the Security Trustee at:

8 Akadimias Street
10671 Athens
Greece

Attn:
Email:

or to any substitute address, email address or department or officer as the relevant party may notify to the other party by not less than 5 Business Days' prior notice in writing

8.3 Delivery

Any communication or document made or delivered by one party to this Guarantee to the other party under or in connection with this Guarantee will only be effective:

- (a) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
- (b) if by way of email, if it complies with the rules under Clause 8.4 (*Electronic communication*),

and, if a particular department or officer is specified as part of its address details provided under Clause 8.2 (*Addresses*), if addressed to that department or officer.

8.4 Electronic communication

- (a) Any communication to be made between the parties to this Guarantee under or in connection with this Guarantee may be made by electronic mail or other electronic means, and the parties to this Guarantee hereby agree:
 - (i) that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) to 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
 - (iii) to notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made by one party to this Guarantee to the other party will be effective when it is sent by the sender party unless the sender party receives a message indicating failed delivery.
- (c) A party to this Guarantee shall notify the other party promptly upon becoming aware that its electronic mail system or other electronic means of communication cannot be used due to technical failure (and that failure is or is likely to be continuing for more than 24 hours). Until that party has notified the other party that the failure has been remedied, all notices between the parties to this Guarantee shall be sent by letter in accordance with this Clause 8.

8.5 English language

- (a) Any notice given under or in connection with this Guarantee must be in English.
- (b) All other documents provided under or in connection with this Guarantee must be:
 - (i) in English; or

- (ii) if not in English, and if so required by the Security Trustee accompanied by a certified by an attorney-at-law English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

9 Assignments

This Guarantee shall be binding upon and inure to the benefit of the Security Trustee and the Guarantor and their respective successors and permitted assigns and references in this Guarantee to either of them shall be construed accordingly. The parties hereto acknowledge that the benefit of this Guarantee (including any rights of the Security Trustee exercisable under or in connection with this Guarantee) may be assigned or transferred in accordance with clause 70 (*Assignment*) of the Charter or, as the case may be, clause 6 of the Security Trust Deed.

10 Miscellaneous

10.1 Time shall be of the essence of this Guarantee.

10.2 If at any time anyone or more of the provisions in this Guarantee is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions of this Guarantee shall not be in any way affected or impaired thereby.

10.3 The obligations of the Guarantor under this Guarantee shall remain in full force and effect until the Security Trustee shall have received all amounts due or to become due to it hereunder in accordance with the terms hereof, following which the Security Trustee shall, at the written request and cost of the Guarantor, execute and deliver promptly to the Guarantor a discharge of this Guarantee. Without prejudice to the foregoing, the obligations of the Guarantor under Clauses 2.3, 5.3, 6 (*Expenses*) and 7 (*Currency Indemnity*) shall survive the termination of the Charter.

10.4 If the Security Trustee considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Guarantor under this Guarantee will continue and such amount will not be considered to have been irrevocably discharged.

11 Law and Jurisdiction

11.1 Law

This Guarantee, and all non-contractual obligations arising from or in connection with this Guarantee, are governed by English law.

11.2 Jurisdiction of English courts

- (a) Subject to paragraph (c) below, the courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Guarantee (including any dispute relating to any non-contractual obligation arising from or in connection with this Guarantee and any dispute regarding the existence, validity or termination of this Guarantee) (a "**Dispute**").
- (b) The parties to this Guarantee agree that the courts of England and Wales are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Guarantee will argue to the contrary.
- (c) This Clause 11.2 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. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

11.3 Appointment of process agent

The Guarantor agrees that the documents which start any proceedings in relation to this Guarantee, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered to Shoreside Agents Ltd presently at 5 St Helen's Place, London EC3A 6AB, England (Attn: Andrew Johnson, T: +44 (0)20 3771 8869, M: + 44 (0) 7591 440086, F: +44 (0)20 3771 8870), or to such other address in England as the Guarantor may specify by notice in writing to the Security Trustee. Nothing in this Clause 11.3 shall affect the right of the Security Trustee to serve process in any other manner permitted by law. This Clause 11.3 applies to proceedings in England and proceedings elsewhere.

11.4 Waiver of immunities

To the extent that either party to this Guarantee has acquired or may, after the date of this Guarantee, acquire any immunity, with respect to itself and its revenues and assets (irrespective of their use or intended use), on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings),

that party irrevocably waives, to the extent permitted by applicable law, such immunity in respect of its obligations under this Guarantee.

IN WITNESS WHEREOF this Guarantee has been executed as a deed by each party to this Guarantee and is intended to be and is hereby delivered by it as a deed on the date specified above.

SIGNATURE PAGES

GUARANTOR

EXECUTED as a DEED)
by Stavros Gyftakis)
for and on behalf of)
CRETANSEA MARITIME CO.)
as attorney-in-fact)

/s/ Stavros Gyftakis

Witnessed by

/s/ Maria Moschopoulou

Name: Maria Moschopoulou
Title: Attorney-in-fact
Address: 154 Vouliagmenis Avenue 16674
Glyfada, Athens Greece

SECURITY TRUSTEE

EXECUTED as a DEED)
by)
for and on behalf of)
NML TRUSTEE LLC)
as attorney-in-fact)

/s/ Athanasios Voudris

Witnessed by

/s/ Elias Deftereos

Name: Elias Deftereos
Title:
Address: Athens, Greece

Confidential

AMENDMENT AGREEMENT

Date 22 March 2024

Bareboat charter dated 31 March 2023 (as amended, supplemented and/or restated from time to time) in relation to m.v. Oasea (the "Ship")

- 1 Reference is made to the bareboat charter dated 31 March 2023 (the "**Charter**") made between NML Oasea LLC as lessor (the "**Lessor**") and Oasea Maritime Co. as lessee (the "**Lessee**" and together with the Lessor, the "**Parties**").
- 2 This Agreement is supplemental to the Charter and it constitutes an Operative Document.
- 3 Words and expressions defined in the Charter shall, unless the context otherwise requires or unless otherwise defined herein, have the same meanings when used in this Agreement.
- 4 In this Agreement, "**EU ETS Legislation**" means the Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down the rules for the application of Directive 2003/87/EC of the European Parliament and of the Council.
- 5 The Parties have agreed to certain amendments to the Charter in relation to the EU ETS Legislation. With effect from the date of this Agreement, the Parties hereby agree that the Charter shall be (and is hereby) amended on the date of this Agreement in accordance with the following provisions of this paragraph 5 (and the Charter as so amended will continue to be binding upon the Parties upon such terms as so amended):

(a) by inserting the words "and the First Supplemental Agreement" after the words "this Charter (together with the Acceptance Certificate)" in paragraph (a) of the definition of "**Operative Documents**" in clause 39 (*Definitions and Interpretation*) of the Charter;

(b) by inserting the following new definitions in clause 39 (*Definitions and Interpretation*) of the Charter in the correct alphabetical order:

"**EU ETS Legislation**" means the Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down the rules for the application of Directive 2003/87/EC of the European Parliament and of the Council."; and

"**First Supplemental Agreement**" means the amendment agreement dated 22 March March 2024 made between, among others, (1) the Lessor and (2) the Lessee, supplemental to this Charter.";

(c) by replacing the definition of "**Reference Rate**" with the following new definition of "**Reference Rate**":

"**Reference Rate**" means:

- (a) the applicable Term SOFR as of 11am on the relevant Quotation Day and for a period equal in length to the relevant Interest Period; or
- (b) as otherwise determined pursuant to clause 44.6 (Unavailability of Term SOFR),

and if, in either case, the rate is less than zero (0), the Reference Rate shall be deemed to be zero (0).";

- (d) by replacing the definition of “**Variable Rent**” with the following new definition of “**Variable Rent**”:

““**Variable Rent**” means, in respect of each Payment Date falling during an Interest Period (the “**Relevant Payment Date**”), rent for each day during the part of such Interest Period which starts on the preceding Payment Date and ends on the relevant Payment Date (a “**Relevant Period**”) in an aggregate amount in Dollars equal to the relevant Applicable Rate for each such day, each multiplied by the Outstanding Charter Hire Principal on the preceding Payment Date or (in respect of the first payment of Variable Rent under this Charter) the Delivery Date, for such Relevant Period and by reference to the actual number of days elapsed during such Relevant Period.”;

- (e) by replacing paragraph (a) of clause 44.2 (*Rent*) with the following new paragraph (a): “(a) The Lessee shall from the Delivery Date until the end of the Charter Period pay the relevant Rent to the Lessor on each Payment Date (which for the avoidance of doubt, includes the applicable Fixed Rent payable on that Payment Date and Variable Rent payable on that Payment Date for each day of the part of the current Interest Period which starts on the preceding Payment Date and ends on that Payment Date).”;
- (f) by replacing paragraph (e) of clause 44.2 (*Rent*) with the following new paragraph (e): “(e) If the Lessee defaults in payment of (i) the applicable Fixed Rent or the applicable Variable Rent on the relevant Payment Date when it falls due or (ii) the Balloon Rental on the final Payment Date, the Lessee shall pay default interest thereon pursuant to Clause 44.11 (*Default Interest*).”;
- (g) by replacing the first three lines of clause 44.5 (*Variable Rent periods*) with the following wording:
- “The Variable Rent shall be determined for each day in respect of each period of three (3) months (each an “**Interest Period**”) by reference to the actual number of days elapsed during such period, provided always that.”;
- (h) by inserting the words “first day falling after the” after the words “will start on the” in paragraph (b) of clause 44.5 (*Variable Rent periods*) of the Charter;
- (i) by inserting the words “, or any breach by any Relevant Party of any provision of,” after the words “due under” in paragraph (a) of clause 47.2 (*Financial indemnities*) of the Charter;
- (j) by inserting the words “(including, for the avoidance of doubt, as a result of (i) the Lessor complying with any laws in respect of monitoring, reporting and verifying greenhouse gas emissions (including Regulation 2015/757 of the European Union) and (ii) payments by the Lessor for any emission allowances under any applicable emissions trading scheme (including but not limited to the European Union emissions trading system) in respect of the Vessel)”, at the end of paragraph (f) of clause 47.3 (*Operational indemnity*) of the Charter;
- (k) by inserting the words “when due” after the words “by the Lessor” in the first line of clause 49.3 (*Release and Transfer*) and in the first line of paragraph (g) of clause 50.3 (*Payment of Increased Costs, indemnity sum or voluntary termination*) of the Charter;
- (l) by replacing the words “FATCA Except Party” in the fifth line of paragraph (d) of clause 50.4 (*FATCA Information*) of the Charter with the words “FATCA Exempt Party”;
- (m) by replacing the words “In respect of the Lessee, not” in sub-paragraph (xii) of paragraph (m) (Sanctions, anti-corruption law and anti-bribery law) in clause 52.1 (*Lessee undertakings*) with the words “The Lessee shall not”;
- (n) by replacing sub-paragraph (iv) of paragraph (r) (*Information: miscellaneous*) of clause 52.1 (*Lessee undertakings*) of the Charter with the following sub-paragraph (iv):

“(iv) such further information and records relating to the Vessel (including but not limited to any information relating to the energy efficiency of the Vessel and greenhouse gas carbon emissions of the Vessel and the Lessee’s compliance with Clause 56.15 (*Compliance with laws*)) and the Lessee as the Lessor and/or the Security Agent or any other Finance Party may reasonably request;”;

(o) by replacing paragraph (s) of clause 52.1 (*Lessee undertakings*) with the following new paragraph (s):

“(s) Environmental

The Lessee shall, upon becoming aware of the same, promptly notify the Lessor and the Security Agent or any other Finance Party of:

- (i) any material Environmental Claim or any Environmental Incident;
- (ii) any material inspections, investigations, studies, audits, tests, reviews and other analysis carried out by it or on its behalf (but excluding any routine inspection) in relation to any environmental matters; and
- (iii) details of:
 - (A) any material non-compliance by it with:
 - (1) any applicable Environmental Law or applicable Environmental Authorisation; or
 - (2) any emissions trading scheme or emissions taxation scheme that may impact on the ability of the Vessel to trade to particular jurisdictions; or
 - (B) any suspension, revocation or modification of any Environmental Authorisation and shall set out the action it intends to take with respect to those matters,

in relation to the Vessel.”;

(p) by inserting the following new paragraph (u) (*EU ETS*) in clause 52.1 (*Lessee undertakings*) after paragraph (t) (*“Know your customer” checks*) of the Charter:

“(u) EU ETS

Should the Lessee trade the Vessel to ports in the European Union, then notwithstanding any other provision in this Charter, the Parties agree as follows:

- (i) during this Charter, the Lessee agrees to assume or sub-delegate to the relevant Manager as the Vessel’s ISM Company/DOC holder any and all responsibility for compliance with the Emission Scheme as the ‘Shipping Company’ as defined in the Directive and that the Lessee will, or the Lessee will procure that the relevant Manager of the Vessel (as may be applicable), will establish the necessary maritime operator holding account in an appropriate member state of the European Union to arrange the surrender of Emission Allowances as required by the Emission Scheme and the regulations of the appropriate member state of the European Union. The Lessee agrees that the Lessor has no liability or obligation with respect to the Emission Scheme and the Lessee will indemnify and hold harmless the Lessor in the event that a demand for Emissions Allowances is levied against the Lessor or any penalty, fine or regulatory sanction or measure is taken against the Lessor with respect to any non-compliance with the Emission Scheme. The Lessor agrees to assist the Lessee in relation to any procedures/proceedings under the Emissions Scheme by, including but not limited to, providing timely any necessary information, documents, consents or authorisations as may be needed;

- (ii) within five (5) days of the First Supplemental Agreement, (and in any case no later than 26 March 2024, the Lessor and the Lessee will execute the mandate letters in a form acceptable to the Lessor and the applicable administering authority (the “**Applicable Administering Authority**”) and the Lessee shall provide such mandate letters to the Applicable Administering Authority under which the Lessee or the Vessel's relevant Manager, as the case may be, will establish a maritime operator holding account in order for the Lessee to (A) communicate to the Applicable Administering Authority the existence of the Charter and (B) mandate an organisation to comply with obligations under the EU ETS Legislation on its behalf;
- (iii) the Lessee shall report to the Lessors in writing latest by November of each calendar year, commencing in November 2025, that they have surrendered the necessary allowances for the preceding calendar year in accordance with the Emission Scheme;
- (iv) the Lessee shall provide following a written request from the Lessor all reasonably available certificates evidencing compliance with the Monitoring, Reporting and Verification (MRV) requirements, including an up-to-date monitoring plan and a copy of the report of the verified emissions data to be sent to the relevant authority on 30 April of each year;
- (v) other than in cases of redelivery of the Vessel pursuant to the exercise of the Purchase Obligation or Purchase Option by the Lessee, one month before redelivery of the Vessel to the Lessor, the Lessee will provide the Lessor with full details of (A) the emissions of the Vessel during the preceding and current calendar year and provide the necessary and available at that time verified emissions data to permit the Lessor to verify the estimated liability of the Lessor for the surrender of Emission Allowances after the end of this Charter and (B) the number of Emission Allowances that are held in the Lessee's or relevant Manager's, as the case may be, maritime operators holding account in relation to the Vessel. The Parties will discuss and agree with full transparency and in good faith the number of Emissions Allowances that may be due to be surrendered by the Lessor on 30 September after redelivery of the Vessel that relate to emissions during the period of the Charter to permit the Lessor (if so required) to be in a position to comply fully with their obligations under the Emission Scheme. In such case and on redelivery of the Vessel to the Lessor under this Charter, the Lessee or the mandated relevant Manager of the Vessel will transfer the agreed number of Emission Allowances to the Lessor nominated account; additionally, the Lessor shall in good faith provide any documents, consents or information that may be requested by the Applicable Administering Authority to evidence that the Lessee or the relevant Manager of the Vessel is no longer responsible under the Emission Scheme; and
- (vi) other than in relation to the Emission Scheme, should the Lessee trade into any country or region where the emissions from burning of Lessee's bunkers are taxed, charged or otherwise give rise to a liability requiring offset, the Lessee will settle the liability directly with the relevant administering authority where possible or otherwise indemnify the Lessor for such liability. Parties expressly agree that known schemes such as carbon trading schemes or imposition of new dues by princes, powers or rulers shall not give rise to changes in the hire due under this Charter.
- (vii) In this Clause 52.1(u):

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

“**Emission Scheme**” means a greenhouse gas emissions trading scheme which for the purposes of this Charter shall include the European Union Emissions Trading System specifically applicable to shipping as set out at paragraph 1 of Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the administration of shipping companies by administering authorities in respect of a shipping company (the “**Directive**”) and any other similar systems imposed by applicable lawful authorities that regulate the issuance, allocation, trading or surrendering of Emission Allowances.”;

(q) by inserting in clause 56.15 (*Compliance with laws*) after the words "Liability Act 1980, as amended," the following new wording:

" , any laws applicable to the Lessor and/or the Lessee in respect of monitoring, reporting and verifying greenhouse gas emissions (including Regulation 2015/757 of the European Union) and surrendering and paying for any emission allowances under any applicable emissions trading scheme and to discharge all of the Lessor's obligations thereunder (including but not limited to the European Union emissions trading system), subject to receiving any required documents and/or information from the Lessor"; and

(r) by replacing the words "as a Marshall Islands ship" in the first line of paragraph (a) of clause 57.2 with the words "under the Flag State".

6 The Lessee undertakes that, no later than 29 March 2024, it will:

- (a) duly execute the mandate letters attached at Appendix A (*Form of EU ETS Reports to the Administering Authority*); and
- (b) provide such forms to the applicable administering authority under which the Lessee or, as the case may be, the relevant Manager will establish or, as the case may be, has established, a maritime operator's holding account (the "**Applicable Administering Authority**"),

in order for the Lessee to (i) communicate to the Applicable Administering Authority the existence of the Charter and (ii) mandate an organisation to comply with obligations under the EU ETS Legislation on its behalf.

- 7 The Lessee and each Relevant Party hereby confirms its consent to the amendments to the Charter hereunder and the other arrangements contained in this Agreement, and further acknowledges and agrees that the Operative Documents to which it is a party and its obligations, shall remain and continue to be in full force and effect notwithstanding the said amendments to the Charter Agreement and the other arrangements contained in this Agreement.
- 8 This Agreement may be entered into the form of two (2) or more counterparts, each executed by one of the parties hereto and, provided all parties hereto shall so execute this Agreement, each of the executed counterparts, when duly exchanged and delivered, shall be deemed to be an original but, taken together, they shall constitute one instrument.
- 9 This Agreement is supplemental to the Charter, it constitutes an integral part of the same and the Charter and this Agreement shall be read and construed as one instrument.
- 10 Save as amended by this Agreement, the Charter shall remain unchanged and in full force and effect.
- 11 This Agreement and any non-contractual obligations in connection with it are governed by, and shall be construed in accordance with, English law.
- 12 Clause 73 (*Notices*) and 82.2 (*Appointment of process agent*) of the Charter shall apply to this Agreement *mutatis mutandis* as if it were incorporated in full herein.

APPENDIX A

FORM OF EU ETS REPORTS TO THE ADMINISTERING AUTHORITY

**NOTICE OF BAREBOAT CHARTER & AUTHORISATION
IN RELATION TO EU MRV AND ETS OBLIGATIONS
TO THE EU ETS ADMINISTERING AUTHORITY**

To: Greek EU ETS Administering Authority – Ministry of Environment and Energy

22 March 2024

Dear Sirs,

m.v. Oasea (IMO Number 9494101 – Marshall Islands Flag) (the “Vessel”)

For the purpose of Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the administration of shipping companies by administering authorities in respect of a shipping company (the “**EU ETS Legislation**”), the registered owner identified in paragraph (1) below (the “**Registered Shipowner**”) declares that the organisation identified in paragraph (2) below (being the bareboat charterer of the Vessel) (the “**Organisation**”), assumes responsibility for, and will take any and all steps necessary to ensure, compliance of the Vessel with the MRV and EU ETS obligations and is hereby authorised to mandate and sub-delegate as authorised by the Registered Shipowner such obligations to the Vessel's ISM Company.

- (1) The name of the Registered Shipowner is **NML OASEA LLC** and its IMO unique company and registered owner identification number is **6397111**.
- (2) The **Organisation's** details are as follows:
 - (a) the name of the Organisation is **OASEA MARITIME CO.** and its IMO unique company and registered owner identification number is 6385170;
 - (b) the country of registration of the Organisation as recorded under the IMO Unique Company and Registered Owner Identification Number Scheme is the Republic of the Marshall Islands; and
 - (c) the contact details of the Organisation are as follows:
 - (i) full name of an individual at the Organisation to be point of contact for the administering authority: Stavros Gyftakis,
 - (ii) job title: Director
 - (iii) business address: 154 Vouliagmenis Avenue, 16674, Glyfada, Athens, Greece
 - (iv) business telephone number:
 - (v) business email address:

This Notice and authorisation is retrospectively effective from the 1st of January 2024.

Signed by:
as
For and on behalf of
NML OASEA LLC

Signed by: Stavros Gyftakis
As Director
For and on behalf of
OASEA MARITIME CO.

**EU ETS OWNER'S REPORT/ MANDATE
IN RELATION TO EU MRV AND ETS OBLIGATIONS
TO THE ADMINISTERING AUTHORITY**

To: Greek EU ETS Administering Authority – Ministry of Environment and Energy

22 March 2024

Dear Sirs,

m.v Oasea (IMO Number 9494101 – Marshall Islands Flag) (the “Vessel”)

For the purpose of paragraph 1, of Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the administration of shipping companies by administering authorities in respect of a shipping company (the “**EU ETS Legislation**”), if the shipping company (having the meaning ascribed to such term in the ETS Legislation) mandates an organisation to comply with obligations under the EU ETS Legislation (“**EU ETS Obligations**”) on its behalf, then the shipping company shall provide the organisation with a document clearly indicating that it has been duly mandated by the shipping company to comply with the EU ETS Obligations.

The bareboat charterer of the Vessel identified in paragraph (2) below (the “**Bareboat Charterer**”) declares that the organisation identified in paragraph (3) below (being the Vessel's technical manager and ISM Company) (the “**Organisation**”) is duly authorised by the Bareboat Charterer, as authorised by NML OASEA LLC, being the Registered Shipowner of the Vessel (the “**Registered Shipowner**”), to take all steps necessary to ensure compliance of the Vessel with the MRV and EU ETS Obligations.

(1) The Registered Shipowner's details are as follows:

- a) the **name** of the Registered Shipowner is **NML OASEA LLC** and its IMO unique company and registered owner identification number is **6397111**; and
- b) the **contact details** of the Registered Shipowner are as follows:
 - (i) full name of an individual at the Registered Shipowner to be point of contact for the administering authority: Mr. Charalampos Antoniou / Mr. Sakis Voudris,
 - (ii) job title: Managing Director / Director
 - (iii) business address: 8 Akadimias Street 10671 Athens, Greece
 - (iv) business telephone number:
 - (v) business email address:

(2) The Bareboat Charterer's details are as follows:

- a) the **name** of the Bareboat Charterer is **OASEA MARITIME CO.** and its IMO unique company and registered owner identification number is **6385170**; and
- b) the **contact details** of the Bareboat Charterer are as follows:

- (i) full name of an individual at the Bareboat Charterer to be point of contact for the administering authority: Stavros Gyftakis,
- (ii) job title: Director
- (iii) business address: 154 Vouliagmenis Avenue, 16674, Glyfada, Athens, Greece
- (iv) business telephone number:
- (v) business email address:

(3) The Organisation's details are as follows:

- a) the **name** of the Organisation is **SEANERGY SHIPMANAGEMENT CORP.** and its IMO unique company and registered owner identification number is: **5828613**; and
- b) the country of registration of the Organisation as recorded under the IMO Unique Company and Registered Owner Identification Number Scheme is the Republic of the Marshall Islands (with established office at 154 Vouliagmenis Avenue, 16674, Glyfada, Greece).

IT IS HEREBY AGREED AND ACKNOWLEDGED:

The Organisation confirms that it has accepted this mandate from the Bareboat Charterer, as authorised by the Registered Shipowner, in respect of the Vessel's EU ETS Obligations and that:

- 1. it has assumed the responsibility for the operation of the Vessel from the Registered Shipowner and the Bareboat Charterer;
- 2. on assuming such responsibility the Organisation has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention as set out in Annex I to Regulation (EC) No 336/2006 of the European Parliament and of the Council;
- 3. it has also assumed responsibility for the obligations to comply with the obligations under Regulation (EU) 2015/757 (the **MRV Obligations**);
- 4. the Organisation has also assumed responsibility for the obligations to comply with the national measures transposing Directive 2003/87/EC and the obligation to surrender allowances under Articles 3gb and 12 of the Directive 2023/959 (the **ETS Obligations**), as the Shipping Company; and
- 5. the Organisation has been duly mandated by the Bareboat Charterer, being duly authorised by the Registered Shipowner, to comply with the MRV Obligations and the ETS Obligations.

The date of application of this mandate from the duly authorised Bareboat Charterer, as authorised by the Registered Shipowner, is the 1st of January 2024.

Signed by: Stavros Gyftakis
As Director

For and on behalf of
OASEA MARITIME CO.

Signed by: Stamatios Tsantanis
.As Director / Legal Representative
For and on behalf of
SEANERGY SHIPMANAGEMENT CORP.

SIGNATORIES

EXECUTED as a **DEED**)
By Athanasios Voudris) /s/ Athanasios Voudris
for and on behalf of)
NML OASEA LLC) Attorney-in-fact
as Lessor)
in the presence of:)

/s/ PERIKLIS LYKOUDIS
Witness
Name: PERIKLIS LYKOUDIS
Address: ATHENS
Occupation:

EXECUTED as a **DEED**)
By Athanasios Voudris) /s/ Athanasios Voudris
for and on behalf of)
NML CRETANSEA LLC) Attorney-in-fact
as Associated Lessor)
in the presence of:)

/s/ PERIKLIS LYKOUDIS
Witness
Name: PERIKLIS LYKOUDIS
Address: ATHENS
Occupation:

EXECUTED as a **DEED**)
by Stavros Gyftakis) /s/ Stavros Gyftakis
for and on behalf of)
OASEA MARITIME CO.) Attorney-in-fact
as Lessee)
in the presence of:)

/s/ Maria Moschopoulou
Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
by Stavros Gyftakis) /s/ Stavros Gyftakis
for and on behalf of)
CRETANSEA MARITIME CO.) Attorney-in-fact
as Associated Lessee in the presence of:)

/s/ Maria Moschopoulou
Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
By Nikolaos Frantzeskakis) /s/ Nikolaos Frantzeskakis
for and on behalf of)
FIDELITY MARINE INC.) Director/President
as Commercial Manager)
in the presence of:)

/s/ Maria Moschopoulou

Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
By Stamatios Tsantanis) /s/ Stamatios Tsantanis
for and on behalf of)
SEANERGY SHIPMANAGEMENT CORP.) Director/President
as Technical Manager in the presence of:)

/s/ Maria Moschopoulou

Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
By Stavros Gyftakis) /s/ Stavros Gyftakis
for and on behalf of)
UNITED MARITIME CORPORATION) Attorney-in-fact
as Guarantor)
in the presence of:)

/s/ Maria Moschopoulou

Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
By Athanasios Voudris) /s/ Athanasios Voudris
for and on behalf of)
NML TRUSTEE LLC) Attorney-in-fact
as Security Trustee in the presence of:)

/s/ PERKLIS LYKOURIS

Witness
Name: PERIKLIS LYKOURIS
Address: ATHENS
Occupation:



BARECON 2017

STANDARD BAREBOAT CHARTER PARTY PART I

1. Place and date Athens, April 12, 2023	
2. ~~Owners' Lessor~~ (Cl. 1) (i) Name: NML CRETANSEA LLC (ii) Place of registered office: Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (iii) Law of registry: The Marshall Islands	3. ~~Charterers' Lessee~~ (Cl. 1) (i) Name: CRETANSEA MARITIME CO. (ii) Place of registered office: Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (iii) Law of registry: The Marshall Islands
4. Vessel (Cl. 1 and 3) (i) Name: CRETANSEA (ii) IMO number: 9376373 (iii) Flag State: Marshall Islands (iv) Type: Bulk Carrier	(v) GT/NT: 42,702/ 26,526 (vi) Summer DWT: 93,234 (vii) When/where built: 2009/ Universal Shipbuilding Corp, Japan (viii) Classification Society: LR
5. Date of last special survey by the Vessel's Classification Society [N.A.]	6. Validity of class certificates (state number of months to apply) (i) Delivery (Cl. 3): [N.A.] (ii) Redelivery (Cl. 10): [N.A.]
7. Latent Defects (state number of months to apply) (Cl. 1, 3) N.A.	8. Port or place of delivery (Cl. 3) back to back with delivery under the MOA
9. Delivery notices (Cl. 4) N.A. ~~days' approximate notices and~~ ~~-days' definite notices~~	10. Time for delivery (Cl. 4) See Clause 41
11. Cancelling date (Cl. 4, 5) N.A.	12. Port or place of redelivery (Cl. 10) See Clause 62
13. Redelivery notices (Cl. 10) See Clause 62 ~~days' approximate notices and definite notices~~	14. Trading limits (Cl. 11) Worldwide within Institute Warranty Limits and subject to Clause 11 and Clauses 55, 56 and 57.
15. Bunker fuels, unused oils and greases (optional, state if (a) (actual net price), or (b) (current net market price) to apply) (Cl. 9) N.A.	16. Charter period (Cl. 2) 60 months after the Delivery Date unless otherwise terminated earlier in accordance with the terms of this Charter.
17. Charter hire (state currency and amount) (Cl. 2, 10 and 15) (i) Charter hire: See Clause 44 (ii) Charter hire for optional period: N.A.	18. Optional period and notice (Cl. 2) (i) State extension period in months: N.A. (ii) State when declarable: N.A.
19. Rate of interest payable (Cl. 15(g)) See Clause 44.11	20. ~~Owners' Lessor's~~ bank details (state beneficiary and bank account) (Cl. 15) See Clause 44.4
21. New class and other regulatory requirements (Cl. 13(b)) (i) State if 13(b)(i) or (ii) to apply: 13(b)(i) (ii) Threshold amount (AMT): N.A. (iii) Vessel's expected remaining life in years on the date of delivery: N.A.	
22. Mortgage(s), if any (state if 16(a) or (b) to apply; if 16(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 1, 16) See Clauses 52.1(q) and 57.6 which apply	
23. Insured Total Loss value (Cl. 17) See Clause 58	24. Insuring party (state if Cl. 17(b) (~~Charterers' Lessee~~ to insure) or Cl. 17(c) (~~Owners' Lessor~~ to insure) to apply) Clause 58.2 and 58.3

25. Performance guarantee (state amount and entity) (Cl. 27) (optional) See definition of "Guarantee" and "Guarantors"	
26. Dispute Resolution (state 33(a), 33(b), 33(c) or 33(d); if 33(c) is agreed, state Singapore or English law; if 33(d) is agreed, state governing law and place of arbitration) (Cl. 33) (d) Clauses 79 and 81 shall apply	
27. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies and if "yes", complete details below) (optional) No (i) Name of Builders: (ii) Hull number: (iii) Date of newbuilding contract: (iv) Liquidated damages for physical defects or deficiencies (state party): (v) Liquidated damages for delay in delivery (state party):	
28. Purchase Option (indicate with "yes" or "no" whether PART IV applies) (optional) No, but see Clause 64.1	29. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies and if "yes", complete details below) (optional) <u>No</u> (i) Underlying Registry: N.A. (ii) Bareboat Charter Registry: N.A.
30. Notices to <u>Owners-Lessor</u> (state full style details for serving notices) (Cl. 34) See Clause 72	31. Notices to <u>Charterers-Lessee</u> (state full style details for serving notices) (Cl. 34) See Clause 72

The additional clauses 39 to 81 (both inclusive) and the Schedules attached to this Charter and signed by the Lessor and the Lessee (together the "Clauses") form an intergral part of Part II of this Charter and shall be read and construed together with, and as forming part of, Part II (and this Charter as a whole). It is mutually agreed that this Charter Party shall be performed subject to the conditions contained in this Charter Party which shall include the Clauses (as attached), PART I and PART II. Notwithstanding anything to the contrary in this Charter, in the event of a conflict of conditions, the provisions of the Clauses shall prevail over the remaining clauses of Part II and over Part I to the extent of such conflict but no further. In the event of a conflict of conditions between the provisions of Part I and the provisions of Part II, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter Party if expressly agreed and stated in Box 27, 28 and 29. If PART III and/or PART IV and/or PART V applies, it is further agreed that in the event of a conflict of conditions, the provisions of the Clauses, PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (<u>-Owners-Lessor</u>) /s/ Athanasios Voudris	Signature (<u>-Charterers-Lessee</u>) /s/ Stavros Gyftakis Stavros Gyftakis Attorney-in-fact

PART II
BARECON 2017 Standard Bareboat Charter Party

1. Definitions

In this Charter Party:

~~"Banking Day" means a day on which banks are open in the places stated in Boxes 2, 2, 30 and 31, and, for payments in US dollars, in New York.~~

~~"Charterers" means the party identified in Box 3.~~

"Crew" means the Master, officers and ratings and any other personnel employed on board the Vessel.

~~"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as identified in Box 22.~~

"Flag State" means the flag state in Box 4 or such other flag state to which the ~~Charterers~~ Lessee may have re-registered the Vessel with the ~~Owners' Lessor's~~ consent during the Charter Period.

~~"Latent Defect" means a defect which could not be discovered on such an examination as a reasonably careful skilled person would make.~~

~~"Lessee" means the party identified in Box 3.~~

~~"Owners Lessor" means the party identified in Box 2.~~

~~"Total Loss" means an actual, constructive, compromised or agreed total loss of the Vessel under the insurances.~~

~~"Vessel" means the vessel described in Box 4 including its equipment, machinery, boilers, fixtures and fittings.~~

2. Charter Period

The ~~Owners have~~ Lessor has agreed to let and the ~~Charterers~~ Lessee has agreed to hire the Vessel for the period stated in Box 16 (~~"Charter Period"~~). See also Clause 40.

~~The Charterers shall have the option to extend the Charter Period by the period stated in Box 18(i) at the rate stated in Box 17(ii), which option shall be exercised by written notice to the Owners latest as stated in Box 18(ii).~~

~~Subject to the terms and conditions herein provided, during the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect.~~

3. Delivery

(not applicable when Part III applies, as stated in Box 27). See Clause 41.

- (a) ~~The Owners shall deliver the Vessel in a seaworthy condition and in every respect ready for service under this Charter Party and in accordance with the particulars stated in Boxes 4 to 6.~~

~~If the Charterers have inspected the Vessel prior to delivery, the Vessel shall be delivered by the Owners in the same condition as at the time of inspection, fair wear and tear excepted.~~

~~The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place stated in Box 8 at such readily accessible safe berth or mooring as the Charterers may direct.~~

PART II
BARECON 2017 Standard Bareboat Charter Party

- (b) — The Vessel shall be properly documented on delivery in accordance with the laws and regulations of the Flag State and the requirements of the Classification Society stated in Box 4. The Vessel upon delivery shall have its survey cycles up to date and class certificates valid and unextended for at least the number of months stated in Box 6(i) free of any conditions or recommendations. If Box 6(i) is not filled in, then six (6) months shall apply.
- (c) — The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under this Clause, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for the cost of but not the time for repairs or renewals arising out of Latent Defects in the Vessel existing at the time of delivery under this Charter Party, provided such Latent Defects manifest themselves within the number of months after delivery stated in Box 7. If Box 7 is not filled in, then twelve (12) months shall apply.

4. Time for Delivery

(not applicable when Part III applies, as stated in Box 27). See Clause 41.

The Vessel shall not be delivered before the date stated in Box 10 without the Charterers' consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date stated in Box 11.

The Owners shall keep the Charterers informed of the Vessel's itinerary for the voyage leading up to delivery and shall serve the Charterers with the number of days approximate/definite notices of the Vessel's delivery stated in Box 9. Following the tender of any such notices the Owners shall give or allow to be given to the Vessel only such further employment orders as are reasonably expected when given to allow delivery to occur by the date notified.

5. Cancelling

(not applicable when Part III applies, as stated in Box 27)

INTENTIONALLY OMITTED.

- (a) — Should the Vessel not be delivered by the cancelling date stated in Box 11, the Charterers shall have the option of cancelling this Charter Party.
- (b) — If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling; and the option must then be declared within three (3) Banking Days of the receipt by the Charterers of such notice. If the Charterers do not then exercise their option of cancelling, the readiness date stated in the Owners' notice shall be substituted for the cancelling date stated in Box 11 for the purpose of this Clause 5 (Cancelling).
- (c) — Cancellation under this Clause 5 (Cancelling) shall be without prejudice to any claim the Charterers may otherwise have against the Owners under this Charter Party.

6. Familiarisation

INTENTIONALLY OMITTED.

- (a) — The Charterers shall have the right to place a maximum of two (2) representatives on board the Vessel at their sole risk and expense for a reasonable period prior to the delivery of the Vessel.

The Charterers and the Charterers' representatives shall sign the Owners' usual letter of indemnity prior to embarkation.

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~~(b) The Owners shall have the right to place a maximum of two (2) representatives on board the Vessel at their sole risk and expense for a reasonable period prior to the redelivery of the Vessel.~~

~~The Owners and the Owners' representatives shall sign the Charterers' usual letter of indemnity prior to embarkation.~~

~~(c) Such representatives shall be on board for the purpose of familiarisation and in the capacity of observers only, and they shall not interfere in any respect with the operation of the Vessel.~~

7. Surveys on Delivery and Redelivery

(a) The Owners, Lessor and Charterers shall each appoint an independent and pay for their respective surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. ~~The Owners shall bear all the Vessel's expenses related to the on-hire survey including loss of time, if any. The Lessee~~ Charterers shall bear all the Vessel's expenses related to the off-hire survey including loss of time, if any.

(b) Divers inspection on delivery/re-delivery

~~The Charterers shall have the option at delivery and the Owners~~ Lessor shall have the option at redelivery, at ~~their~~ its respective time, cost and expense, to arrange for an underwater inspection by a diver approved by the Classification Society, in the presence of a Classification Society surveyor, to determine the condition of the rudder, propeller, bottom and other underwater parts of the Vessel.

8. Inventories

A complete inventory of the Vessel's equipment, outfit, spare parts and consumable stores on board the Vessel shall be made by the parties on delivery and redelivery of the Vessel.

9. Bunker fuels, oils and greases

~~The Charterers and the Owners~~ Lessor, respectively, shall at the time of delivery and redelivery (if any) take over ~~and pay for~~ all bunker fuels and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums at ~~no cost to the Lessor.~~

~~(a)* The actual price paid (excluding barging expenses) as evidenced by invoices or vouchers.~~

~~(b)* The current market price (excluding barging expenses) at the port and date of delivery/redelivery of the Vessel or, if unavailable, at the nearest bunkering port.~~

~~*Subclauses (a) and (b) are alternatives; state alternative agreed in Box 15. If Box 15 is not filled in, then subclause (a) shall apply.~~

10. Redelivery

~~See Clause 62. At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers and taken over by the Owners at the port or place stated in Box 12 at such readily accessible safe berth or mooring as the Owners may direct.~~

~~The Charterers shall keep the Owners informed of the Vessel's itinerary for the voyage leading up to redelivery and shall serve the Owners with the number of days approximate/definite notices of the Vessel's redelivery stated in Box 13.~~

~~The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period and in accordance with the notices given. Notwithstanding the above, should the~~

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BARECON 2017 Standard Bareboat Charter Party

~~Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 17(i) applicable at the time plus ten (10) per cent or the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. Such payment of the enhanced hire rate shall be without prejudice to any claims the Owners may have against the Charterers in this respect. All other terms, conditions and provisions of this Charter Party shall continue to apply.~~

~~Subject to the provisions of Clause 12 (Maintenance and Operation), the Vessel shall be redelivered to the Owners in the same condition and class as that in which it was delivered, fair wear and tear not affecting class excepted.~~

~~The Vessel upon redelivery shall have her survey cycles up to date and class certificates valid and unextended for at least the number of months agreed in Box 6(ii) free of any conditions or recommendations. If Box 6(ii) is not filled in, then six (6) months shall apply.~~

~~All plans, drawings and manuals (excluding ISM/ISPS manuals) and maintenance records shall remain on board and accessible to the Owners upon redelivery. Any other technical documentation regarding the Vessel which may be in the Charterers' possession shall promptly after redelivery be forwarded to the Owners at their expense, if they so request. The Charterers may keep the Vessel's log books but the Owners shall have the right to make copies of the same.~~

11. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of lawful merchandise within the trading limits stated in Box 14.

The Charterers ~~Lessee~~ undertakes not to employ the Vessel or allow the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to additional premium or otherwise as the insurers may require.

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

Notwithstanding any other provisions contained in this Charter ~~Party~~ it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter ~~Party~~. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' ~~Lessor's~~ prior approval has been obtained to loading thereof. See also Clauses 55, 56 and 57.

12. Contracts of Carriage

~~(a) The Charterers Lessee is to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause which shall incorporate the Hague-Visby Rules unless any other legislation relating to carrier's liability for cargo is compulsorily applicable in the trade. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.~~

~~(b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter Party shall contain a paramount clause which shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto, unless any other legislation relating to carrier's liability for passengers and their luggage is compulsorily applicable in the trade.~~

13. Maintenance and Operation

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(a) Maintenance

The ~~Charterers~~ Lessee shall properly maintain the Vessel in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, at ~~their~~ its own expense, maintain the Vessel's Class with the Classification Society stated in Box 4 and all necessary certificates.

(b) New Class and Other Regulatory Requirements

(i)* In the event of any structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation ("Required Modification"), all such costs shall be for the ~~Charterers'~~ Lessee's account.

~~(ii)* In the event of any structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of a Required Modification, the costs shall be apportioned as follows:~~

~~(1) if the costs of the Required Modification are less than the amount stated in Box 21(ii), such costs shall be for the Charterers' account;~~

~~(2) if the costs of the Required Modification are greater than the amount stated in Box 21(ii), the Charterers' portion of costs shall be apportioned using the formula below; all costs other than the Charterers' portion shall be for the Owners' account. —~~

~~AMT = agreed amount stated in Box 21(ii)~~

~~CRM = cost of Required Modification~~

~~MEL = modification's expected life in years~~

~~VEL = the Vessel's expected remaining life in years stated in Box 21(iii) less the number of years between the date of delivery and the date of the modification.~~

~~RPV = remaining charter period in years~~

~~(i) If the Required Modification is expected to last for the remaining life of the Vessel, then:~~

~~Charterers' portion of costs = $\frac{CRM}{VEL} \times RPV$~~

~~(ii) If the Required Modification is not expected to last for the remaining life of the Vessel, then:~~

~~Charterers' portion of costs = $\frac{CRM}{MEL} \times RPV$~~

*Subclauses 13(b)(i) and 13(b)(ii) are alternatives, state alternative agreed in Box 21(i). If Box 21(i) is not filled in, then subclause 13(b)(i) shall apply.

(c) Financial Security

The ~~Charterers~~ Lessee shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter Party without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof. The ~~Charterers~~ Lessee shall make and maintain all arrangements by bond or a Protection and Indemnity or other security provided by any Protection and Indemnity War Risks Association acceptable to the Lessor War Risks Association or otherwise as may be necessary to satisfy such requirements

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at the ~~Charterers' Lessee's~~ sole expense and the ~~Charterers' Lessee~~ shall indemnify the ~~Owners' Lessor~~ against all consequences whatsoever (including loss of time) for any failure or inability to do so.

(d) Operation of the Vessel

The ~~Charterers' Lessee~~ shall at ~~their-its~~ own expense crew, victual, navigate, operate, supply, fuel, maintain and repair the Vessel during the Charter Period and ~~they-it~~ shall be responsible for all costs and expenses whatsoever relating to ~~their-its~~ use and operation of the Vessel, including any taxes and fees. The Crew shall be the servants of the ~~Charterers' Lessee~~ for all purposes whatsoever, even if for any reason appointed by the ~~Owners' Lessor~~. ~~The Lessee shall comply with the regulations regarding officers and Crew in force in the Flag State or any other applicable law.~~

(e) Information to ~~Owners' Lessor~~

The ~~Charterers' Lessee~~ shall keep the ~~Owners' Lessor~~ advised of the intended employment, planned dry-docking and major repairs of the Vessel, ~~as reasonably required by the Owners, as reasonably required by the Owners.~~

(f) Flag and Name of Vessel

~~During the Charter Period, the Charterers' Lessee shall have the liberty to paint the Vessel in their-its own colours, and install and display their-its funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' prior written consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners' Lessor, shall be at the Charterers' Lessee's expense and time. See Clause 57.2.~~

~~(g) Changes to the Vessel~~

~~Subject to subclause 12(b) (New Class and Other Regulatory Requirements), the Charterers shall make no structural or substantial changes to the Vessel without the Owners' prior written approval. If the Owners agree to such changes, the Charterers shall, if the Owners so require, restore the Vessel, prior to redelivery of the Vessel, to its former condition.~~

(h) Use of the Vessel's Outfit and Equipment

The ~~Charterers' Lessee~~ shall have the use of all outfit, equipment and spare parts on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the ~~Owners' Lessor~~ on redelivery in the same good order and condition as on delivery as per the inventory (see Clause 8 (Inventories)), ordinary wear and tear excepted. The ~~Charterers' Lessee~~ shall from time to time during the Charter Period replace such equipment that become unfit for use. The ~~Charterers' Lessee~~ shall procure that all repairs to or replacement of any damaged, worn or lost parts or equipment will be effected in such manner (both as regards workmanship and quality of materials, including spare parts) as not to diminish the value of the Vessel.

~~The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the Charter Period if requested by the Owners. Any hired equipment on board the Vessel at the time of delivery shall be kept and maintained by the Charterers' Lessee and the Charterers' Lessee shall assume the obligations and liabilities of the Owners' Lessor under any lease contracts in connection therewith and shall reimburse the Owners' Lessor for all expenses incurred in connection therewith, also for any new hired equipment required in order to comply with any regulations.~~

(i) Periodical Dry-Docking

The ~~Charterers' Lessee~~ shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not less than ~~as frequently once every sixty (60) calendar months or such other period as~~ may be required by the Classification Society or Flag State.

14. Inspection during the Charter Period

~~See Clause 56.12. The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect the Vessel or instruct a duly authorised surveyor to carry out such inspection on their behalf to ascertain its condition and satisfy themselves that the Vessel is being properly repaired and maintained or for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel).~~

~~The fees for such inspections shall be paid for by the Owners. All time used in respect of inspection shall be for the Charterers' account and form part of the Charter Period.~~

~~The Charterers/Lessee shall furnish also permit the Owners to inspect the Vessel's class records, log books, certificates, maintenance and other records whenever requested and shall whenever required by the Owners/Lessor furnish them with full information regarding any casualties or other accidents or damage to the Vessel.~~

15. Hire

~~(a) The Charterers/Lessee shall pay hire due to the Owners/Lessor punctually in accordance with the terms of this Charter Party. See also Clause 44.~~

~~(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount stated in Box 17(i) which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.~~

~~(c) Payment of hire shall be made to the Owners' bank account stated in Box 20.~~

~~(d) All payments of Charter Hire and any other payments due under this Charter shall be made without any set off whatsoever and free and clear of any withholding or deduction for, or on account of, any present or future income, freight, stamp or other taxes, levies, imposts, duties, fees, charges, restrictions or conditions of any nature. If the Charterers are required by any authority in any country to make any withholding or deduction from any such payment, the sum due from the Charterers in respect of such payment will be increased to the extent necessary to ensure that, after the making of such withholding or deduction the Owners receive a net sum equal to the amount which it would have received had no such deduction or withholding been required to be made.~~

~~(e) If the Charterers fail to make punctual payment of hire due, the Owners shall give the Charterers three (3) Banking Days written notice to rectify the failure, and when so rectified within those three (3) Banking Days following the Owners' notice, the payment shall stand as punctual.~~

~~Failure by the Charterers to pay hire due in full within three (3) Banking Days of their receiving a notice from Owners shall entitle the Owners, without prejudice to any other rights or claims the Owners may have against the Charterers, to terminate this Charter Party at any time thereafter, as long as hire remains outstanding.~~

~~(f) If the Owners choose not to exercise any of the rights afforded to them by this Clause in respect of any particular late payment of hire, or a series of late payments of hire, under the Charter Party, this shall not be construed as a waiver of their right to terminate the Charter Party.~~

~~(g) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 19. If Box 19 has not been filled in, the one month Interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 17, as quoted on the date when the hire fell due, increased by three (3) per cent, shall apply.~~

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- ~~(h) Payment of interest due under subclause 15(g) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.~~
- ~~(i) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly.~~

16. Mortgage

(only to apply if Box 22 has been appropriately filled in). See Clauses 52.1(g) and 57.6.

- ~~(a)* The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- ~~(b)* The Vessel chartered under this Charter Party is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter Party by the mortgagee(s) in conformity with the Financial Instrument, including the display or posting of such notices as the Mortgagees may require. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 22 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 22 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~

~~* (Optional, Subclauses 16(a) and 16(b) are alternatives; indicate alternative agreed in Box 22).~~

17. Insurance

- ~~(a) See Clause 58, General~~

~~(i) The value of the Vessel for hull and machinery (including increased value) and war risks insurance is the sum stated in Box 23, or such other sum as the parties may from time to time agree in writing. The party insuring the Vessel shall do so on such terms and conditions and with such insurers as the other party shall approve in writing, which approval shall not be unreasonably withheld, and shall name the other party as co-assured.~~

~~(ii) Notwithstanding that the parties are co-assured, these insurance provisions shall neither exclude nor discharge liability between the Owners and the Charterers under this Charter Party, but are intended to secure payment of the loss insurance proceeds as a first resort to make good the Owners' loss. If such payment is made to the Owners it shall be treated as satisfaction (but not exclusion or discharge) of the Charterers' liability towards the Owners. For the avoidance of doubt, such payment is no bar to a claim by the Owners and/or their insurers against the Charterers to seek indemnity by way of subrogation.~~

~~(iii) Nothing herein shall prejudice any rights of recovery of the Owners or the Charterers (or their insurers) against third parties.~~

- ~~(b)* Charterers to Insure~~

~~(i) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war, and protection and indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with subclause 13(e) (Financial Security)).~~

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~~(ii) Such insurances shall be arranged by the Charterers to protect the interests of the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint.~~

~~(iii) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.~~

~~(c)* Owners to insure~~

~~(i) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks. The Charterers shall progress claims for recovery against any third parties for the benefit of the Owners' and the Charterers' respective interests.~~

~~(ii) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with subclause 13(c) (Financial Security)).~~

~~(iii) In the event that any act or negligence of the Charterers prejudices any of the insurances herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurances.~~

~~*Subclauses 17(b) and 17(c) are alternatives, state alternative agreed in Box 24. If Box 24 is not filled in, then subclause 17(b) (Charterers to insure) shall apply.~~

18. Repairs

See Clause 56.3 and 56.4. ~~(a) Subject to the provisions of any Financial Instrument, and the approval of the Owners, the Charterers shall effect all insured repairs, and undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities.~~

~~To the extent of coverage under the insurances provided for under the provisions of subclause 17(c) (Owners to insure), the Charterers shall be reimbursed under the Owners' insurances for such expenditures upon presentation of accounts.~~

~~(b) The Charterers shall remain responsible for and effect repairs and settlement of costs and expenses incurred thereby in respect of all repairs not covered by the insurances and/or not exceeding any deductibles provided for in the insurances.~~

~~(c) All time used for repairs under the provisions of subclauses 18(a) and 18(b) and for repairs of Latent Defects according to Clause 3 (Delivery) above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.~~

19. Total loss

See Clause 60. ~~(a) The Charterers shall be liable to the Owners by way of damages if the Vessel becomes a Total Loss. Subject to the provisions of any Financial Instrument, if the Vessel becomes a Total Loss, all insurance payments for such loss shall be paid to the Owners who shall distribute the monies between the Owners and the Charterers according to their respective interests, which shall satisfy (but not exclude or discharge) the Charterers' liability to the Owners thereof. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a Total Loss.~~

~~(b) Notwithstanding any other clause herein, it is recognised that the Charterers have a continuing obligation to protect and preserve the Vessel as an asset of the Owners. The Charterers shall have a continuing duty after the termination of the Charter Party to preserve and present claims on behalf of Owners and Charterers and/or~~

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~~any subrogated insurers against any third party held responsible for the Total Loss during the Charter Period and account for any recovery achieved.~~

- ~~(c) The Owners or the Charterers, as the case may be, shall upon the request of the other party, promptly execute such documents as may be required to enable the other party to abandon the Vessel to the insurers and claim a constructive total loss.~~

20. Lien

The ~~Owners~~ Lessor shall have a lien upon all cargoes, hires and freights (including deadfreight and demurrage) belonging or due to the ~~Charterers~~ Lessee or any sub-charterers, for any amounts due under this Charter Party and the ~~Charterers~~ shall have a lien on the Vessel for all monies paid in advance and not earned.

21. Non-Lien

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. See Clause 51.1(t)

22. Indemnity - INTENTIONALLY OMITTED

- (a) The Charterers shall indemnify the Owners against any loss, damage or expense arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. This shall include indemnity for any loss, damage or expense arising out of or in relation to any international convention which may impose liability upon the Owners.

- ~~(b) Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing bills of lading or other documents.~~

- ~~(c) If the Vessel is arrested or otherwise detained for any reason whatsoever other than those covered in subclause (d), the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.~~

- ~~(d) If the Vessel is arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.~~

~~In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter Party) as a direct consequence of such arrest or detention.~~

23. Salvage

All salvage and towage performed by the Vessel shall be for the Lessee's ~~Charterers'~~ benefit and the cost of repairing damage occasioned thereby shall be borne by the ~~Charterers~~ Lessee.

24. Wreck Removal

If the Vessel becomes a wreck, or any part of the Vessel is lost or abandoned, and is an obstruction to navigation or poses a hazard and has to be raised, removed, destroyed, marked or lit by order of any lawful authority having jurisdiction over the area or as a result of any applicable law, the Lessee ~~Charterers~~ shall be liable for any and all expenses in connection with the raising, removal, destruction, lighting or marking of the Vessel and shall indemnify the Owners-Lessor against any sums whatsoever, which the ~~Owners-Lessor~~ become liable to pay as a consequence. See also Clause 47.3(d)

25. General Average

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The Owners-Lessor shall not contribute to General Average.

26. Assignment, Novation, Sub-Charter and Sale

~~See Clause 70.(a) The Charterers shall not assign or novate this Charter Party nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve.~~

~~(b) The Owners shall not sell the Vessel during the currency of this Charter Party except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting a novation of this Charter Party.~~

~~(c) The Owners shall be entitled to assign their rights under this Charter Party.~~

27. Performance Guarantee

(Optional, to apply only if Box 25 filled in)

The Charterers-Lessee undertakes to furnish, before delivery of the Vessel, a guarantee or bond in the amount of and from the entity stated in Box 25 in a form acceptable to the Owners-Lessor as guarantee for full performance of ~~their~~ the Lessee's obligations under this Charter Party.

28. Anti-Corruption

~~See Clauses 51.1(w) and 52.1(m).(a) The parties agree that in connection with the performance of this Charter Party they shall each:~~

~~(i) comply at all times with all applicable anti-corruption legislation and have procedures in place that are, to the best of its knowledge and belief, designed to prevent the commission of any offence under such legislation by any member of its organisation and/or by any person providing services for it or on its behalf; and~~

~~(ii) make and keep books, records, and accounts which in reasonable detail accurately and fairly reflect the transactions in connection with this Charter Party.~~

~~(b) If either party fails to comply with any applicable anti-corruption legislation, it shall defend and indemnify the other party against any fine, penalty, liability, loss or damage and for any related costs (including, without limitation, court costs and legal fees) arising from such breach.~~

~~(c) Without prejudice to any of its other rights under this Charter Party, either party may terminate this Charter Party without incurring any liability to the other party if:~~

~~(i) at any time the other party or any member of its organisation has committed a breach of any applicable anti-corruption legislation in connection with this Charter Party; and~~

~~(ii) such breach causes the non-breaching party to be in breach of any applicable anti-corruption legislation.~~

~~Any such right to terminate must be exercised without undue delay.~~

~~(d) Each party represents and warrants that in connection with the negotiation of this Charter Party neither it nor any member of its organisation has committed any breach of applicable anti-corruption legislation. Breach of this subclause (d) shall entitle the other party to terminate the Charter Party without incurring any liability to the other.~~

29. Sanctions and Designated Entities

PART II
BARECON 2017 Standard Bareboat Charter Party

See Clauses 42.3, 52.1(m) and 54.15. (a) ~~The provisions of this clause shall apply in relation to any sanction, prohibition or restriction imposed on any specified persons, entities or bodies including the designation of specified vessels or fleets under United Nations Resolutions or trade or economic sanctions, laws or regulations of the European Union or the United States of America.~~

(b) ~~The Owners and the Charterers respectively warrant for themselves (and in the case of any sub-charter, the Charterers further warrant in respect of any sub-charterers, shippers, receivers, or cargo interests) that at the date of this fixture and throughout the duration of this Charter Party they are not subject to any of the sanctions, prohibitions, restrictions or designation referred to in subclause (a) which prohibit or render unlawful any performance under this Charter Party. The Owners further warrant that the Vessel is not a designated vessel.~~

(c) ~~If at any time during the performance of this Charter Party either party becomes aware that the other party is in breach of warranty in this Clause, the party not in breach shall comply with the laws and regulations of any Government to which that party or the Vessel is subject, and follow any orders or directions which may be given by any body acting with powers to compel compliance, including where applicable the Owners' Flag State. In the absence of any such orders, directions, laws or regulations, the party not in breach may, in its option, terminate the Charter Party forthwith in accordance with Clause 31 (Termination).~~

(d) ~~If, in compliance with the provisions of this Clause, anything is done or is not done, such shall not be deemed a deviation but shall be considered due fulfilment of this Charter Party.~~

(e) ~~Notwithstanding anything in this Clause to the contrary, the Owners or the Charterers shall not be required to do anything which constitutes a violation of the laws and regulations of any State to which either of them is subject.~~

(f) ~~The Owners or the Charterers shall be liable to indemnify the other party against any and all claims, losses, damage, costs and fines whatsoever suffered by the other party resulting from any breach of warranty in this Clause.~~

30. Requisition/Acquisition

See Clause 61. (a) ~~In the event of the requisition for hire of the Vessel by any governmental or other competent authority at any time during the Charter Period, this Charter Party shall not be deemed to be frustrated or otherwise terminated. The Charterers shall continue to pay hire according to the Charter Party until the time when the Charter Party would have expired or terminated pursuant to any of the provisions hereof. However, if any requisition hire or compensation is received by the Owners for the remainder of the Charter Period or the period of the requisition, whichever is shorter, it shall be payable by the Owners to the Charterers.~~

(b) ~~In the event of the Owners being deprived of their ownership in the Vessel by any compulsory acquisition of the Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when Compulsory Acquisition may occur, this Charter Party shall be deemed terminated as of the date of such Compulsory Acquisition. In such event hire to be considered as earned and to be paid up to the date and time of such Compulsory Acquisition. The Owners shall be entitled to any compensation received for such Compulsory Acquisition.~~

31. Termination

See Clauses 41, 42, 63, 64, 65 and 66. (a) ~~Charterers' Default~~

~~The Owners shall be entitled to terminate this Charter Party by written notice to the Charterers under the following circumstances and to claim damages including, but not limited to, for the loss of the remainder of the Charter Party:~~

PART II
BARECON 2017 Standard Bareboat Charter Party

~~(i) Non-payment of hire (see Clause 15 (Hire)).~~

~~(ii) Charterers' failure to comply with the requirements of:~~

~~(1) Clause 11 (Trading Restrictions); or~~

~~(2) Subclause 17(b) (Charterers to Insure).~~

~~(iii) The Charterers do not rectify any failure to comply with the requirements of subclause 12(a) (Maintenance) as soon as practically possible after the Owners have notified them to do so and in any event so that the Vessel's insurance cover is not prejudiced.~~

~~(b) Owners' Default~~

~~The Charterers shall be entitled to terminate this Charter Party with immediate effect by written notice to the Owners and to claim damages including, but not limited to, for the loss of the remainder of the Charter Party:~~

~~(i) if the Owners shall by any act or omission be in breach of their obligations under this Charter Party to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners; or~~

~~(ii) if the Owners fail to arrange or maintain the insurances in accordance with subclause 17(c) (Owners to insure).~~

~~(c) Loss of Vessel~~

~~This Charter Party shall be deemed to be terminated, without prejudice to any accrued rights or obligations, if the Vessel becomes lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred, or has been declared missing. The date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first.~~

~~(d) Bankruptcy~~

~~Either party shall be entitled to terminate this Charter Party with immediate effect by written notice to the other party if that other party has a petition presented for its winding up or administration or any other action is taken with a view to its winding up (otherwise than for the purpose of solvent reconstruction or amalgamation), or becomes bankrupt or commits an act of bankruptcy, or makes any arrangement or composition for the benefit of creditors, or has a receiver or manager or administrative receiver or administrator or liquidator appointed in respect of any of its assets, or suspends payments, or anything analogous to any of the foregoing under the law of any jurisdiction happens to it, or ceases or threatens to cease to carry on business.~~

~~(e) The termination of this Charter Party shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.~~

32. Repossession - INTENTIONALLY OMITTED

~~In the event of the early termination of this Charter Party in accordance with the applicable provisions of this Charter Party, the Owners shall have the right to repossess the Vessel from the Charterers at its current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the~~

PART II
BARECON 2017 Standard Bareboat Charter Party

~~Vessel as soon as reasonably practicable following the termination of this Charter Party. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Crew shall be the sole responsibility of the Charterers.~~

33. BIMCO-Dispute Resolution Clause 2017

~~See Clauses 80 and 82. (a)* This Charter Party shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Charter Party shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.~~

~~The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.~~

~~The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of the sole arbitrator shall be binding on both parties as if he had been appointed by agreement.~~

~~Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of USD 100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.~~

~~In cases where the claim or any counterclaim exceeds the sum agreed for the LMAA Small Claims Procedure and neither the claim nor any counterclaim exceeds the sum of USD 400,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure current at the time when the arbitration proceedings are commenced.~~

~~(b)* This Charter Party shall be governed by U.S. maritime law or, if this Charter Party is not a maritime contract under U.S. law, by the laws of the State of New York. Any dispute arising out of or in connection with this Charter Party shall be referred to three (3) persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen. The decision of the arbitrators or any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the SMA Rules current as of the date of this Charter Party.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of USD 100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the SMA Rules for Shortened Arbitration Procedure current as of the date of this Charter Party.~~

~~(c)* This Charter Party shall be governed by and construed in accordance with Singapore**/English** law.~~

~~Any dispute arising out of or in connection with this Charter Party, including any question regarding its existence, validity or termination shall be referred to and finally resolved by arbitration in Singapore in accordance with the Singapore International Arbitration Act (Chapter 143A) and any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.~~

PART II
BARECON 2017 Standard Bareboat Charter Party

The arbitration shall be conducted in accordance with the Arbitration Rules of the Singapore Chamber of Maritime Arbitration (SCMA) current at the time when the arbitration proceedings are commenced.

The reference to arbitration of disputes under this Clause shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator and give notice that it has done so within fourteen (14) calendar days of that notice and stating that it will appoint its own arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not give notice that it has done so within the fourteen (14) days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of USD 150,000 (or such other sum as the parties may agree) the arbitration shall be conducted before a single arbitrator in accordance with the SCMA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

~~** Delete whichever does not apply. If neither or both are deleted, then English law shall apply by default.~~

~~(d)* — This Charter Party shall be governed by and construed in accordance with the laws of the place mutually agreed by the Parties and any dispute arising out of or in connection with this Charter Party shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.~~

~~(e) — The parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Charter Party. In the case of any dispute in respect of which arbitration has been commenced under subclause (a), (c) or (d), the following shall apply:~~

~~(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.~~

~~(ii) The other party shall thereupon within fourteen (14) calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further fourteen (14) calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.~~

~~(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.~~

~~(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.~~

~~(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.~~

~~(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.~~

PART II
BARECON 2017 Standard Bareboat Charter ~~Party~~

~~(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.~~

~~(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)~~

~~*Subclauses (a), (b), (c) and (d) are alternatives; indicate alternative agreed in Box 26.~~

~~if Box 26 in Part I is not appropriately filled in, subclause (a) of this Clause shall apply. Subclause (e) shall apply in all cases except for alternative (b).~~

34. Notices

~~See Clause 72. All notices, requests and other communications required or permitted by any clause of this Charter Party shall be given in writing and shall be sufficiently given or transmitted if delivered by hand, email, express courier service or registered mail and addressed if to the Owners as stated in Box 30 or such other address or email address as the Owners may hereafter designate in writing, and if to the Charterers as stated in Box 21 or such other address or email address as the Charterers may hereafter designate in writing. Any such communication shall be deemed to have been given on the date of actual receipt by the party to which it is addressed.~~

35. Partial Validity

~~See Clause 73. If by reason of any enactment or judgment any provision of this Charter Party shall be deemed or held to be illegal, void or unenforceable in whole or in part, all other provisions of this Charter Party shall be unaffected thereby and shall remain in full force and effect.~~

36. Entire Agreement

~~This Charter and the other Operative Documents~~~~This Charter Party~~ is the entire agreement of the parties, which supersedes all previous written or oral understandings and which may not be modified except by a written amendment signed by both parties.

37. Headings

The headings of this Charter ~~Party~~ are for identification only and shall not be deemed to be part hereof or be taken into consideration in the interpretation or construction of this Charter ~~Party~~.

38. Singular/Plural

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

PART III
BARECON 2017 Standard Bareboat Charter ~~Party~~
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(OPTIONAL, only applicable if Box 27 has been completed)

~~1. Specifications and Building Contract~~

- ~~(a) The Vessel shall be constructed in accordance with the building contract between the Builders and the Owners including the specifications and plans incorporated therein ("Building Contract"). The Owners shall provide the Charterers with a copy of the Building Contract to the extent relevant to this Charter Party.~~
- ~~(b) No variations shall be made to the Building Contract without the Charterers' prior written consent. The Charterers shall be entitled to request change orders in accordance with the Building Contract. Any additional costs or consequences due to Charterers' change orders shall be borne by the Charterers.~~
- ~~(c) The Owners and the Charterers will liaise and cooperate in all matters regarding the construction of the Vessel and the Building Contract. The Charterers shall have the right to send their representative to the Builders' yard to inspect the Vessel during its construction.~~
- ~~(d) The Owners shall assign their guarantee rights under the Building Contract to the Charterers, if permitted. If not permitted, the Owners shall exercise their guarantee rights against the Builders for the benefit of the Charterers. The Charterers shall be obliged to accept such sums as the Owners are reasonably able to recover under the guarantee provisions of the Building Contract.~~

~~2. Delivery and Cancellation~~

- ~~(a) (i) Subject to the provisions of Clause 3 (Liquidated Damages) hereunder, the Charterers shall be obliged to accept the Vessel from the Owners, constructed and delivered in accordance with the Building Contract and including buyers' supplies, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.~~

~~(ii) The date of delivery for the purpose of this Charter shall be the date (the "Delivery Date") when the Vessel is in fact delivered by the Builders to the Owners in accordance with the Building Contract, whether that is before or after the scheduled delivery date under the Building Contract. The Owners shall be under no responsibility for any delay whatsoever in delivery of the Vessel to the Charterers under this Charter Party, except to the extent caused solely by the Owners' acts or omissions resulting in a default by the Owners under the Building Contract. The Owners shall be responsible to the Charterers for any direct losses incurred by the Charterers, if the Vessel is not delivered to the Owners due solely to the Owners' acts or omissions resulting in a default by the Owners under the Building Contract.~~
- ~~(iii) The Owners and the Charterers shall on the Delivery Date sign a Protocol of Delivery and Acceptance evidencing delivery of the Vessel hereunder.~~
- ~~(b) (i) The Owners' obligation to charter the Vessel to the Charterers hereunder is conditional upon delivery of the Vessel to the Owners by the Builders in accordance with the Building Contract.~~

~~(ii) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel and exercise that right, the Owners shall be entitled to cancel this Charter Party by written notice to the Charterers.~~

~~(iii) If for any reason the Owners become entitled to cancel the Building Contract and exercise that right, the Owners shall be entitled to cancel this Charter Party by written notice to the Charterers. If, however, the Owners do not exercise their right to cancel the Building Contract, the Charterers shall be entitled to cancel this Charter Party by written notice to the Owners.~~

PART III
BARECON 2017 Standard Bareboat Charter ~~Party~~
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(OPTIONAL, only applicable if Box 27 has been completed)

~~3. Liquidated Damages~~

- ~~(a) Any liquidated damages for physical defects or deficiencies and any costs incurred in pursuing a claim therefor shall be credited to the party stated in Box 27(iv) or if not filled in shall be shared equally between the parties.~~
- ~~(b) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall be credited to the party stated in Box 27(v) or if not filled in shall be shared equally between the parties.~~

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PART IV
BARECON 2017 Standard Bareboat Charter Party
PURCHASE OPTION
(OPTIONAL, only applicable if Box 28 has been completed)

1. ~~The Charterers shall have an option to purchase the Vessel (the "Purchase Option") exercisable on each of the dates stated below as follows:~~

~~Date (state number of months after delivery of the Vessel)~~	~~Purchase Price (the "Purchase Option Price")~~
~~{months}~~	~~{amount and currency}~~

2. ~~To exercise their Purchase Option, the Charterers shall notify the Owners in writing not later than six (6) months prior to the relevant date stated in the table above. Such notification shall not be withdrawn or cancelled.~~
3. ~~If the Charterers exercise their Purchase Option, the ownership of the Vessel shall be transferred to them on the relevant date. If such date is not a Banking Day, the ownership of the Vessel shall be transferred on the next Banking Day, on a strictly "as is/where is" basis, at the Charterers' sole cost and expense.~~
4. ~~The Owners shall obtain and provide the Charterers with such documents and take such actions as the Charterers may reasonably request to facilitate the sale and the registration of the Vessel under the flag designated by the Charterers.~~
5. ~~The Owners warrant that the Vessel at the time of transfer of ownership shall be free of any of Owners' encumbrance or mortgage and that they have not committed any act or omission which would impair title to the Vessel.~~
6. ~~The Owners make no representation or warranty as to the seaworthiness, value, condition, design, merchantability or operation of the Vessel, or as to the quality of the material, equipment or workmanship in the Vessel, or as to the fitness of the Vessel for any particular trade.~~
7. ~~In exchange for the transfer of ownership of the Vessel, the Charterers shall pay the Purchase Option Price to the bank account nominated by the Owners together with any unpaid charter hire and other amounts due and payable under this Charter Party.~~
8. ~~Upon payment and transfer of ownership in accordance with Clause 7 above, this Charter Party and all rights and obligations of the parties shall terminate without prejudice to all rights accrued due between the parties prior to the date of termination and any claim that either party might have.~~

PART V
BARECON 2017 Standard Bareboat Charter ~~Party~~
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY
(OPTIONAL, only to apply if expressly agreed and stated in Box 29)

1. ~~Definitions~~

~~"Bareboat Charter Registry" shall mean the registry stated in Box 29(ii) whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of this Charter Party.~~

~~"Underlying Registry" shall mean the registry stated in Box 29(i) in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter registration.~~

2. ~~The Owners have agreed to and the Charterers shall arrange for the Vessel to be registered under the Bareboat Charter Registry. The Charterers shall be responsible for all costs thereof.~~

3. ~~Upon termination of this Charter Party for any reason whatsoever the Charterers shall immediately arrange for the deletion of the Vessel from the Bareboat Registry.~~

4. ~~In the event of the Vessel being deleted from the Bareboat Charter Registry due to any default by the Owners, the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter Party.~~

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NML CRETANSEA LLC
(AS LESSOR)

AND

CRETANSEA MARITIME CO.
(AS LESSEE)

ADDITIONAL CLAUSES TO THE "BARECON 2017" FORM BAREBOAT CHARTER
DATED 12 April 2023

IN RESPECT OF
M.V. "CRETANSEA"

 **NORTON ROSE FULBRIGHT**

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39 Definitions and Interpretation

39.1 Definitions

In this Charter:

"Acceptance Certificate" means a certificate substantially in the form set out in Schedule 2 (*Form of Acceptance Certificate*).

"Account" means any bank account, deposit or certificate of deposit opened, made or established in accordance with Clause 46 (*Accounts*).

"Account Bank" means Joh. Berenberg, Gossler & Co. KG of Neuer Jungfernstieg 20, 20354 Hamburg, Germany or such other third party bank acceptable to the Lessor.

"Account Security" means, in relation to an Account, a deed or other instrument executed by the Lessee in favour of the Security Trustee in an agreed form conferring a Lien over such Account.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"After Tax Basis" means, with respect to any payment to be made by any Relevant Party under any Operative Document, an amount which (after deduction of any Taxes for which the Relevant Party is responsible) is equal to the payment due to be received by the recipient had no such Taxes been imposed.

"Anti-Money Laundering Laws" means all applicable financial record-keeping and reporting requirements, anti-money laundering statutes (including all applicable rules and regulations thereunder) and all applicable related or similar laws, rules, regulations or guidelines, of all jurisdictions including and without limitation, the United States of America, the European Union, the Republic of the Marshall Islands and the United Kingdom and which in each case are (a) issued, administered or enforced by any governmental agency having jurisdiction over any Relevant Party or the Lessor; (b) of any jurisdiction in which any Relevant Party or the Lessors conduct business; or (c) to which any Relevant Parties or the Lessor is subjected or subject to.

"Applicable Rate" means the percentage rate per annum which is the aggregate of (i) the Reference Rate applicable on the relevant Quotation Day and (ii) the Margin, or as otherwise determined pursuant to Clause 44.8 (*Cost of Funds*).

"Approved Brokers" means Evmar Marine Services Ltd., Seascope Hellas S.A. or Arthur J. Gallagher (UK) Limited or such other firm of insurance brokers appointed by the Lessee, as may from time to time be approved in writing by the Lessor.

"Approved Valuer" means Arrow Valuations, Clarksons Platou, Simpson Spence & Young Limited, Braemar ACM, Howe Robinson, Fearnleys AS, Galbraith's Limited, BRS Group and Allied Shipbroking, or such other first class shipbrokers who are members of the Institute of Chartered Shipbrokers as may approved.

"Arrangement Fee" means the fee set out in Clause 44.1(a) (*Fees*).

"Asset Coverage Threshold" has the meaning given to that term in Clause 59 (*Asset Coverage Threshold*).

"Associated Charter" means the bareboat charter made or to be made between the Associated Lessor as owner and the Associated Lessee as charterer pursuant to which the Associated Lessor has agreed or will agree to bareboat charter the Associated Vessel to the Associated Lessee.

"Associated Lessee" means Oasea Maritime Co. of the Republic of the Marshall Islands.

"Associated Lessor" means NML Oasea LLC of the Republic of the Marshall Islands or any other company or corporation designated in writing by the Security Trustee in its sole discretion.

"Associated Vessel" has the meaning given to **"Vessel"** in the Associated Charter.

"Auditors" means Ernst & Young (Hellas) Certified Auditors-Accountants S.A. or such other reputable international firm of accountants approved by the Lessor.

"Authorisation" means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

"Balloon Rental" means \$6,400,000, as may be reduced from time to time in accordance with the terms of this Charter and payable on the last Payment Date.

"Bills of Sale" has the meaning given to that term in the Memorandum of Agreement.

"Break Costs" means the amount (if any) of all Losses incurred by the Lessor (other than the Margin or any other early termination costs payable by the Lessor to the Creditor Parties pursuant to this Charter) in liquidating, prepaying or redeploying funds borrowed, contracted for, or utilised to fund the Lessor in connection with its payment of the Purchase Price or acquisition of the Vessel and the Memorandum of Agreement or the charter of the Vessel under this Charter being terminated, rescinded, cancelled or repudiated on a date which is not a Payment Date.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and Athens and, in relation to the fixing of an interest rate, which is a US Government Securities Business Day.

"Change of Control" occurs if, at any time:

- (a) the Lessee ceases to be a direct wholly-owned subsidiary of the Guarantor; or
- (b) any group of the existing members of the board of directors of the Guarantor, as at the date of this Charter, which ordinarily comprises a majority of the board of directors of the Guarantor, does not ordinarily comprise a majority of the board of directors of the Guarantor; or
- (c) the Disclosed Person ceases to own legally and ultimately beneficially at least 49.99 per cent of the voting power of the issued and outstanding share capital, of the Guarantor; or
- (d) a person or persons acting in concert (other than the Disclosed Person):
 - (i) have the right or the ability to control, either directly or indirectly, the affairs, or composition of the majority of the board of directors (or equivalent of it), of the Guarantor; or
 - (ii) own legally and ultimately beneficially more than the voting power of the issued and outstanding share capital of the Guarantor which is owned by the Disclosed Person; or
- (e) the Disclosed Person ceases to be the Chief Executive Officer of the Guarantor.

"Charter Period" means the period from the Delivery Date until the Expiry Date unless such period and/or the Charter is otherwise terminated, cancelled or rescinded earlier in accordance with the terms of this Charter.

"Classification Society" means the classification society named in Box 4, Part I or such other classification society being a member of the International Association of Classification Societies as may be approved by the Lessor from time to time.

"Code" means the US Internal Revenue Code of 1986.

"Commercial Manager" means Fidelity Marine Inc. of the Republic of the Marshall Islands, Seanergy Management Corp. of the Republic of the Marshall Islands, United Management or such other company being an experienced and reputable commercial ship management company as shall be approved in writing by the Lessor to carry out the commercial management of the Vessel in accordance with Clause 56.14 (*Manager and Designated Person Ashore*).

"Commitment Fee" means the fee set out in Clause 44.1(b) (*Fees*).

"Creditor Party" means each of the Lessor, the Security Trustee, the Associated Lessor, any Receiver or Delegate and **"Creditor Parties"** means together all or any of them.

"Hampton Bay Seller" has the meaning given to that term in the Memorandum of Agreement.

"Cut-off Date" means the date falling 45 days after the date of this Charter or such other date as the Lessor and the Lessee may agree in writing.

"Default Rate" means the percentage rate per annum which is 2 per cent per annum over the relevant Applicable Rate.

"Delegate" means any delegate, agent, attorney or Receiver appointed by the Lessor under any of the Operative Documents.

"Delivery" means the time when:

- (a) the Lessor shall obtain title to the Vessel under the Memorandum of Agreement; and
- (b) the Lessee shall accept delivery of the Vessel under this Charter.

"Delivery Date" means the date on which Delivery occurs.

"Dollars" and **"\$"** mean the lawful currency of the United States of America.

"Disclosed Persons" means the person already disclosed by or on behalf of the Lessee to the Lessor in the negotiation of this Charter to be the ultimate beneficial owner of at least 49.99 per cent of the voting power of the issued and outstanding share capital of the Guarantor, as at the date of this Charter.

"Early Termination Event" means any event or circumstance described in Clause 49 (*Illegality*) or Clause 50 (*Increased Costs*).

"Earnings" means:

- (a) all moneys from time to time due or payable to the Lessee during the Charter Period arising out of the use or operation of the Vessel, including:
 - (i) all freight and hire, including (without limitation) payments of any nature under any charter, contract or other agreement for the employment, use, possession and/or operation of the Vessel;
 - (ii) compensation payable to the Lessee in the event of requisition of the Vessel for hire (including any other compensation for the use of the Vessel by any government authority or other competent authority), remuneration for salvage and towage services, demurrage and detention moneys and other services performed by the Vessel; and
 - (iii) any compensation or other damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of the Vessel; and
- (b) any sums recoverable under any loss of earnings insurances.

"Environmental Authorisation" means any Authorisation required at any time under Environmental Law.

"Environmental Claims" means any claim in connection with any violation of an Environmental Law or Environmental Authorisation which is likely to give rise to any material liability on the part of the Lessee or any Manager.

"Environmental Incident" means any Spill:

- (a) from the Vessel; or
- (b) from any other vessel in circumstances where:
 - (i) the Vessel or the Lessee or any Manager may be liable for Environmental Claims arising from the Spill; and/or
 - (ii) the Vessel may be arrested or attached in connection with any such Environmental Claim.

"Environmental Law" means any environmental law, regulation or direction having the force of law in any jurisdiction applicable to the Lessee and/or the relevant Manager and/or the Vessel.

"EU Ship Recycling Regulation" means Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC (Text with EEA relevance).

"Expiry Date" means the date falling sixty (60) months after the Delivery Date.

"Facility Agreement" means any facility, loan or other credit agreement entered into or to be entered into between the Lessor and/or the Associated Lessor and the Finance Parties for financing or refinancing the Purchase Price of the Vessel and/or the Associated Vessel as the same is designated in writing by the Lessor to the Lessee from time to time.

"Fair Market Value" has the meaning given to that term in paragraph (c) of Clause 59.1 (*Valuations*).

"Fair Market Value at Closing " has the meaning given to that term in paragraph (a) of Clause 59.1 (*Valuations*).

"Fallback Interest Period" means 1 month.

"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 inter-governmental 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 an Operative Document required by FATCA.

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

"Fee Letter" means any letter dated on or about the date of this Charter between the Lessee and the Lessor setting out any of the fees referred to in Clause 44.1 (*Fees*).

"Finance Documents" means:

- (a) the Facility Agreement;
 - (b) any related hedging agreement or instrument;
 - (c) any document granted or to be granted in favour of any Finance Party as security for (inter alia) the loan made or to be made pursuant to the terms of the Facility Agreement or any part of it whether at the time such loan is drawn or subsequently;
 - (d) the "Finance Documents" as defined in the Associated Charter; and
 - (e) any other document or agreement relating to any of the above or which is designated as a Finance Document by the Lessor from time to time,
- and **"Finance Document"** means any of them.

"Finance Parties" has the meaning given or to be given to that term in the Facility Agreement and it includes any Security Agent (and if that Facility Agreement only includes a definition of "Lender" instead, the Finance Parties shall mean such "Lender").

"Financed Vessel" means the Vessel and the Associated Vessel and **"Financed Vessels"** means either or both of them.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount raised by the issue of redeemable shares (other than at the option of the issuer) before the final Payment Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into this agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP; and

- (k) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"Fixed Rent" means, in respect of each Payment Date, the amount in Dollars being \$97,500, as each such amount (together with the Balloon Rental) may be reduced (and rounded to the nearest thousand) pro rata to the extent the Purchase Price is less than \$12,250,000 and as more particularly set out originally in the Acceptance Certificate and/or by any prepayment under Clause 59.2 (*Security Coverage Ratio*).

"Flag State" means the Republic of the Marshall Islands or such other state as the Lessee shall nominate and shall be approved by the Lessor in writing.

"Funding Rate" means any individual rate notified by the Lessor to the Lessee pursuant to paragraph (a)(ii) of Clause 44.8 (*Cost of funds*).

"GAAP" means:

- (a) generally accepted accounting principles in the United States of America: or
- (b) IFRS.

"General Assignment" means the Lessee's assignment entered into or to be entered into between the Lessee and the Security Trustee, in respect of, amongst other things:

- (a) the Insurances;
- (b) the Requisition Compensation;
- (c) the Earnings; and
- (d) any Sub-Charter.

"Governmental Agency" means any government or any governmental agency, semi-governmental or judicial entity or authority (including any stock exchange or any self-regulatory organisation established under statute).

"Group" means the Guarantor and its Subsidiaries for the time being (including the Lessee and the Associated Lessee).

"Group Member" means any member of the Group.

"Guarantee" means a guarantee of the Lessee's or any other Relevant Party's payment and performance obligations under any Operative Document, one to be executed by each of the Guarantor and the Associated Lessee, and each in favour of the Security Trustee and **"Guarantees"** means all of them.

"Guarantor" means United Maritime Corporation a corporation organised and existing under the laws of the Republic of the Marshall Islands, having its registered business address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"Hampton Bay Contract" has the meaning given to that term in the Memorandum of Agreement.

"Historic Term SOFR" means, in relation to an Interest Period, the most recent Term SOFR for period equal in length to the relevant Interest Period and which is as of a day which is no more than 5 days before the Quotation Day.

"Holding Company" means, in relation to a person, any other person in respect of which it is a Subsidiary.

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

"Increased Costs" has the meaning ascribed to it in Clause 50.1 (*Increased Costs*).

"Indemnatee" means:

- (a) the Lessor, the Security Trustee, any Receiver, any Delegate and any attorney, agent or other person appointed by them under the Operative Documents;
- (b) each Affiliate of those persons; and
- (c) any officers, directors, employees, advisers, representatives or agents of any of the above persons.

"Insurance Proceeds" means any amounts payable in consequence of a claim under any of the Insurances.

"Insurances" means, in relation to the Vessel:

- (a) all policies and contracts of insurance; and
- (b) all entries in a protection and indemnity or war risks or other mutual insurance association,

in the name of the Lessee or the joint names of the Lessee and any other person in respect of or in connection with the Vessel and/or its Earnings and includes all benefits thereof (including the right to receive claims and to return of premiums).

"Interest Period" has the meaning given to that term in Clause 44.5 (*Variable Rent periods*).

Interpolated Historic Term SOFR means, in relation to an Interest Period, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the most recent applicable Term SOFR (as of a day which is not more than 5 days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the relevant Interest Period; or
 - (ii) if no such Term SOFR is available for a period which is less than the relevant Interest Period, SOFR for a day which is no more than 5 days (and no less than two US Government Securities Business Days before the Quotation Day; and
- (b) the most recent applicable Term SOFR (as of a day which is not more than 5 days before the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the relevant Interest Period.

Interpolated Term SOFR means, in relation to an Interest Period, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the applicable Term SOFR (as of 11am on the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the relevant Interest Period; or
 - (ii) if no such Term SOFR is available for a period which is less than the relevant Interest Period, SOFR for the day which is two US Government Securities Business Days before the Quotation Day; and
- (b) the applicable Term SOFR (as of 11am on the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the relevant Interest Period.

"Inventory of Hazardous Material" means a statement of compliance issued by the Classification Society and which includes a list of any and all materials known to be potentially hazardous utilised in the construction of Vessel and which also may be referred to as a List of Hazardous Material.

"ISM Code" means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention constituted pursuant to Resolution A.741(18) (as amended by MSC 104(73) and A.913(22) (superseding A.788(19) of the International Maritime Organisation and incorporated into the Safety of Life at Sea Convention 1974, and includes any extensions of it and any regulations issued under it, as the same may be amended, supplemented or superseded from time to time.

"ISPS Code" means the International Ship and Port Facility Security Code of the International Maritime Organisation incorporated into the Safety of Life at Sea Convention 1974 and includes any amendments or extensions of it and any regulation issued pursuant to it, as the same may be amended, supplemented or superseded from time to time.

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

"Lessor Account Bank" means Joh. Berenberg, Gossler & Co. KG of Neuer Jungfernstieg 20, 20354 Hamburg, Germany or any other bank or financial institution with which the Payment Account is at any time held.

"Letter of Quiet Enjoyment" means a letter to be delivered by the Security Agent to the Lessee in accordance with Clause 57.6 (*Mortgage and Letter of Quiet Enjoyment*), which, for the avoidance of any doubt, shall include step-in rights in favour of the Security Agent.

"Lien" means any mortgage, charge (whether fixed or floating), pledge, lien, encumbrance, hypothecation, assignment or security interest of any kind securing any obligation of any person or any type of preferential arrangement (including, without limitation, conditional sale, title transfer and/or retention arrangements having a similar effect), in each case howsoever arising.

"Losses" means each and every liability, loss, charge, claim, demand, action, proceeding, damage, judgment, order or other sanction, enforcement, penalty, fine, fee, commission, interest, lien, salvage, general average, cost and expense of whatsoever nature suffered or incurred by or imposed on any relevant person, which for the avoidance of doubt, excludes any loss of profit and other consequential loss (but does not exclude any interest or default interest payable under this Charter or any other Operative Document) unless expressly set out in this Charter or any other Operative Document.

"Major Casualty" means any casualty to the Vessel for which the total insurance claim, inclusive of any deductible, exceeds or may exceed the Major Casualty Amount.

"Major Casualty Amount" means \$750,000.

"Management Agreement" means any ship management agreement entered or to be entered into between the Lessee and a Manager.

"Managers" means, together, the Commercial Manager and the Technical Manager (or, as the case may be, Technical Managers) and " **Manager**" means any or all of them.

"Manager's Undertaking" means any manager's undertaking executed or to be executed by a Manager in favour of the Security Trustee, being in such form as the Lessor may agree.

"Manuals and Technical Records" means all such records, logs, manuals, handbooks, technical data, drawings, and other materials and documents relating to the Vessel which are required to be maintained in accordance with Clause 56.13 (*Manuals and Technical Records*).

"Market Disruption Rate" means the Reference Rate.

"MARPOL" means the International Convention for the Prevention of Pollution from Ships 1973 (as modified in 1978 and 1997) and includes any extensions of it and any regulation issued pursuant to it as the same may be supplemented or superseded from time to time.

"Margin" means four point two five per cent. (4.25%) per annum.

"Material Adverse Effect" means, in the reasonable opinion of the Lessor, a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of any Relevant Party or the Group taken as a whole;
- (b) the ability of any Relevant Party to perform its obligations under the Operative Documents to which it is a party;
- (c) the validity, legality or enforceability of any Operative Document or the rights or remedies of any Relevant Party under any Operative Documents; or
- (d) the validity, legality or enforceability of any Lien expressed to be created under any Security Document or the priority and ranking of any of such Security Document.

"Memorandum of Agreement" means the memorandum of agreement dated as of the date of this Charter, together with all addenda, amendments and supplements to it, made between the Lessee, as seller and the Lessor, as buyer in respect of the Vessel.

"Minimum Liquidity Amount" has the meaning given to that term in Clause 53 (*Financial Covenants*).

"Mortgage" means any ship mortgage in respect of the Vessel and any deed of covenants collateral thereto executed or to be executed by the Lessor in favour of any of the Finance Parties as security for the Lessor's obligations under the Finance Documents.

"Operating Account" means the operating account of the Lessee opened and maintained, or as the context may require, to be opened by the Lessee with the Account Bank with the account number listed in the schedule to the relevant Account Security.

"Operative Documents" means:

- (a) this Charter (together with the Acceptance Certificate);
- (b) the Memorandum of Agreement (together with the Bills of Sale);
- (c) the Security Trust Deed;
- (d) each Guarantee;
- (e) the Security Documents;
- (f) the Fee Letter;
- (g) the Associated Charter;
- (h) the "Operative Documents" as defined in the Associated Charter;
- (i) any other document, instrument or agreement which is agreed in writing by the Lessor and the Lessee to be an Operative Document; and
- (j) any and all certificates, notices and acknowledgements (including in respect of the Insurances) entered or to be entered into pursuant to any of the documents referred in the preceding sub-clauses of this definition,

and **"Operative Document"** means any of them.

"Original Financial Statements" means the unaudited consolidated financial statements of the Group with respect to the year ending 31 December 2022.

"Outstanding Charter Hire Principal" means, at the relevant time:

- (a) on the Delivery Date, the Purchase Price; and
- (b) on any other date after the Delivery Date, an amount equivalent to the Purchase Price as reduced by each instalment of Fixed Rent and, if applicable, the Balloon Rental which has been paid or prepaid by the Lessee by that time.

"Party" means a party to this Charter.

"Payment Account" means the account (or any sub-account or sub-division thereof) as notified by the Lessor to the Lessee (and any renewal or re-designation thereof) maintained with the Lessor Account Bank by the Lessor, details of which will be notified in writing to the Lessee by the Lessor.

"Payment Date" means, subject to Clause 44.6 (*Business Days*), in relation to the payment of Rent, (i) the date falling one (1) month after the Delivery Date, (ii) each of the dates falling at intervals of one (1) month after the Delivery Date up to but excluding the Expiry Date and (iii) the Expiry Date.

"Permitted Liens" means:

- (a) any Liens created by the Operative Documents;
- (b) any Liens created by the Finance Documents;
- (c) unless a Potential Termination Event is continuing, any ship repairer's or outfitter's possessory lien in respect of the Vessel for an amount not exceeding the Major Casualty Amount;
- (d) any lien on the Vessel for master's, officer's or crew's wages outstanding in the ordinary course of its trading; and
- (e) any lien on the Vessel for salvage.

"Pollutant" means and includes oil and its products, any other polluting, toxic or hazardous substance and any other substance whose release into the environment is regulated or penalised by Environmental Laws.

"Potential Termination Event" means any event or circumstance specified in Clause 63 (*Termination Events*) which, with the expiry of a grace period, the giving of notice or fulfilment of any other relevant condition (or any combination of any of the foregoing) is likely to become a Termination Event.

"Prepayment Fee" means, in relation to the relevant Purchase Option Date, the Expiry Date, the Total Loss Payment Date, the Termination Sum Payment Date or the date this Charter is terminated by the Lessee pursuant to Clause 50.3(d) (as applicable):

- (a) if that date falls between the first (1st) to the twelfth (12th) month (both inclusive) from the Delivery Date, the higher of (i) two point five per cent. (2.50%) of the Outstanding Charter Hire Principal as at that date and (ii) an amount equal to the aggregate Variable Rent that would have been paid on the remaining Payment Dates up to, and including, the date falling 12 months after the Delivery Date;
- (b) two per cent. (2.00%) of the Outstanding Charter Hire Principal as at that date, if that date falls between the thirteenth (13th) to the twenty fourth (24th) month (both inclusive) from the Delivery Date;
- (c) one per cent. (1.00%) of the Outstanding Charter Hire Principal as at that date, if that date falls between the twenty fifth (25th) to the thirty sixth (36th) month (both inclusive) from the Delivery Date; and
- (d) zero point five (0.50%) of the Outstanding Charter Hire Principal as at that date, if that date falls between the thirty seventh (37th) to the forty eight (48th) month (both inclusive) from the Delivery Date.

"Protocol of Delivery and Acceptance" has the meaning given to that term in the Memorandum of Agreement.

"Purchase Obligation" means the obligation of the Lessee to purchase the Vessel on the Expiry Date, as detailed in Clause 64.3 (*Purchase Obligation*).

"Purchase Obligation Price" has the meaning given to that term in Clause 64.3 (*Purchase Obligation*).

"Purchase Option" has the meaning given to that term in Clause 64.2 (*Purchase Option Price*).

"Purchase Option Date" has the meaning given to that term in Clause 64.1 (*Purchase Option*).

"Purchase Option Price" has the meaning given to that term in Clause 64.2 (*Purchase Option Price*).

"Purchase Price" has the meaning given to that term in the Memorandum of Agreement.

"Quotation Day" means, in relation to any period for which an interest rate is to be determined, two (2) US Government Securities Business Days before the first day of that period (unless market practice differs in the relevant syndicated loan market, in which case the Quotation Day will be determined by the Lessor in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Secured Property, appointed by the Lessor under any of the Operative Documents.

"Reference Rate" means:

- (a) the applicable Term SOFR as of 11am on the Quotation Day and for a period equal in length to the relevant Interest Period; or
- (b) as otherwise determined pursuant to Clause 44.6 (*Unavailability of Term SOFR*),

and if, in either case, the rate is less than zero (0), the Reference Rate shall be deemed to be zero (0).

"Relevant Market" means the market for overnight cash borrowing collateralised by US Government Securities.

"Relevant Party" means a party to the Operative Documents (other than the Lessor and any other Creditor Party) and any Relevant Party (as defined in the Associated Charter) and **"Relevant Parties"** means together all or any of them.

"Rent" means, in respect of a Payment Date, the amount in Dollars payable by the Lessee pursuant to Clause 44.2 (*Rent*) on that Payment Date, comprising an instalment of Fixed Rent (and additionally, in the case of the last Payment Date only, the Balloon Rental) and a payment of the applicable Variable Rent calculated in accordance with Clause 44.12 (*Calculation of the Variable Rent and interest*).

"Requisition" means:

- (a) any expropriation, confiscation, requisition or acquisition of the Vessel whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority (excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension) unless it is within 30 days redelivered to the full control of the Lessee; and
- (b) any capture, seizure, condemnation, arrest or detention of the Vessel (including any hijacking, piracy or theft) unless it is within 30 days redelivered to the full control of the Lessee.

"Requisition Compensation" includes all compensation or other moneys payable by reason of any Requisition or any arrest or detention of the Vessel in the exercise or purported exercise of any lien or claim.

"Restricted Person" means a person that is:

- (a) listed on, or owned or controlled by a person listed on any Sanctions List;
- (b) located in, incorporated under the laws of, or owned or controlled by, or acting on behalf of, a person located in or organised under the laws of a Sanctioned Country; or
- (c) otherwise a target of Sanctions.

"Sanctioned Country" means a country or territory that is the subject or the target of Sanctions (currently, Cuba, Crimea, Iran, North Korea, Syria, Russia and Venezuela).

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

"Sanctions Authority" means:

- (a) the Security Council of the United Nations;
- (b) the United States of America;
- (c) the United Kingdom;
- (d) the European Union;
- (e) any member state of the European Union;
- (f) any country with respect to which any Relevant Party or any Group Member is organised or resident, or has material (financial or otherwise) interests or operations; and
- (g) the governments and official institutions or agencies of any of the institutions, organisations or (as the case may be) countries set out in the foregoing paragraphs, including without limitation the U.S. Office of Foreign Asset Control ("**OFAC**"), the U.S. Department of State, and Her Majesty's Treasury ("**HMT**").

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

"Scheduled Delivery Date" has the meaning given to that term in the Memorandum of Agreement.

"Seanergy" means Seanergy Shipmanagement Corp. of the Republic of the Marshall Islands.

"Secured Property" means those assets of the Relevant Parties which from time to time are, or are expressed to be, subject to a Lien created or expressed to be created in favour of the Security Trustee pursuant to the Security Documents.

"Security Agent" means the person (if any) defined in the Facility Agreement as security agent or trustee for the Finance Parties (and if that Facility Agreement only includes a definition of "Lender" instead, the Security Agent shall mean such "Lender").

"Security Coverage Ratio" means, at any relevant time, the ratio of:

- (a) the aggregate of:
 - (i) the Fair Market Value of the Vessel; and

(ii) the Fair Market Value of the Associated Vessel; and

(iii) the amount of any additional security provided by the Lessee and/or the Additional Lessee in accordance with Clause 59.2(b)(ii) of this Charter and/or in accordance with Clause 59.2(b)(ii) of the Associated Charter;

to:

(b) the aggregate of:

(i) the Outstanding Charter Hire Principal; and

(ii) the Outstanding Charter Hire Principal (as such term is defined in the Associated Charter),

in each case, at that time.

"Security Documents" means:

(a) the General Assignment;

(b) the Account Security;

(c) the Share Pledge;

(d) a Manager's Undertaking by each Manager;

(e) any Subordination Deed;

(f) any Security Documents (as defined in the Associated Charter); and

(g) any other document designated as such by the Lessor and the Lessee.

"Security Trust Deed" means the security trust deed entered into or to be entered between the Lessor, the Lessee, the Associated Lessor, the Associated Lessee, the Guarantor, any Manager (other than a Third Party Manager) and the Security Trustee.

"Security Trustee" means NML Trustee LLC of Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 or such other person as may be nominated by the Lessor and the Associated Lessor.

"Share Pledge" means, the first priority pledge by the Guarantor in respect of all the shares in the Lessee executed or to be executed by the Guarantor in favour of the Security Trustee.

"SOFR" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"Spill" means any actual emission, spill, release or discharge of a Pollutant into the environment.

"Sub-Charter" means any contract of affreightment specific to the Vessel, time or voyage charter party exceeding 13 months duration (taking into account any optional extensions or renewals), entered into between the Lessee and a Sub-Charterer, for the chartering of the Vessel by the Lessee to such Sub-Charterer, as the same may at any time be supplemented, amended or extended.

"Sub-Charterer" means any person who is a charterer (or equivalent) under a Sub-Charter.

"Subordination Deed" means a subordination deed that may be required by Clause 54.5 (*Subordination*).

"Subsidiary" of a person means any other person:

- (a) directly or indirectly controlled by such person, or
- (b) of whose dividends or distributions on ordinary voting share capital (or, as the case may be, membership interest) such person is beneficially entitled to receive more than 50 per cent.

"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) and **"Taxation"** shall be construed accordingly.

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment required to be made by any Relevant Party to the Lessor under an Operative Document.

"Tax Indemnatee" has the meaning given to that term in Clause 48.2 (*Tax indemnity*).

"Tax Payment" means an increased payment made by the Lessee to a Tax Indemnatee under Clause 48.1 (*Withholding Taxes*) or a payment under Clause 48.2 (*Tax indemnity*).

"Technical Manager" means Seanergy, V.Ships Limited of Cyprus, V.Ships Greece Ltd. of Bermuda, Global Seaways S.A. of the Republic of the Marshall Islands or such other company being an experienced and reputable technical ship management company as shall be approved in writing by the Lessor to carry out the technical and/or crew management of the Vessel in accordance with Clause 56.14 (*Manager and Designated Person Ashore*).

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

"Termination Date" means the date on which this Charter or the Charter Period is terminated pursuant to the terms of this Charter.

"Termination Event" means any event or circumstance described in Clause 63 (*Termination Events*).

"Termination Sum" has the meaning given to that term in Clause 66.3 (*Lessor's obligations upon receipt of payment*).

"Termination Sum Payment Date" has the meaning given to that term in Clause 66.2 (*Payments on Termination Event or Total Loss*).

"Third Party Manager" means any Manager (other than United but including, on the date hereof, Seanergy) which is not owned (partly or fully) or controlled by any of the legal and/or ultimate beneficial owners of the Guarantor and which is not an Affiliate of the Guarantor.

"Total Loss" means, in relation to the Vessel, its:

- (a) actual, constructive, compromised or arranged total loss; or
- (b) Requisition.

"Total Loss Date" means, in relation to the Total Loss:

- (a) in the case of an actual total loss, the date it happened or, if such date is not known, the date on which the Vessel was last reported;
- (b) in the case of a constructive, compromised, agreed or arranged total loss, the earliest of:
 - (i) the date notice of abandonment of the Vessel is given to its insurers; or

- (ii) if the insurers do not admit such a claim, the date subsequently determined by a competent court of law to have been the date on which the total loss happened; or
 - (iii) the date upon which a binding agreement as to such compromised, agreed or arranged total loss has been entered into by the Vessel's insurers; and
- (c) in the case of any other type of Total Loss, the date (or the most likely date) on which it appears to the Lessor that the event constituting the total loss occurred.

"Total Loss Payment Date" means, following the occurrence of a Total Loss, the earlier of:

- (a) the 180th day following the relevant Total Loss Date (or such later date as the Lessor may agree); and
- (b) the date on which the Security Trustee and/or the Security Agent or any other Finance Party receives the Insurance Proceeds in respect of such Total Loss.

"Transaction Document" means:

- (a) each of the Operative Documents;
- (b) the Hampton Bay Contract;
- (c) any Management Agreement; and
- (d) each Transaction Document (as defined in the Associated Charter).

"United Management" means United Management Corp. of the Republic of the Marshall Islands.

"US Government Securities Business Day" means any day other than:

- (a) a Saturday or a Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"Variable Rent" means, in respect of each Payment Date, an amount in Dollars equal to the relevant Applicable Rate multiplied by the Outstanding Charter Hire Principal, in each case, on the preceding Payment Date or (in respect of the first payment of Variable Rent under this Charter) the Delivery Date.

"Vessel" means the 81,508 dwt Kamsarmax bulk carrier with IMO No. 9376373 and which upon Delivery under the Memorandum of Agreement will be registered in the ownership of the Lessor under the laws of the Flag State, including all component parts, furniture, equipment or accessories of the Vessel, all substitutions of, additions to, replacements or renewals of, any of these component parts, furniture, equipment or accessories from time to time made in accordance with this Charter, and any of these component parts, furniture, equipment or accessories which, having been removed from the Vessel, remain the property of the Lessor pursuant to this Charter and, where the context permits, shall include the Manuals and Technical Records.

39.2 Construction

- (a) Unless a contrary indication appears, any reference in this Charter to:
 - (i) the **"Lessor"**, the **"Lessee"**, any **"Relevant Party"**, any **"Finance Party"**, the **"Security Agent"**, the **"Security Trustee"** or any **"Party"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) **"assets"** includes present and future properties, revenues and rights of every description;

- (iii) **"approved"** means approved in writing by the Lessor (on such conditions as the Lessor may impose) and **"approval"** and **"approve"** shall be construed accordingly;
- (iv) **"control"** of an entity means:
 - (A) the power (whether by way of ownership of shares or membership interests or any other equity instrument, proxy, contract, agency or otherwise) to:
 - (1) cast, or control the casting of, more than 50 per cent of the maximum number of votes that might be cast at a general meeting of that entity; or
 - (2) appoint or remove all, or the majority, of the directors, members or other equivalent officers of that entity; or
 - (3) give directions with respect to the operating and financial policies of that entity with which the directors, members or other equivalent officers of that entity are obliged to comply; and/or
 - (B) the holding beneficially of more than 50 per cent of the issued share capital or, as the case may be, membership interest capital of that entity (excluding any part of that issued share capital or, as the case may be, membership interest capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital) (and, for this purpose, any Security Interest over share capital or, as the case may be, membership interest capital shall be disregarded in determining the beneficial ownership of such share capital or, as the case may be, membership interest capital);
- (v) the Lessor's **"cost of funds"** is a reference to the average cost (determined either on an actual or a notional basis) which the Lessor would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of the Outstanding Charter Hire Principal (or any relevant part of it) at any relevant time for a period equal in length to the Interest Period at the relevant time;
- (vi) the determination of the extent to which a rate is **"for a period equal in length"** to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Charter;
- (vii) **"acting in concert"** means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in a person by any of them, either directly or indirectly;
- (viii) an **"Operative Document"** or any other agreement or instrument is a reference to that Operative Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
- (ix) **"including"** shall be construed as "including without limitation" (and cognate expressions shall be construed similarly);
- (x) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (xi) **"month"** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
 - (A) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that month (if there is one) or on the immediately preceding Business Day (if there is not); and
 - (B) if there is no numerically corresponding day in that month, that period shall end on the last Business Day in that month,

and the above rules in paragraphs (i) to (ii) will only apply to the last month of any period;

- (xii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (xiii) something being in the "**ordinary course of business**" of a person or in the "**ordinary course of trading**" means something that is in the ordinary course of that person's current day-to-day operational business (and not merely anything which that person is entitled to do under its constitutional documents);
 - (xiv) "**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, rule, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation or requirement, or official or judicial interpretation of any of the foregoing, and any rule, treaty, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self regulatory or other authority or organisation;
 - (xv) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (xvi) a provision of law is a reference to that provision as amended or re-enacted; and
 - (xvii) a time of day is a reference to London time.
- (b) Unless a contrary indication appears, references to Clauses and Schedules are to be construed as references to clauses of, and schedules to, this Charter. Clause and Schedule headings are for ease of reference only.
 - (c) Unless a contrary indication appears, a term used in any other Operative Document or in any notice or certificate given under or in connection with any Operative Document has the same meaning in that Operative Document, notice or certificate as in this Charter.
 - (d) A Potential Termination Event is "**continuing**" if it has not been remedied or waived; a Termination Event is "**continuing**" if it has not been waived.
 - (e) In this Charter, unless a contrary indication appears, words importing the plural include the singular and *vice versa*, and words importing a gender include every gender.

39.3 Third party rights

Any person which is an Indemnitee or a Tax Indemnitee from time to time and is not a Party shall be entitled to enforce such terms of this Charter which provide for the obligations of the Lessee to be owed to such Indemnitee or Tax Indemnitee, as the case may be, in each case, subject to the provisions of Clause 80 (*Governing law*) and the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**"). The Third Parties Act applies to this Charter as set out in this Clause 39.3. Save as **provided** above, a person who is not a Party has no right to use the Third Parties Act to enforce any term of this Charter and, subject to the other provisions of the other Operative Documents, the Parties do not require the consent of any third party (including, without limitation, any Indemnitee or Tax Indemnitee who is not a Party) to amend, rescind, terminate or extend this Charter at any time.

40 Charter of Vessel

Subject to the terms and conditions of this Charter, the Lessor shall lease, and the Lessee shall hire, the Vessel for the Charter Period. There shall be no renewal or extension of the Charter Period beyond the Expiry Date.

41 Delivery of Vessel

41.1 Delivery

- (a) At the request of the Lessee, the Lessor has entered into the Memorandum of Agreement with the Lessee, pursuant to which the Lessor has agreed to purchase the Vessel at the Purchase Price payable upon the terms and conditions of the Memorandum of Agreement.
- (b) At the same time as the delivery of the Vessel to the Lessor by the Lessee pursuant to the Memorandum of Agreement, the Lessor shall deliver the Vessel to the Lessee and the Lessee shall take delivery of the Vessel from the Lessor under this Charter.
- (c) On Delivery, the Lessee shall execute and deliver to the Lessor the Acceptance Certificate.

41.2 Acceptance Certificate

The execution and delivery of the Acceptance Certificate by the Lessee pursuant to Clause 41.1 (*Delivery*) shall constitute irrevocable, final and conclusive evidence that:

- (a) the Lessee has accepted the Vessel for the purposes of this Charter; and
- (b) the Vessel was delivered to the Lessee in a condition in compliance with this Charter.

41.3 Lessee's acknowledgement

The Lessee acknowledges and confirms that:

- (a) the Lessor shall purchase the Vessel pursuant to the Memorandum of Agreement for the sole purpose of leasing the Vessel to the Lessee pursuant to this Charter;
- (b) the Lessee shall not be entitled to refuse to accept delivery of the Vessel under this Charter once the Lessor acquires title to, and receives possession of, the Vessel pursuant to the Memorandum of Agreement;
- (c) the Lessor's obligation to pay to the Lessee the Purchase Price under the Memorandum of Agreement shall be subject to the conditions set out in Clause 42 (*Conditions Precedent*);
- (d) the Lessor shall not be liable for any Losses resulting (directly or indirectly) from any defect or alleged defect in the Vessel or failure or alleged failure of the Vessel to comply with the Memorandum of Agreement; and
- (e) the Lessee shall be responsible for the condition of the Vessel on the Delivery Date.

41.4 Cancellation of the Memorandum of Agreement

If the Memorandum of Agreement is terminated, repudiated, rescinded or cancelled for any reason whatsoever pursuant to the terms of the Memorandum of Agreement, the Lessor shall have no obligation to charter the Vessel to the Lessee.

42 Conditions Precedent

42.1 Lessor's conditions precedent

- (a) The obligation of the Lessor to enter into the Memorandum of Agreement and this Charter is subject to receipt by the Lessor of the documents and evidence set out in Part I of Schedule 1 (*Conditions Precedent*) on or prior to the date of this Charter.
- (b) The obligation of the Lessor to charter the Vessel to the Lessee under this Charter is subject to:
 - (i) receipt by the Lessor of the documents and evidence set out in Part II of Schedule 1 (*Conditions Precedent*) on or prior to the date of the Payment Notice; and

- (ii) receipt by the Lessor of the documents and evidence set out in Part III of Schedule 1 (*Conditions Precedent*) on or prior to the Delivery Date.
- (c) Each document provided to the Lessor under this Clause 42 shall be in form and substance satisfactory to the Lessor.
- (d) The conditions specified in this Clause 42 are inserted for the sole benefit of the Lessor and may be waived or deferred in whole or in part and with or without conditions only by the Lessor.

42.2 Lessor's further conditions precedent

The obligation of the Lessor to charter the Vessel to the Lessee or continue to charter the Vessel to the Lessee under this Charter is subject to the further conditions that:

- (a) the representations and warranties in Clause 51.1 (*Lessee representations*) hereof and clause 5 of the Memorandum of Agreement shall be true and correct as if each was made with respect to the facts and circumstances existing immediately prior to the time when the Delivery is to take place;
- (b) no Potential Termination Event or Termination Event shall have occurred and be continuing or would arise by reason of the Delivery taking place;
- (c) no event or circumstance has occurred or exists between the date hereof and the proposed date of Delivery which would have a Material Adverse Effect;
- (d) all consents, if any, of any relevant Governmental Agency necessary for the effective performance or consummation of the transactions contemplated by the Operative Documents to which each Relevant Party is a party shall have been obtained and be in full effect;
- (e) Delivery shall have occurred on or prior to the Cut-off Date (unless otherwise agreed by the Lessor); and
- (f) all of the documents received by the Lessor as contemplated in Clause 42.1 (*Lessor's conditions precedent*) are in full force and effect.

42.3 Conditions subsequent

The Lessee shall obtain and deliver to the Lessor:

- (a) no later than three (3) months after the date of this Charter, a physical inspection report from a surveyor appointed by the Lessor at the cost of the Lessee, demonstrating that the Vessel is in satisfactory condition and maintains specifications acceptable to the Lessor;
- (b) no later than five (5) Business Days after the date of this Charter, a copy of the certificate being the document listing all the potentially hazardous materials on board the Vessel; and
- (c) no later than ten (10) days after this Charter a complete inventory of the Vessel's equipment, outfit, spare parts and consumable stores on board the Vessel.

43 Extent of Lessor's liability

The Parties agree that:

- (a) the Vessel shall be leased on an "as is, where is" basis;
- (b) the Lessor makes no condition, term, representation or warranty as to title, seaworthiness, condition, design, operation or fitness for use of the Vessel, or as to the eligibility of the Vessel for any particular trade, purpose or operation, or any other condition, term, representation or warranty with respect to the Vessel; and
- (c) the Lessee waives all its rights and claims in respect of any condition, term, representation or warranty described in paragraph (b) above.

44 Rent, payments and calculations

44.1 Fees

The Lessee shall pay to the Lessor:

- (a) an arrangement fee; and
- (b) a commitment fee,

in each case, in the amount and at the times agreed in the Fee Letter.

44.2 Rent

- (a) The Lessee shall from the Delivery Date until the end of the Charter Period pay the relevant Rent to the Lessor on each Payment Date (which for the avoidance of doubt, includes the applicable Fixed Rent and Variable Rent payable on that Payment Date).
- (b) The Variable Rent in respect of an Interest Period shall be payable monthly on each Payment Date falling within such Interest Period.
- (c) The Lessor shall notify the Lessee prior to each Payment Date of the amount of Variable Rent payable on the next Payment Date.
- (d) The Lessee shall pay the Balloon Rental on the final Payment Date.
- (e) If the Lessee defaults in payment of (i) the applicable Fixed Rent or the applicable Variable Rent on a Payment Date or (ii) the Balloon Rental, the Lessee shall pay default interest thereon pursuant to Clause 44.11 (*Default Interest*).
- (f) All payments of the Rent (including, when applicable, the Balloon Rental) shall be deemed earned when paid and shall not be refundable in any circumstances except as expressly provided herein.

44.3 Payment unconditional

- (a) The Lessee's obligation to pay Rent and other payments on a "hell and high water" basis in accordance with this Charter and any other amounts payable by the Lessee under the other Operative Documents shall be absolute and unconditional irrespective of any matter or contingency, including:
 - (i) any set-off, counterclaim, recoupment, defence or other right which any party to any of the Operative Documents may have against the other or any other party to the Operative Documents;
 - (ii) the occurrence of a Total Loss or any other occurrence including the loss, destruction, confiscation, seizure, damage to the Vessel, or the interruption or cessation in or prohibition of the use of, or any requisition for hire or use of, possession or enjoyment of the Vessel by the Lessee for any reason whatsoever;
 - (iii) any unavailability of the Vessel, including any lack or invalidity of title or any other defect in the title (other than any lack or invalidity of title or any other defect in the title, in each case solely caused by the Lessor's act or omission), seaworthiness, condition, design, merchantability, fitness for use or purpose, or lack of Crew, injury of any Crew, or the ineligibility of the Vessel for any particular use or trade, or for registration or documentation under the laws of any relevant jurisdiction;
 - (iv) any failure or delay on the part of any party to any of the Operative Document, whether with or without fault on its part, in performing or complying with any of the terms of the Operative Documents;

- (v) any insolvency, bankruptcy, winding-up, reorganisation, reconstruction, arrangement, readjustment of debt, dissolution or similar proceedings by or against any of the Lessor, any Relevant Party or any other party to any of the Operative Documents;
 - (vi) any other cause which would, but for this Clause 44.3, have the effect of terminating or affecting the obligations of the Lessee under any of the Operative Documents; and
 - (vii) any invalidity, unenforceability or lack of due authorisation of, or other defect in, any of the Operative Documents.
- (b) It shall be the intention of the Parties that the obligations of the Lessee under this Clause 44.3 shall survive any frustration of any of the Operative Documents, and that, except as provided for in this Charter, no amount payable or paid by the Lessee under this Charter to the Lessor shall be repayable to the Lessee.

44.4 Manner of payment

All payments of the Rent (including, when applicable, the Balloon Rental), any Purchase Option Price, the Purchase Obligation Price and any other amounts payable by the Lessee under this Charter and any other Operative Document shall be made:

- (a) in full, without any set-off or counterclaim and, subject as provided in Clause 48.1 (*Withholding Taxes*), free and clear of any deductions or withholdings; and
- (b) in Dollars, in same day funds before 11:00 a.m. (London time) on the due date for payment, to the Payment Account or such other account as the Lessor may notify the Lessee in writing at least five (5) Business Days before the due date for payment.

44.5 Variable Rent periods

The Variable Rent shall be determined in respect of each period of three (3) months (each an "**Interest Period**") by reference to the Applicable Rate on the Quotation Day for such Interest Period provided always that:

- (a) the first Interest Period shall commence on the Delivery Date and end on the Payment Date falling at the end of such Interest Period;
- (b) each subsequent Interest Period will start on the last day of the immediately preceding Interest Period and end on the Payment Date falling at the end of such Interest Period; and
- (c) the final Interest Period for the determination of the Variable Rent shall end on the Expiry Date.

44.6 Unavailability of Term SOFR

- (a) If no Term SOFR is available for an Interest Period, the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to that Interest Period.
- (b) If no Term SOFR is available for an Interest Period and it is not possible to calculate the Interpolated Term SOFR, that Interest Period shall (if it is longer than the Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable Reference Rate for that shortened Interest Period shall be determined pursuant to the definition of **Reference Rate**.
- (c) If an Interest Period is, after giving effect to paragraph (b) above, either the applicable Fallback Interest Period or shorter than the applicable Fallback Interest Period and, in either case, no Term SOFR is available for that Interest Period and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR.
- (d) If paragraph (c) above applies but no Historic Term SOFR is available for an Interest Period, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to that Interest Period.

- (e) If paragraph (d) above applies but it is not possible to calculate the Interpolated Historic Term SOFR, the relevant Interest Period shall, if it has been shortened pursuant to paragraph (b) above, revert to its previous length and there shall be no Reference Rate for that Interest Period and Clause 44.8 (*Cost of funds*) shall apply to that Interest Period.

44.7 Market disruption

If before close of business in London on the Quotation Day for an Interest Period the Lessor notifies the Lessee that its cost of funds relating to the Outstanding Charter Hire Principal (or any relevant part of it), would be in excess of the Market Disruption Rate, then Clause 44.8 (*Cost of funds*) shall apply for the relevant Interest Period.

44.8 Cost of funds

- (a) If this Clause 44.8 applies, the Applicable Rate for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Lessee by the Lessor as soon as practicable and in any event by close of business on the date falling ten Business Days after the Quotation Day (or, if earlier, on the date falling ten Business Days before the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost of funds of the Lessor in respect of the Outstanding Charter Hire Principal (or any relevant part of it).
- (b) If this Clause 44.8 applies and the Lessor or the Lessee so require, the Lessor and the Lessee shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing an alternative basis for determining the Applicable Rate.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of the Lessor and the Lessee, be binding on all Parties.
- (d) If this Clause 44.8 applies pursuant to Clause 44.7 (*Market disruption*) and:
 - (i) the Lessor's Funding Rate is less than the Market Disruption Rate; or
 - (ii) the Lessor does not notify a rate by the time specified in sub-paragraph (ii) of paragraph (a) above,

the Lessor's cost of funds for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be the Market Disruption Rate.

44.9 Notification to the Lessee

If Clause 44.8 (*Cost of funds*) applies, the Lessor shall, as soon as is practicable, notify the Lessee.

44.10 Business Days

Any payment which is due to be made under an Operative Document on a day which is not a Business Day shall be made on the next Business Day, unless such Business Day falls in the next calendar month or after the Expiry Date, in which case the due date shall be the preceding Business Day.

44.11 Default Interest

Without prejudice to the other rights and remedies of the Lessor hereunder, if any amount due and payable by the Lessee hereunder is not received by the Lessor on the due date for payment thereof in the manner herein stipulated, the Lessee shall pay interest on the same for the period starting on (and including) the due date for payment thereof and ending on (but excluding) the date on which the same is received or recovered by the Lessor in full (after as well as before judgment) at the rate(s) from time to time determined under this Clause 44.11. The period between the due date for payment of any sum due and payable hereunder or thereunder and the date upon which the obligation to pay such sum is discharged shall be divided into successive periods, the duration of which shall be selected by the Lessor. During each such period (as well after as before judgment) the outstanding balance of the unpaid sum shall bear interest which shall accrue from day to day and on the basis of actual days elapsed and shall be calculated at a rate per annum which is equal to the Default Rate calculated on the basis of a year of three hundred and sixty (360) days and actual days elapsed. Any such interest shall be due and payable when the relevant unpaid sum is paid or, if earlier, at the end of each period by reference to which it is calculated.

44.12 Calculation of the Variable Rent and interest

- (a) Except as otherwise expressly provided in this Charter, all amounts of Variable Rent and any interest, commission or fee accruing under this Charter and any other Operative Document will accrue from day to day and shall be 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 Relevant Party under an Operative Document shall be rounded to two decimal places.

44.13 Certificates and determinations

Any certificate or determination of the Lessor or any other Creditor Party of a rate or an amount payable under any Operative Document shall specify the relevant rate or amount and shall, in the absence of manifest error, be conclusive and binding on the Lessee.

44.14 Changes to Reference Rates

If a Published Rate Replacement Event has occurred in relation to any Published Rate, any amendment or waiver which relates to:

- (a) providing for the use of a Replacement Reference Rate in place of that Published Rate; and
- (b)
 - (i) aligning any provision of any Operative Document to the use of that Replacement Reference Rate;
 - (ii) enabling that Replacement Reference Rate to be used for the calculation of interest under this Charter (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Charter);
 - (iii) implementing market conventions applicable to that Replacement Reference Rate;
 - (iv) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
 - (v) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Lessor and the Lessee.

In this Clause 44.14:

Published Rate means:

- (a) SOFR; or
- (b) the Term SOFR for any Quoted Tenor.

Published Rate Replacement Event means, in relation to a Published Rate:

- (a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Lessor, materially changed; or
- (b)
 - (i) either
 - (A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or
- (c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Lessor) temporary; or
 - (ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period of no less than 15 Business Days; or
- (d) in the opinion of the Lessor, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Charter.

Quoted Tenor means, in relation to Term SOFR, any period for which that rate is customarily displayed on the relevant page or screen of an information service.

Relevant Nominating Body means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

Replacement Reference Rate means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Published Rate by:

(i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under paragraph (ii) above;

(b) in the opinion of the Lessor and the Lessee, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Published Rate; or

(c) in the opinion of the Lessor and the Lessee, an appropriate successor to a Published Rate.

45 Costs and Expenses

The Lessee shall pay to each Creditor Party on demand, on an After Tax Basis, all Losses incurred by that Creditor Party in connection with:

(a) all reasonable and documented legal and out-of-pocket expenses of the Lessor in connection with the negotiation, preparation and execution of the Operative Documents;

(b) any variation of any Operative Document or any waiver or consent required under any of them (including any amendment or waiver pursuant to Clause 44.14 (*Changes to Reference Rates*));

(c) any document executed in respect of additional security provided pursuant to Clause 59.2 (*Security Coverage Ratio*);

(d) the early termination of the leasing of the Vessel and the sale of the Vessel to the Lessee pursuant to Clause 64 (*Purchase Option and Purchase Obligation*) or following the occurrence of an Early Termination Event or a Termination Event;

(e) investigating the occurrence or alleged occurrence of a Termination Event and the enforcement or preservation of any right conferred upon a Creditor Party by any of the Operative Documents, or in respect of the repossession of the Vessel in accordance with the Operative Documents (or any of them);

(f) a breach by a Creditor Party of its obligations under any of the Finance Documents provided that such breach is caused (whether directly or indirectly) by a breach of any of the Operative Documents by a Relevant Party; and

(g) a Total Loss or event which may result in a Total Loss.

46 Accounts

46.1 General undertakings

The Lessee undertakes with the Lessor that, from the date of this Charter and thereafter, it will:

(a) open the Operating Account with the Account Bank and, in connection therewith, will from time to time complete all "know your customer" and other returns necessary for such process;

(b) maintain the Operating Account with the Account Bank; and

(c) not withdraw or permit withdrawal of any moneys from the Operating Account other than in accordance with the provisions of this Clause 46.

46.2 Payment of Earnings etc.

The Lessee shall after the date of this Charter and throughout the Charter Period, direct any Sub-Charterer and any other person liable therefor to pay all Earnings and Requisition Compensation payable to the Lessee into the Operating Account, for application in accordance with this Charter and/or the relevant Security Documents.

46.3 Currency

Any moneys required to be credited to the Operating Account denominated in a currency other than Dollars shall be paid by the recipient to the Account Bank which shall purchase Dollars with such moneys at either (i) the spot rate of exchange of the Account Bank or (ii) if no spot rate of exchange is available, at a rate determined by the Account Bank at 11.00 am (New York time) on the Business Day following the day on which such moneys are received by the Account Bank for the purchase of Dollars with that other currency and the Account Bank shall credit the proceeds of such conversion to the Operating Account.

46.4 Operating Account

- (a) Subject to paragraph (b) and (c) below, no withdrawals shall be permitted from the Operating Account without the prior written consent of the Lessor.
- (b) The Lessee shall not be allowed to withdraw amounts standing to the credit of the Operating Account unless the amount standing to the credit of the Operating Account after such withdrawal is at least equal to the Minimum Liquidity Amount required under paragraph (a) of Clause 53 (*Financial covenants*).
- (c) If there is no Early Termination Event, Potential Termination Event or Termination Event has occurred and is continuing and subject always to the Lessee being in compliance with this Clause 46.4, Clause 53 (*Financial Covenants*), Clause 54.13 (*Distributions and other payments*) and Clause 59.2 (*Security Coverage Ratio*), the Lessee may withdraw moneys from the Operating Account for any purpose whatsoever which is permitted (or not prohibited) by the terms of this Charter and the Operative Documents.

46.5 Other provisions

- (a) The Lessee shall not close the Operating Account or alter, or permit to alter, the terms of the Operating Account from those in force at the time it is designated for the purposes of this Clause 46 or waive any of its rights in relation to the Operating Account except with the prior written approval of the Lessor.
- (b) The Lessee shall deposit with the Lessor all certificates of deposit, receipts or other instruments or securities relating to the Operating Account, notify the Lessor of any claim or notice relating to the Operating Account from any other party and provide the Lessor with any other information it may request concerning the Operating Account.

47 Indemnities

47.1 Currency indemnity

- (a) If any sum due from any Relevant Party under any Operative Document (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
 - (i) making or filing a claim or proof against any Relevant Party; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Lessee shall indemnify the relevant Indemnatee, on an After Tax Basis, against all Losses arising out of, or as a result of, the conversion, including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to the relevant Indemnatee at the time of its receipt of that Sum.

- (b) The Lessee waives any right it may have in any jurisdiction to pay any amount under any relevant Operative Document in a currency or currency unit other than that in which it is expressed to be payable.

47.2 Financial indemnities

The Lessee shall indemnify each relevant Indemnatee on demand, on an After Tax Basis, against all Losses incurred by such Indemnatee as a result of or in connection with:

- (a) any default by any Relevant Party in payment of any amount due under this Charter or any other Operative Document;
- (b) Delivery having failed to occur on the Scheduled Delivery Date by reason of the operation of any one or more of the provisions of this Charter if the Delivery Notice (as defined in the Memorandum of Agreement) has been served under the Memorandum of Agreement;
- (c) any costs, charges or expenses which any Relevant Party has agreed to pay under any of the Operative Documents and which are claimed or assessed against or paid by an Indemnatee; and
- (d) any voluntary termination or any Purchase Option not being exercised in accordance with the notice given by the Lessee.

47.3 Operational indemnity

The Lessee shall indemnify each Indemnatee, on an After Tax Basis, against all Losses incurred by that Indemnatee as a result of, or in connection with:

- (a) the condition, testing, design, manufacture, delivery, redelivery, non-delivery, purchase, export, import, registration, ownership, classification, leasing, sub-leasing, management, possession, manning, provision of bunkers and lubricating oils, dry-docking, surveys, control, use, operation, maintenance, repair, replacement, refurbishment, modification, overhaul, insurance, sale or other disposal, return or storage of, or loss of or damage to, the Vessel, or otherwise in connection with the Vessel, or relating to loss or destruction of, or damage to, any property, or death or injury of, or other similar loss suffered by, any person relating to any of these matters;
- (b) claims which may be made on the ground that any design, article or material in the Vessel or the operation or use of such design, article or material constitutes an infringement of patent, trademark, copyright or other intellectual property right or any other right;
- (c) preventing or attempting to prevent the arrest, confiscation, seizure, taking in execution, impounding, forfeiture or detention of the Vessel, or in securing the release of the Vessel unless such arrest, confiscation, seizure, taking in execution, impounding, forfeiture or detention is caused solely by the Lessor's act or omission;
- (d) in addition to what is otherwise provided in Clause 24 (*Wreck Removal*), the Vessel becoming a wreck or obstruction to navigation, including the removal or destruction of the wreck or obstruction under statutory or other powers;
- (e) any reflagging, deletion and/or registration of the Vessel by the Lessor which may be required following the occurrence of a Termination Event;
- (f) any Environmental Claim or any breach of an Environmental Law or the terms and conditions of an Environmental Authorisation; or
- (g) the Lessee contesting any claim pursuant to paragraph (c) of Clause 47.4 (*Conduct of claims*).

47.4 Conduct of claims

- (a) The Lessor shall request each Indemnatee to notify the Lessee as soon as reasonably practicable after a written claim is made against that Indemnatee with respect to any matter for which the Lessee is responsible under this Clause 47.
- (b) Any notification given under paragraph (a) above shall give such details as the relevant Indemnatee then has regarding the claim and any Loss.
- (c) The Lessee may (with the Lessor's prior written consent, such consent not to be unreasonably withheld), in consultation with the Lessor and the relevant Indemnatee, assume and conduct promptly and diligently the defence of any claim of the Lessor giving rise to an obligation on the Lessee to indemnify under this Charter (a **Lessor Claim**), **provided that**:
 - (i) no Potential Termination Event or Termination Event has occurred and is continuing;
 - (ii) the contest does not involve any risk of criminal liability to the Lessor or any material risk of the sale, forfeiture or loss of the Vessel;
 - (iii) independent legal counsel reasonably acceptable to the Lessor is of the opinion, confirmed in writing to the Lessor, that a reasonable basis exists for contesting the relevant Lessor Claim;
 - (iv) the commercial position and business reputation of the Lessor or the relevant Indemnatee will not be materially or adversely affected by contesting the relevant Lessor Claim; and
 - (v) the Lessee will be responsible for all Losses suffered by any Indemnatee as a consequence of the Lessee contesting the relevant Lessor Claim.
- (d) The Lessor and any other relevant Indemnatee will not, by reason of the Lessee contesting a claim in accordance with paragraph (c) above, be prevented from settling or paying any claim if it is required to do so by applicable law.
- (e) The Lessee and its insurers shall have the right, at the Lessee's or its insurers' expense, to investigate any claim for which indemnification is sought pursuant to this Charter. The Lessor shall co-operate with the Lessee and/or its insurers with respect to such investigation.

47.5 Continuation of indemnities

The indemnities contained in this Charter in favour of the Indemnitees shall continue in full force and effect notwithstanding:

- (a) the termination of the leasing of the Vessel to the Lessee under this Charter; or
- (b) the expiration of the Charter Period by effluxion of time or otherwise.

47.6 Indemnity payments

- (a) Any payment becoming due by the Lessee to any Indemnatee under this Charter shall be paid:
 - (i) within five (5) Business Days of demand made by such Indemnatee; and
 - (ii) together with interest at the Default Rate from the date of such demand to the date of reimbursement by the Lessee to such Indemnatee (both before and after judgment).
- (b) For the avoidance of doubt, it shall not be a condition to the obligation of the Lessee to make a payment under this Charter in respect of any Loss incurred by an Indemnatee to any third party that the relevant Indemnatee has paid any amount to the third party, but only that an amount is payable by such Indemnatee.

- (c) With respect to the giving of the notification under paragraph (a) of Clause 47.4 (*Conduct of claims*), each Indemnatee agrees that:
 - (i) such notification shall not limit such Indemnatee's right to make further or additional demands on the Lessee in respect of the matter so notified, or in respect of any other matter which is, or may become, the subject of a claim by such Indemnatee on the Lessee under this Charter; and
 - (ii) the failure or delay by any Indemnatee to give such notification within a reasonable period of time shall not affect or limit the rights of such Indemnatee under this Charter, or the exercise of such rights in relation to the matter in question, or to any other matter which is, or may become, the subject of a claim by such Indemnatee on the Lessee under this Charter.

48 Taxes

48.1 Withholding Taxes

If, after the date of this Charter, any Tax Deduction is required to be made:

- (a) the Lessee shall promptly notify the Lessor in writing after the Lessee becomes aware of such requirement;
- (b) the Lessee shall pay, or shall procure the payment of, the full amount of such Tax Deduction to the appropriate entity within the time period for payment permitted by law; and
- (c) the sum due from any Relevant Party in respect of such payment under an Operative Document which is subject to such Tax Deduction shall be increased to the extent necessary to ensure that, after the making of such Tax Deduction, the Lessor or any other relevant Creditor Party receives and retains (free from any liability in respect of any such Tax Deduction) on the due date for such payment, a sum equal to the sum which the Lessor or the relevant Creditor Party would have received and so retained had no such Tax Deduction been made or required to be made from such payment. The Lessee shall promptly deliver to the Lessor appropriate receipts evidencing any Tax Deduction so made.

48.2 Tax indemnity

The Lessee shall pay, and on written demand shall indemnify and hold harmless, the Lessor, the Security Trustee and their respective directors, officers, successors and their duly appointed agents (each of whom is referred to in this Clause 48 as a "**Tax Indemnatee**") from and against, any and all fees and duties incurred (including, but not limited to, license and registration fees), Taxes imposed on or against any Tax Indemnatee upon or with respect to:

- (a) the purchase, title, ownership, acquisition, acceptance, rejection, delivery, non-delivery, possession, operation, use, condition, maintenance, repair, sale, remarketing, return, redelivery, storage, manufacture, charter, sub-charter, leasing, modification, supply, replacement, importation, transfer of title, repossession, exportation or other application or disposition of, or the imposition of any Lien on, the Vessel or any interest in the Vessel; or
- (b) otherwise arising with respect to the Vessel or any Operative Document, any Finance Document or the transactions contemplated by, or any amounts paid or payable under or in respect of, this Charter, the other Operative Documents and the Finance Documents.

48.3 Grossing-up of indemnity payments

- (a) If any sum payable to any Indemnatee or Tax Indemnatee by the Lessee under this Charter by way of indemnity proves to be insufficient, by reason of any Taxation imposed on such sum, for the Lessor to discharge the corresponding liability to a third party, or to reimburse such Indemnatee or Tax Indemnatee for the cost incurred by it in discharging such corresponding liability, the Lessee shall, upon receipt of evidence showing such insufficiency, pay to the relevant Indemnatee or Tax Indemnatee such additional sum as (after taking into account such Taxation suffered by the Lessor) shall be required to make up the relevant deficit.

- (b) If and to the extent that any sum (the "**indemnity sum**") constituting (directly or indirectly) an indemnity to an Indemnitee or Tax Indemnitee, but paid by the Lessee to any person other than an Indemnitee or Tax Indemnitee, shall be treated as taxable in the hands of such Indemnitee or Tax Indemnitee, the Lessee shall pay to the Lessor such sum (the "**compensating sum**") as (after taking into account any Taxation suffered by the Lessor on the compensating sum) shall reimburse the Indemnitee or Tax Indemnitee for any Taxation suffered by it in respect of the indemnity sum.

48.4 Stamp taxes

- (a) Each Relevant Party shall:
- (i) pay all stamp, documentary, registration or other similar Taxes imposed on or in connection with any of the Operative Documents to which it is a party; and
 - (ii) provide the Lessor and if requested by the Lessor the Security Trustee, with receipts in respect of such payments, unless such receipts shall not be available, in which case such Relevant Party shall provide the Lessor and, if applicable, the Security Trustee with satisfactory evidence of such payments.
- (b) Each Relevant Party shall indemnify the Lessor and the Security Trustee on an After Tax Basis, against all Losses arising by reason of any delay or omission by the Relevant Party to pay such duties or Taxes.

49 Illegality

49.1 Consequences of illegality

- (a) If, in any applicable jurisdiction, it becomes unlawful for the Lessor or the Security Trustee or any Relevant Party to perform any of its obligations or to exercise any of its rights under any of the Operative Documents or any of the Finance Documents to which it is a party, the Lessor shall be entitled, by giving written notice to the Lessee:
- (i) to cancel the Memorandum of Agreement and to cancel this Charter, if any such event occurs prior to the Delivery Date; or
 - (ii) to terminate this Charter if such event occurs after the Delivery Date, in each case, immediately or, if later, upon the date upon which the relevant illegality will become effective.
- (b) If, in any applicable jurisdiction, it becomes unlawful for a Finance Party to perform any of its obligations or to exercise any of its rights under any of the Finance Documents to which it is a party, the Lessor will promptly notify the Lessee of such event.

49.2 Termination

- (a) On the date of the cancellation referred to in Clause 49.1(a)(i), the Lessee shall pay to the Lessor:
- (i) any Remittance Interest accrued on the Purchase Price;
 - (ii) any relevant Break Costs;
 - (iii) any fee (other than a Prepayment Fee) and other amount then due and payable but unpaid by any Relevant Party to the Lessor and/or the Security Trustee under any of the Operative Documents;
 - (iv) any cost incurred by the Lessor and/or the Security Trustee to the Finance Parties under the Finance Documents as a result of the occurrence of the cancellation of the Memorandum of Agreement and/or this Charter; and

- (v) any out of pocket costs (including legal costs) incurred by the Lessor and/or the Security Trustee in connection with the cancellation of the Memorandum of Agreement and/or this Charter.
- (b) On the date of the termination referred to in Clause 49.1(a)(ii), the Lessee shall pay to the Lessor:
- (i) any Rent (including, if applicable, the Balloon Rental) due or accrued but unpaid on such date;
 - (ii) the Outstanding Charter Hire Principal on such date;
 - (iii) any interest accrued on any unpaid and overdue Rent (including, if applicable, the Balloon Rental) or the Outstanding Charter Hire Principal at the Default Rate;
 - (iv) any relevant Break Costs;
 - (v) any fee (other than a Prepayment Fee) and other amount then due and payable but unpaid by any Relevant Party to the Lessor and/or the Security Trustee under any of the Operative Documents;
 - (vi) any cost incurred by the Lessor and/or the Security Trustee to the Finance Parties under the Finance Documents as a result of the termination of this Charter; and
 - (vii) any out of pocket costs (including legal costs) incurred by the Lessor and/or the Security Trustee in connection with the termination of this Charter.

49.3 Release and Transfer

Upon receipt by the Lessor of the sums set out in Clause 49.2 (*Termination*), and subject to no Termination Event or Potential Termination Event being outstanding and/or having occurred and subject to the Security Coverage Ratio complying with the Asset Coverage Threshold (as each such term is defined in the Associated Charter) applicable at the time pursuant to Clause 59.2 (*Security Coverage Ratio*) of the Associated Charter (including in each case on, before or after the release and transfer referred to below), the Lessor shall:

- (a) procure the release of all Liens created by the Lessor on the Vessel and the other security created pursuant to the Operative Documents in relation to the Vessel and this Charter (and if they relate to both the Vessel and the Associated Vessel, and/or to both this Charter and the Associated Charter, only insofar as they relate to the Vessel and this Charter); and
- (b) transfer title to the Vessel to the Lessee or its nominee pursuant to the terms set out in Clause 67 (*Transfer of title*) if Delivery of the Vessel under the Memorandum of Agreement has already occurred.

50 Increased Costs

50.1 Increased Costs

- (a) Subject to Clause 50.2 (*Increased Costs exclusions*), the Lessee shall promptly pay to the relevant Indemnatee the amount of any Increased Costs incurred by such Indemnatee as a result of:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date of this Charter; or
 - (ii) compliance with any law or regulation made after the date of this Charter; or
 - (iii) the implementation or application of, or compliance with, Basel III, Reformed Basel III, CRR or CRR II or any law or regulation that implements or applies Basel III, Reformed Basel III, CRR or CRR II.

(b) In this Charter:

Basel III means:

- (i) the agreements on capital requirements, 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;
- (ii) 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
- (iii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III",

other than, in each such case, the agreements, rules, guidance and standards set out in Reformed Basel III as amended, supplemented or restated after the date of this Charter.

CRR means either CRR-EU or, as the context may require, CRR-UK.

CRR-EU means regulation 575/2013 of the European Union on prudential requirements for credit institutions and investment firms and regulation 2019/876 of the European Union amending Regulation (EU) No 575/2013 and all delegated and implementing regulations supplementing that Regulation.

CRR-UK means CRR-EU as amended and transposed into the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 and as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2019.

CRR II means either CRR II-EU or, as the context may require, CRR II-UK.

CRR II-EU means regulation 2019/876 amending CRR-EU as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 and all delegated and implementing regulations supplementing that Regulation.

CRR II-UK means CRR II-EU as amended and transposed into the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 and as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2019.

Increased Costs means:

- (i) a reduction in the rate of return from the transactions contemplated by the Operative Documents or on an Indemnatee's overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by such Indemnatee);
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Operative Document,

which is incurred or suffered by the Lessor or any other Indemnatee or any of its Affiliates to the extent that it is attributable to the Lessor or that Indemnatee having entered into any of the Operative Documents or funding or performing its obligations under any of the Operative Documents.

50.2 Increased Costs exclusions

Clause 50.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction to be made by the Lessee or any other Relevant Party;
- (b) compensated for by Clause 48.2 (*Tax indemnity*) or 48.3 (*Gross-up of indemnity payments*) (or would have been compensated for under Clause 48.2 (*Tax indemnity*) but was not so compensated solely because the exclusions to Clause 48.2 (*Tax indemnity*) applied); or
- (c) attributable to the wilful breach by the relevant Indemnitee of any law or regulation.

50.3 Payment of Increased Costs, indemnity sum or voluntary termination

- (a) If an Indemnitee or a Tax Indemnitee other than the Lessor wishes to make a claim pursuant to paragraph (c) of Clause 48.1 (*Withholding Taxes*), Clause 48.2 (*Tax Indemnity*) or Clause 50.1 (*Increased Costs*), it shall notify the Lessor of the event giving rise to the claim. The Lessor shall then promptly notify the Lessee.
- (b) Upon receipt of the Lessor's notification, the Lessee shall notify the Lessor of its intention to either:
 - (i) pay by means of an adjustment to the Rent, the amount which the Lessor notifies the Lessee that the relevant Indemnitee or Tax Indemnitee has determined is necessary to compensate it for the Increased Cost or indemnity sum;
 - (ii) if any such event occurs prior to the Delivery, to cancel the Memorandum of Agreement and this Charter; or
 - (iii) if any such event occurs after the Delivery, to terminate the leasing of the Vessel,in each case, either immediately or at a future specified date prior to the latest date permitted by such law or regulation.
- (c) If the Lessee elects to voluntarily terminate the Memorandum of Agreement, the Lessor's obligations under the Memorandum of Agreement and this Charter shall cease either immediately or on the future specified date which is prior to the latest date permitted by such law or regulation.
- (d) If the Lessee elects to voluntarily terminate this Charter, the Charter Period shall be terminated either immediately or on the future specified date which is prior to the latest date permitted by such law or regulation.
- (e) On the date of the termination referred to in paragraph (c) above, the Lessee shall pay to the Lessor any amount then due and payable but unpaid by the Lessee to the Lessor or any other Indemnitee under any of the Operative Documents or by the Lessee to the Lessor under the Memorandum of Agreement.
- (f) On the date of the termination referred to in paragraph (d) above, the Lessee shall pay to the Lessor:
 - (i) any Rent (including, if applicable, the Balloon Rental) due or accrued but unpaid on such date;
 - (ii) the Outstanding Charter Hire Principal on such date;
 - (iii) any interest accrued on any unpaid and overdue Rent (including, if applicable, the Balloon Rental) or the Outstanding Charter Hire Principal at the Default Rate;

- (iv) the relevant Prepayment Fee;
 - (v) any cost incurred by the Lessor or the Security Trustee or any other Indemnatee to the Finance Parties under the Finance Documents as a result of the termination of this Charter;
 - (vi) any other amount then due and payable but unpaid by the Lessee to the Lessor or the Security Trustee or any other Indemnatee under any of the Operative Documents; and
 - (vii) any relevant Break Costs.
- (g) Upon receipt by the Lessor of the sums set out in paragraph (e) or (f) above, and subject to no Termination Event or Potential Termination Event being outstanding and/or having occurred and subject to the Security Coverage Ratio complying with the Asset Coverage Threshold (as each such term is defined in the Associated Charter) applicable at the time pursuant to Clause 59.2 (*Security Coverage Ratio*) of the Associated Charter (including in each case on, before or after the release and transfer referred to below), the Lessor shall, as soon as practically possible:
- (i) procure the release of all Liens created by the Lessor on the Vessel and the other security created pursuant to the Operative Documents in relation to the Vessel and this Charter (and if they relate to both the Vessel and the Associated Vessel, and/or to both this Charter and the Associated Charter, only insofar as they relate to the Vessel and this Charter); and
 - (ii) transfer title to the Vessel to the Lessee or its nominee pursuant to the terms set out in Clause 67 (*Transfer of title*) if Delivery of the Vessel under the Memorandum of Agreement has already occurred.

50.4 FATCA Information

- (a) Subject to Clause 50.4(c), each Party shall, within ten (10) Business Days of a reasonable request by the other Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to Clause 50.4(a)(i) 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) Clause 50.4(a) shall not oblige the Lessor 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 paragraphs (a) or (b) above (including, for the avoidance of doubt, where Clause 50.4(c) applies), then such Party shall be treated for the purposes of the Operative Documents (and payments under them) as if it is not a FATCA Except Party until such time as the Party in question provided the requested confirmation, forms, documentation or other information.

51 Representations

51.1 Lessee representations

The Lessee for and on behalf of and respect of each Relevant Party (but, in respect of a Third Party Manager only to the best of its knowledge) makes the representations and warranties set out in this Clause 51.1 to the Lessor on the date of this Charter.

(a) Status

- (i) Each Relevant Party is a limited liability company or, as the case may be, a corporation, duly incorporated, and validly existing and, where applicable, in good standing under the laws of its jurisdiction of incorporation.
- (ii) Each Relevant Party has the power and authority to own its assets and carry on its business as it is now being conducted.

(b) Binding obligations

The obligations expressed to be assumed by each Relevant Party in each Transaction Document to which it is a party are legal, valid, binding and enforceable in accordance with their terms.

(c) Non-conflict with other obligations

The entry into and performance by each Relevant Party of, and the transactions contemplated by, the Transaction Documents to which it is a party do not and will not conflict with:

- (i) any law or regulation applicable to it;
- (ii) its constitutional documents; or
- (iii) any agreement or instrument binding upon it or any of its assets,

nor constitute a default or termination event (however described) under any such agreement or instrument, or (except as provided in any Security Document to which each Relevant Party is a party or a Permitted Lien) result in the existence of, or oblige it to create, any Lien over any of its assets.

(d) Power and authority

- (i) Each Relevant Party has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, and compliance with, the Transaction Documents to which it is a party and the transactions contemplated by those documents and to create the Liens expressed to be created by the Security Documents to which it is or will be a party.
- (ii) No limitation on any Relevant Party's powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of, any Transaction Document to which such Relevant Party is, or is to be, a party.

(e) **Validity and admissibility in evidence**

All Authorisations required or desirable:

- (i) to enable each Relevant Party lawfully to enter into, exercise its rights and comply with its obligations in, the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which each Relevant Party is a party admissible in evidence in its jurisdiction of incorporation;
- (iii) for each Relevant Party to carry on its business; and
- (iv) to enable each Relevant Party to create the Liens to be created by it under any Security Document to which it is a party and to ensure that such Lien has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect.

(f) **Governing law and enforcement**

- (i) The choice of English law as the governing law of the Transaction Documents (other than the Account Security) to which a Relevant Party is a party, and the choice of the governing law of the Account Security will be recognised and enforced in its jurisdiction of incorporation.
- (ii) Any judgment or arbitration award obtained in England in relation to an Transaction Document to which a Relevant Party is a party will be recognised and enforced in its jurisdiction of incorporation.

(g) **Place of business**

- (i) None of the Relevant Parties has established a place of business in England.
- (ii) The Lessee's centre of main interest (as that term is used in Article 3(1) of the Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the **Regulation**)) is situated in its jurisdiction of incorporation and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

(h) **No misleading information**

- (i) All information provided by any Relevant Party for the purposes of any Operative Document was true, complete and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (ii) Any financial projections provided by any Relevant Party or on its behalf and delivered to the Lessor in connection with this Charter have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (iii) Nothing has occurred or been omitted from the information so provided and no information has been given by any Relevant Party or withheld that results in any such information provided by such Relevant Party or on its behalf being untrue or misleading in any material respect.

(i) **Financial statements**

- (i) The Group's financial statements most recently supplied to the Lessor were prepared in accordance with GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) The Group's financial statements most recently supplied to the Lessor give a true and fair view and represent its financial condition and operations as at the end of the relevant financial year save to the extent expressly disclosed in such financial statements.

- (iii) There has been no material adverse change in the Group's business or financial condition since the date of the Original Financial Statements.

(j) **Pari passu ranking**

- (i) Each Security Document to which each Relevant Party is a party creates (or, once entered into, will create) in favour of the Security Trustee the Security which it is expressed to create with the ranking and priority it is expressed to have.
- (ii) Without limiting paragraph (i) above, each Relevant Party's payment obligations under each Operative Document to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

(k) **Insolvency**

No insolvency proceeding or creditors' process described in Clause 63.11 (*Insolvency proceedings*) has been taken or threatened in relation to any Relevant Party and no petition for the opening of such proceedings has been presented.

(l) **Deduction of Tax**

It is not required under the law applicable where any Relevant Party is incorporated or formed or resident or at its address specified in this Charter or any Operative Document to make any Tax Deduction from any payment it may make under any Operative Document.

(m) **No filing or stamp taxes**

Under the law of each Relevant Party's jurisdiction of incorporation, it is not necessary that any of the Transaction Documents to which it is a party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid in that jurisdiction on or in relation to any of the Transaction Documents to which it is a party or the transactions contemplated by any of the Transaction Documents to which it is a party.

(n) **No Termination Event**

- (i) No Termination Event and no Potential Termination Event is continuing or might reasonably be expected to result from the entry into or performance of, or the transactions contemplated by, the Transaction Documents to which each Relevant Party is a party.
- (ii) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which would have a Material Adverse Effect.

(o) **No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency (including any Environmental Claims) which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have been started or threatened against it or any other Relevant Party.

(p) **Authorised signatures**

Any person specified as an authorised signatory of each Relevant Party under Schedule 1 (*Conditions precedent*) is authorised to sign all documents and notices on its behalf.

(q) **No immunity**

Each Relevant Party and its assets are not entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (including suit, attachment prior to judgment, execution or other enforcement).

(r) **Environmental Authorisations**

All records, reports, returns, registrations and information necessary for compliance with any Environmental Law or any Environmental Authorisations have been made or given to the relevant competent authority in accordance with the requirements thereof.

(s) **Environmental provisions**

- (i) All applicable Environmental Laws and Environmental Authorisations relating to the Vessel and her operation and management have been complied with.
- (ii) No Environmental Claim has been made or threatened against the Lessee or any Manager in connection with the Vessel.
- (iii) No Environmental Incident has occurred.

(t) **Liens**

The Vessel will be free from all Liens at Delivery.

(u) **Vessel condition**

At Delivery, the Vessel will comply with all requirements of this Charter including, without limitation, in respect of its condition, insurance, class and employment.

(v) **Tax compliance**

Each Relevant Party has complied in all material respects with all Tax laws and regulations applicable to it and its business.

(w) **Anti-corruption law and anti-bribery law**

Each Relevant Party is not in breach of any laws or regulations relating to the laws of England, the Republic of the Marshall Islands, the Vessel and its ownership, employment, operation, management and registration, and in particular each such Relevant Party has complied with all Anti-Money Laundering Laws and each such Relevant Party has instituted and maintained systems, controls, policies and procedures designed to detect and prevent incidences of money laundering and promote and achieve compliance with Anti-Money Laundering Laws.

(x) **Sanctions**

- (i) No Relevant Party, nor any of their Subsidiaries, directors or officers, is a Restricted Person or is owned or controlled by, or acting directly or indirectly on behalf of or for the benefit of, a Restricted Person and none of such persons owns or controls a Restricted Person.
- (ii) Notwithstanding any other provision of this Charter or any other Operative Document to the contrary, neither the Lessor nor any Relevant Party is obliged to do or omit to do anything if it would be likely to constitute a breach of any Sanctions or any laws and regulations relating to anti-money laundering, counter-terrorism financing or economic and trade sanctions applicable to it.
- (iii) Notwithstanding any other provision of this Charter or any other Operative Document to the contrary but subject to any statutory obligations and confidentiality undertakings by which the Lessor, any Relevant Party may be bound, each of them agrees to provide any information and documents that are within its possession, custody or control reasonably required by any other Party in order for that other Party to comply with any Sanctions, any Anti-Money Laundering Laws or any other laws and regulations relating to anti-money laundering, counter-terrorism financing or economic and trade sanctions applicable to it.

- (iv) If the Lessor or any Relevant Party is required to disclose information obtained in connection with this Charter or any other Operative Document to any person in order to comply with any Sanctions or any laws and regulations relating to anti-money laundering, counter-terrorism financing or economic and trade sanctions applicable to it, each of them agrees that, if permitted to do so by law, it will immediately notify the other Party of the requirement to disclose such information and that to the extent permitted by law, such disclosure will not breach any duty of confidentiality owed by any of them to any of the others.

(y) **Disclosure of material facts**

None of the Relevant Parties is aware of any material facts or circumstances which have not been disclosed to the Lessor and which might, if disclosed, have adversely affected the decision of a person considering whether or not to acquire the Vessel from the Lessee and to charter it back to the Lessee.

(z) **Shares**

- (i) All of the shares of the Lessee are fully paid and not subject to any option to purchase or similar rights and are in registered format.
- (ii) The constitutional documents of the Lessee do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Security Documents.
- (iii) There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of the Lessee (including any option or right of pre-emption or conversion).

(aa) **Ownership of Lessee**

The Lessee is a wholly owned direct Subsidiary of the Guarantor.

(bb) **No Change of Control**

There has not been a Change of Control.

(cc) **No breach of any Charter Document**

Neither the Lessee nor (so far as the Lessee is aware) any other person is in breach of any Sub-Charter to which it is a party nor has anything occurred which entitles or may entitle any party to rescind or terminate it or decline to perform their obligations under it.

(dd) **No breach of the Hampton Bay Contract**

Neither the Lessee nor (so far as the Lessee is aware) any other person is in breach of the Hampton Bay Contract nor has anything occurred which entitles or may entitle any party to rescind or terminate it or decline to perform their obligations under it.

(ee) **Vessel's employment**

The Vessel shall on the Delivery Date be free of any charter commitment which, if entered into after that date, would require approval under the Operative Documents.

(ff) **Address commission**

There are no rebates, commissions or other payments in connection with any the Hampton Bay Contract or any Sub-Charter other than those referred to in it.

(gg) **Copies of documents**

The copies of those Transaction Documents which are not Operative Documents and the constitutional documents of the Relevant Parties delivered to the Lessor under Clause 42 (*Conditions Precedent*) will be true, complete and accurate copies of such documents and include all amendments and supplements to them as at the time of such delivery and no other agreements or arrangements exist between any of the parties to those Transaction Documents which would materially affect the transactions or arrangements contemplated by them or modify or release the obligations of any party under them.

51.2 Repetition

Each of the representations and warranties set out in Clause 51.1 (*Lessee representations*) are deemed to be made by the Lessee by reference to the facts and circumstances then existing on the Delivery Date and on each Payment Date.

52 General Undertakings

52.1 Lessee undertakings

The undertakings in this Clause 52.1 are given by the Lessee to the Lessor for and on behalf of and in respect of each Relevant Party (but, in respect of a Third Party Manager, on a best efforts basis) and shall remain in force from the date of this Charter until the end of the Charter Period.

(a) **Status**

Each Relevant Party shall maintain its corporate existence under the laws of its jurisdiction of incorporation.

(b) **Authorisations**

Each Relevant Party shall promptly:

- (i) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (ii) supply certified copies to the Lessor of,

any Authorisation required under any law or regulation to enable such Relevant Party to perform its obligations under any Transaction Document to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in such Relevant Party's jurisdiction of incorporation of any Transaction Document to which such Relevant Party is subject or to ensure that each of the Liens created under the Security Documents has the priority and ranking contemplated by them.

(c) **Compliance with laws**

Each Relevant Party shall (and shall ensure that each other Group Member will) comply in all material respects with all laws (including Environmental Laws and Sanctions) to which it may be subject.

(d) **Performance of obligations**

Each Relevant Party shall comply with all its obligations under any Operative Document to which it is a party.

(e) **Pari passu**

Each Relevant Party shall ensure that its liabilities under any Operative Document to which it is a party rank at least *pari passu* with all its other unsecured liabilities except where such liabilities are mandatorily preferred by laws of general application to companies.

(f) **Notification of default**

The Lessee shall notify the Lessor as soon as it becomes aware of:

- (i) the occurrence of any Potential Termination Event or any Termination Event; or

(ii) any matter which indicates that any Potential Termination Event or any Termination Event may have occurred, and in each case, shall keep the Lessor fully informed of all developments.

(g) **Notification of litigation**

The Lessee shall provide the Lessor with details of any Environmental Claim, any legal or administrative proceedings involving any Relevant Party, the Vessel or any Operative Document to which any Relevant Party is a party as soon as it becomes aware that such action has been instituted or it becomes apparent to the Lessee that it is likely to be instituted and such action is likely to have a Material Adverse Effect on the ability of a Relevant Party to perform its obligations under any Operative Document to which it is a party.

(h) **Provision of information**

The Lessee shall provide, or procure that there is provided, to the Lessor promptly, such information regarding compliance by each Relevant Party with the terms of any Operative Document to which it is a party, or with respect to the Vessel, as the Lessor may from time to time reasonably request.

(i) **Merger**

No Relevant Party (other than a Third Party Manager) shall enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction provided that such amalgamation, demerger, merger, consolidation or corporate reconstruction shall be permitted in the case of the Guarantor if the Guarantor is the surviving entity of such action and no Termination Event exists at the time of such action or would result from the same.

(j) **Change of business**

- (i) The Lessee shall not substantially change the general nature of its business from that carried on at the date of this Charter without the prior written consent of the Lessor.
- (ii) The Guarantor shall ensure that no substantial change is made to the general nature of its business from that carried on at the date of this Charter without the prior written consent of the Lessor.

(k) **Cancellation, termination and amendment of documents**

Except with the prior written consent of the Lessor, none of the Relevant Parties shall cancel, terminate or amend or permit to be cancelled, terminated or amended any Operative Document to which it is a party.

(l) **Taxes**

Each Relevant Party shall:

- (i) file or cause to be filed all tax returns required to be filed in all jurisdictions in which it is situated or carries on business or otherwise is subject to Taxation;
- (ii) pay all Taxes shown to be due and payable on such returns or any assessments made against it, except to the extent these are contested in good faith and by appropriate means where such payment may be lawfully withheld and for which adequate reserves have been established by it taking into account the amount of Taxes payable;
- (iii) except as approved by the Lessor, each Relevant Party shall maintain its residence for Tax purposes in the jurisdiction in which it is currently resident for Tax purposes and ensure that it is not resident for Tax purposes in any other jurisdiction; and
- (iv) each Relevant Party shall promptly upon becoming aware of the same notify the Lessor of the imposition or the proposed levy of any taxes (by withholding or otherwise) on any payment to be made by any Relevant Party under any Operative Document to which it is a party.

(m) **Sanctions, anti-corruption law and anti-bribery law**

- (i) The Lessee undertakes that it shall, and it shall procure that each Relevant Party and each Group Member will, comply with all Sanctions.
- (ii) The Lessee undertakes that it shall, and it will procure that no Relevant Party (but, in respect of a Third Party Manager, on a best efforts basis) nor any Group Member:
 - (A) is a Restricted Person;
 - (B) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Restricted Person;
 - (C) owns or controls a Restricted Person; or
 - (D) has a Restricted Person serving as a director, officer or, to the best of its knowledge, employee.
- (iii) Each Relevant Party and each Group Member has instituted and maintains policies and/or internal procedures designed to prevent violation of Sanctions.
- (iv) The Vessel is not listed on a Sanctions List or otherwise the target of Sanctions.
- (v) No proceeds of the Purchase Price shall be made available, directly or indirectly, to or for the benefit of a Restricted Person nor shall they be otherwise directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions.
- (vi) No Relevant Party shall become a Restricted Person or act on behalf of, or as an agent of, a Restricted Person. No Relevant Party shall and shall procure that no other Group Member and or Relevant Party shall, become a Restricted Person or act on behalf of, or as an agent of, a Restricted Person.
- (vii) The Lessee shall ensure, and it shall procure that each Relevant Party (but, in respect of a Third Party Manager, on a best efforts basis) and each Group Member shall ensure, that no proceeds from any activity or dealing with a Restricted Person are credited to any bank account of the Lessor or any Affiliate of the Lessor.
- (viii) The Lessee shall, and it shall procure that each Relevant Party (but, in respect of a Third Party Manager, on a best efforts basis) and each Group Member will, promptly upon becoming aware of them, supply to the Lessor details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority.
- (ix) The Lessee shall not, and it shall procure that no Relevant Party (but, in respect of a Third Party Manager, on a best efforts basis) and no Group Member will, use any revenue or benefit derived from any activity or dealing with a Restricted Person in discharging any obligation due or owing to the Lessor.
- (x) The Lessee shall not, and it shall procure that no Relevant Party (but, in respect of a Third Party Manager, on a best efforts basis) and no other Group Member shall, directly or indirectly, use, lend, contribute or otherwise make available any proceeds of the Purchase Price or other transaction contemplated by this Charter or the Memorandum of Agreement for the purpose of financing any trade, business or other activities with any Restricted Person.

- (xi) The Lessee shall, and it shall procure that each other Relevant Party (including procuring or as the case may be, using all reasonable endeavours to procure their respective officers and/or directors, of the relevant entity to do the same) shall (A) comply with all Anti-Money Laundering Laws; (B) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws; and (C) in respect of the Lessee, not use, or permit or authorize any person not to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws.
- (xii) In respect of the Lessee, not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti-Money Laundering Laws.
- (xiii) The Lessee shall, and shall procure that each other Relevant Party shall promptly notify the Lessor of any non-compliance, by itself or any such Relevant Party or their respective officers, directors, with all laws and regulations relating to Anti-Money Laundering Laws as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws.

(n) **Financial statements**

The Lessee shall supply to the Lessor:

- (i) as soon as the same become available, but in any event within 180 days after the end of each financial year of the Guarantor, the audited consolidated financial statements of the Group for that financial year (the "**Annual Financial Statements**"); and
- (ii) as soon as the same become available, but in any event within 90 days after the end of the first half of each financial year of the Guarantor, the unaudited consolidated financial statements of the Group for that financial half year (the "**Semi-Annual Financial Statements**").

(o) **Requirements as to financial statements**

- (i) The Lessee shall procure that each set of Annual Financial Statements and Semi-Annual Financial Statements includes a profit and loss account, a balance sheet and a cashflow statement and that, in addition, each set of Annual Financial Statements shall be audited by the Auditors.
- (ii) Each set of financial statements delivered pursuant to paragraph (n) of this Clause 52.1 shall:
 - (A) be prepared in accordance with GAAP;
 - (B) fairly present, and be certified by a director of the relevant company as fairly presenting, its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the Annual Financial Statements, shall be accompanied by any letter addressed to the management of the relevant company by the Auditors and accompanying those Annual Financial Statements; and
 - (C) in the case of Annual Financial Statements, not be the subject of any qualification in the Auditors' opinion.
- (iii) The Lessee shall procure that each set of financial statements delivered pursuant to paragraph (n) of this Clause 52.1 shall be prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements, unless, in relation to any set of financial statements, the Lessee notifies the Lessor that there has been a change in GAAP or the accounting practices and the Auditors deliver to the Lessor:
 - (A) a description of any change necessary for those financial statements to reflect the GAAP or accounting practices and reference periods upon which corresponding Original Financial Statements were prepared; and
 - (B) sufficient information, in form and substance as may be reasonably required by the Lessor, to enable the Lessor to determine whether Clause 53 (*Financial covenants*) has been complied with and to make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.

- (iv) Any reference in this Charter to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

(p) **Change of accounting period**

Except with the prior written consent of the Lessor, neither the Lessee nor the Guarantor shall change its accounting periods or its Auditors.

(q) **Financing**

- (i) Each of the Lessor and the Lessee acknowledges that (i) the Security Documents will be on-assigned to the Security Agent or any other Finance Party, (ii) the Lessor will assign its interest in the Vessel's insurances to the Security Agent or any other Finance Party and (iii) the Vessel is to be mortgaged to the Security Agent or any other Finance Party at the Lessor's expense, each as security for the Lessor's obligations under the Finance Documents and the Lessee hereby consents to any such Finance Documents and any such mortgage and assignment. The Lessee agrees and undertakes to procure that each of the Relevant Parties shall cooperate with the Lessor and the Finance Parties to give effect to the security interests contemplated in the above documents.
- (ii) The Lessee further acknowledges that the Operative Documents will be subject to review by the Security Agent or any other Finance Party and their legal advisors and agrees to co-operate with the Security Agent or any other Finance Party and such legal advisors in such review. If on the request of the Security Agent or any other Finance Party the Lessor gives notice to the Lessee to change the terms and requirements of any Operative Document, that Operative Document shall be modified in the manner to be agreed between the Relevant Parties within fifteen (15) Business Days of the Lessor's relevant notice, provided however that, in the event the Relevant Parties fail to reach agreement within the said period, that Operative Document shall be modified in the manner so notified by the Lessor to the Lessee and/or any other Relevant Party at any time after such failure.

(r) **Information: miscellaneous**

The Lessee shall promptly supply to the Lessor:

- (i) after they are dispatched, copies of all material documents dispatched by the Lessee or the Guarantor to its shareholders generally (or any class of them) or its creditors generally (or any class of them);
- (ii) such information regarding the employment status and operating status of the Vessel as the Lessor may reasonably request;
- (iii) such further information regarding the financial condition, business and operations of the Lessee and/or the financial condition of the Guarantor as the Lessor may reasonably request (including but not limited to any information relating to compliance with environmental, social and governance (ESG) criteria);
- (iv) such further information and records relating to the Vessel (including but not limited to any information relating to the energy efficiency of the Vessel) and the Lessee as the Lessor may reasonably request;
- (v) any notice being received from any competent authority amending, terminating or suspending or threatening to amend, terminate or suspend any Authorisation where such action (or implementing the result thereof) constitutes a Material Adverse Effect;

(vi) upon becoming aware of them, details of any circumstances which may lead to:

(A) any Authorisation not being obtained or effected or not remaining in full force and effect (other than in accordance with its terms); or

(B) any Authorisation not being obtained, renewed or effected when required,

where failure to obtain and/or maintain the same would constitute a Material Adverse Effect.

(s) **Environmental**

The Lessee shall, upon becoming aware of the same, promptly notify the Lessor and the Security Agent or any other Finance Party of:

(i) any material Environmental Claim or any Environmental Incident;

(ii) any material inspections, investigations, studies, audits, tests, reviews and other analysis carried out by it or on its behalf (but excluding any routine inspection) in relation to any environmental matters; and

(iii) details of any material non-compliance by it with any applicable Environmental Law or applicable Environmental Authorisation or any suspension, revocation or modification of any Environmental Authorisation and shall set out the action it intends to take with respect to those matters,

in relation to the Vessel.

(t) **"Know your customer" checks**

The Lessee shall promptly upon the request of the Lessor supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lessor in order for the Lessor to conduct any "know your customer" or other similar procedures required by applicable laws and regulations.

53 Financial covenants

(a) The Lessee shall ensure and procure that, at all times throughout the Charter Period, the Operating Account has a credit balance of no less than \$350,000 (the "**Minimum Liquidity Amount**") (for the avoidance of doubt, not taking into account any amount of Rent paid by the Lessee on any Payment Date).

(b) In the event that the Guarantor or any other Group Member agrees to, or grants, or agrees to grant, any financial covenants or restriction to the payment or distribution of dividends, for the benefit of, or in favour of, any lender or creditor of any indebtedness of any Group Member (the **more favourable rights**), which are in any respect more favourable to such lender or creditor than paragraph (a) of this Clause 53 and/or Clause 54.13 (*Distributions and other payments*) are for the Lessor, the Lessee undertakes:

(i) to notify the Lessor within five (5) days after the granting of or any agreement to grant (as the case may be) such more favourable rights; and

(ii) within thirty (30) days after the date when such more favourable rights have been agreed or granted, to agree to, provide and grant, such more favourable rights also in favour of the Lessor under or in connection with this Charter, by entering into such documentation if and as the Lessor shall reasonably require, immediately after its request to the Lessee.

54 Business Restrictions

Except as otherwise approved by the Lessor, the Lessee undertakes with the Lessor for and on behalf of and in respect of all Relevant Parties (other than a Third Party Manager) that this Clause 54 will be complied with from the date of this Charter until the expiry or termination of the Charter Period.

54.1 General negative pledge

- (a) No Relevant Party shall create or permit any Lien (other than a Permitted Lien) to exist, arise or be created or extended over the Vessel, any shares of the Lessee or any other property assigned or charged to the Lessor or any Finance Party.
- (b) The Lessee shall not:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby that asset is or may be leased to, or re-acquired by, any other Relevant Party;
 - (ii) sell, transfer, factor or otherwise dispose of any of its receivables;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

54.2 Financial Indebtedness

The Lessee shall not (without the Lessor's prior written consent) incur or permit to exist, any Financial Indebtedness owed by it to anyone else except:

- (a) Financial Indebtedness incurred under the Operative Documents; and
- (b) Financial Indebtedness, including all inter-company loans or shareholders' loans or loans from Affiliates of the Lessee, which is subordinated to the Lessor in accordance with Clause 54.5 (*Subordination*).

54.3 Guarantees

The Lessee shall not give or permit to exist, any guarantee by it in respect of indebtedness of any person (other than the Associate Lessee's under the Operative Documents defined in the Associated Charter and any guarantee in favour of trade creditors of the Group given in the ordinary course of its business) or allow any of its indebtedness to be guaranteed by anyone else (other than the Guarantor and the Associate Lessee under the Operative Documents).

54.4 Loans and credit

The Lessee shall not be a creditor in respect of Financial Indebtedness other than in respect of:

- (a) loans or credit to permitted under Clause 54.2 (*Financial Indebtedness*); or
- (b) trade credit granted by it to its customers on normal commercial terms in the ordinary course of its trading activities.

54.5 Subordination

The Lessee may not incur and/or repay and/or re-draw any shareholder's loans and/or intercompany loans from time to time granted by any other Group Member (each, a "**Subordinated Creditor**") to the Lessee (in this Clause 54.5, each, a "**Subordinated Debt**"), unless such Subordinated Debt (subject to any provisions of any Subordination Deed):

- (a) are subordinated in all respects to all amounts owing and which may in future become owing by the Lessee under the Operative Documents;
- (b) shall not be subject to payment of interest;

- (c) are and shall remain unsecured by any Lien over the whole or any part of the assets of the Lessee; and
- (d) shall not be capable of becoming subject to any right of set-off or counterclaim.

54.6 Bank accounts and other financial transactions

The Lessee shall not:

- (a) hold cash in any account (other than the Accounts) over or in respect of which any set-off (other than the usual banker's right of set off), combination of accounts, netting or Lien exists;
- (b) maintain any current or deposit account with a bank or financial institution except for the Accounts and the deposit of money, operation of current accounts and the conduct of electronic banking operations through the Accounts;
- (c) enter into any obligations under operating leases relating to assets; or
- (d) be party to any banking or financial transaction, whether on or off balance sheet, that is not expressly permitted under this Clause 54.

54.7 Disposals

The Lessee shall not enter into a single transaction or a series of transactions, whether related or not and whether voluntarily or involuntarily, to dispose of any asset except for any disposal permitted by the Operative Documents.

54.8 Contracts and arrangements with affiliates

The Lessee shall not be party to any arrangement or contract with any of its Affiliates unless such arrangement or contract is on an arm's length basis.

54.9 Subsidiaries

The Lessee shall not establish or acquire a company or other entity.

54.10 Acquisitions and investments

The Lessee shall not acquire any person, business, assets or liabilities or make any investment in any person or business or undertaking or enter into any joint-venture arrangement except:

- (a) acquisitions of assets in the ordinary course of business (such assets not being new businesses or vessels);
- (b) the incurrence of liabilities in the ordinary course of its business;
- (c) any loan or credit not otherwise prohibited under this Charter; or
- (d) liabilities incurred under any Operative Documents to which it is party.

54.11 Reduction of capital

The Lessee shall not redeem or purchase or otherwise reduce any of its equity or any other share capital, or as the case may be, membership interest capital, or any warrants or any uncalled or unpaid liability in respect of any of them or reduce the amount (if any) for the time being standing to the credit of its share premium account or capital redemption or other undistributable reserve in any manner.

54.12 Increase in capital

The Lessee shall not issue shares or other equity interests to anyone, other than the Guarantor.

54.13 Distributions and other payments

The Lessee shall not make, declare or pay (including by way of set-off, combination of accounts or otherwise) any dividend or redeem or make any other distribution or payment (whether in cash or in specie), including any interest and/or unpaid dividends, in respect of its equity or any other share capital or any warrants, unless all the following conditions are met:

- (a) no Termination Event is continuing at the time;
- (b) no Termination Event would result from doing so; and
- (c) the Lessee is compliant with Clause 59.2 (*Security Coverage Ratio*) prior to such action and will continue to be so after such action.

54.14 New material contracts

The Lessee shall not enter into any new contracts after the date of this Charter, except for contracts necessary for the operation and maintenance of the Vessel or otherwise permitted or required by the Operative Documents to which it is a party or contracts in the ordinary course of business.

55 Use and Employment

The undertakings in this Clause 55 remain in force from the date of this Charter until the end of the Charter Period.

55.1 Use

Subject to the terms and conditions of this Charter, the Lessee shall have the full possession, use, employment and control of the Vessel.

55.2 Employment

- (a) The Lessee shall not employ the Vessel or permit its employment:
 - (i) in any manner, trade or business which is forbidden by the Flag State, or international law, Sanctions or which is otherwise unlawful or illicit under the law of any relevant jurisdiction;
 - (ii) in carrying illicit or prohibited goods;
 - (iii) in any manner which may render it liable to condemnation in a prize court, or to destruction, seizure, confiscation, penalty or sanctions; and
 - (iv) in any way inconsistent with the provisions or warranties of, or implied in, or outside the cover provided by, any Insurance (including but not limited to the International Navigating Limits).
- (b) In the event of hostilities in any part of the world (whether war be declared or not), the Lessee shall not cause or permit the Vessel to enter or trade to or in any zone which is declared a war zone by any government or by the Vessel's war risks insurers unless prior to entering or trading to or in any such zone, the Lessee has first (at its expense):
 - (i) effected any special, additional or modified insurance cover or confirmation required by the Vessel's insurers; and
 - (ii) complied with the latest edition published at such time of "Best Management Practice" (BMP5) (or its successor).

55.3 Sub-Charters

(a) The Lessee shall not enter into:

- (i) any demise charter for any period in respect of the Vessel; or
- (ii) any other Sub-Charter,

except if:

- (A) the Lessee notifies the Lessor and provides copies of any draft charter relating to the same;
- (B) the Lessee executes in favour of the Lessor a specific assignment of all its rights, title and interest in and to such charter and any charter guarantee in the form required by the Lessor;
- (C) the Lessee gives notice of assignment of any demise charter or, as the case may be, Sub-Charter and any related charter guarantee to the other parties to them in the form required by the Lessor and ensures, on a best efforts basis, that the Lessor receives a copy of that notice acknowledged by each addressee in the form required by the Lessor as soon as practically possible thereafter;
- (D) in the case where such charter is a demise charter, the charterer (1) complies with all of the Lessee's undertakings with regard to the employment, insurances, operation, repairs and maintenance of the Vessel contained in this Charter and any Finance Document and (2) provides an assignment of its interest in the insurances of the Vessel in the form required by the Lessor;
- (E) the Lessee provides certified true and complete copies of the charter relating to the Vessel and of any current charter guarantee, if any, immediately after its execution; and
- (F) the Lessee delivers to the Lessor in respect of such demise charter or, as the case may be, Sub-Charter such other documents (including any corporate authorities) as the Lessor may require.

For the avoidance of doubt, the Lessor's receipt of a copy of the relevant charter and its failure or neglect to act, delay or acquiescence in connection with the Lessee's entering into such charter shall not in any way constitute an acceptance by the Lessor of whether or not the Earnings under the charter are sufficient to meet the debt service requirements under this Charter nor shall it in any way affect the Lessor's entitlement to exercise its rights under the Operative Documents pursuant to Clause 66 (*Rights following a Termination Event*) upon the occurrence of an Termination Event arising as a result of an act or omission of the charterer.

- (b) Except with the prior written consent of the Lessor (such approval not to be unreasonably withheld or delayed), no Sub-Charter shall be materially varied.
- (c) Except with the prior written consent of the Lessor, there shall be no release by the Lessee of any material obligation of any other person under any Sub-Charter (including by way of novation or assignment), no waiver of any breach of any such obligation and no consent to anything which would otherwise be such a breach.
- (d) Except with the prior written consent of the Lessor, the Lessee shall not terminate or rescind any Sub-Charter or withdraw or substitute the Vessel from service under any Sub-Charter or take any similar action.
- (e) The Lessee shall perform its obligations under any Sub-Charter and use its best endeavours to ensure that each other party to them performs its obligations under such Sub-Charter.

55.4 Sharing of Earnings

Except with the prior written consent of the Lessor (and then only subject to such terms as the Lessor may impose), the Lessee shall not enter into any agreement or arrangement whereby the Earnings may be shared with any person.

55.5 Lay up

Except with the prior written consent of the Lessor (such approval not to be unreasonably withheld or delayed), the Vessel shall not be laid up or deactivated.

56 Maintenance and Operation

The undertakings in this Clause 56 remain in force from the date of this Charter until the end of the Charter Period.

56.1 Supply and crewing

The Lessee shall procure that the Vessel is manned, victualled, operated, supplied, fuelled and repaired at its own expense.

56.2 Seaworthiness and safe operation

The Lessee shall ensure that the Vessel will be, at its own expenses:

- (a) operationally seaworthy; and
- (b) operated in a proper, safe and seaman-like manner, and in the manner prescribed by all applicable laws and regulations.

56.3 Repair

The Lessee shall at its own expenses:

- (a) keep the Vessel in a good and efficient state of repair; and
- (b) procure that all repairs to, or replacement of, any damaged, worn or lost parts or equipment are effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel.

56.4 Repairers' liens

Except with the prior written consent of the Lessor (and then only subject to such terms as the Lessor may impose), the Lessee shall not put the Vessel into the possession of any person for the purpose of work being done upon it if the cost of such work will exceed or is likely to exceed the Major Casualty Amount (or the equivalent in any other currency), unless such person shall have first given to the Lessor and in terms satisfactory to it, a written undertaking not to exercise any lien on the Vessel or its Earnings for the cost of such work or otherwise.

56.5 Modification

- (a) Except with the prior written consent of the Lessor, the Lessee shall not make any modification to the Vessel unless such modification is required by any law or regulation applicable to the Vessel.
- (b) The Lessee shall furnish the Lessor with copies of all plans in relation to such modifications, (if applicable) confirmation from the applicable Classification Society and (if applicable) valuation reports.
- (c) The Lessee shall bear all risk and cost of any such modifications.

56.6 Removal of parts; equipment owned by third parties

Except with the prior written consent of the Lessor, the Lessee shall not:

- (a) remove any part of the Vessel or any equipment unless at the same time it is replaced with equivalent parts or equipment owned by the Lessee free of any Lien except under the Operative Documents or unless the removed part or item is not required by (i) applicable law or (ii) any governmental agency having jurisdiction over the Vessel or (iii) the Classification Society and such removal will not, in each case, cause diminishment to the value, performance or useful life of the Vessel; or
- (b) install on the Vessel any equipment owned by a third party which cannot be removed without causing damage to the structure of the Vessel.

56.7 Use of equipment

The Lessee shall have the use of all outfit, equipment, appliances, furnishings, furniture and fittings, spare and replacement parts on board the Vessel at Delivery, and the same or their substantial equivalent shall be returned to the Lessor on redelivery in good order and condition, except for ordinary wear and tear, and changes made as permitted under this Charter.

56.8 Renewal of equipment

- (a) The Lessee shall, at its own expense, replace, renew or substitute such items of equipment as shall be so damaged or worn as to be unfit for use. The Lessee shall procure that all replacements, renewals or substitutions be effected in such manner as not to materially reduce the value of the Vessel.
- (b) Title to any part replaced, renewed or substituted shall remain with the Lessor until the part which replaced it or the new or substituted item of equipment becomes the property of the Lessor.

56.9 Additional equipment

- (a) The Lessee may install additional equipment so as to render the Vessel available for any purpose for which the Lessee may require to use or operate the Vessel, **provided that** no permanent structural damage is caused to the Vessel by reason of such installation.
- (b) Any additional equipment installed shall be considered the property of the Lessee who may remove such additional equipment at any time before the end of the Charter Period.
- (c) The cost of installing or removing any additional equipment, together with the cost of making good any damage caused by such installation or removal shall be payable in full by the Lessee.

56.10 Maintenance of class; compliance with Authorisations

The Lessee shall:

- (a) maintain the present class of the Vessel (namely C+, Bulk Carrier Esp, BC-A, allowed combination of specified empty holds, unrestricted navigation, +AUT-UMS; GRAB 20; INWATERSURVEY) with Lloyd's Register, or maintain the Vessel with the equivalent classification notation of a member of the International Association of Classification Societies acceptable to the Lessor (such acceptance not to be unreasonably withheld), in each case free from any overdue recommendations or conditions; and
- (b) comply with, and ensure that the Vessel complies with, the provisions of all Authorisations from time to time applicable to a vessel registered under the laws of the Flag State or otherwise applicable to the Vessel.

56.11 Surveys

The Lessee shall:

- (a) submit the Vessel to continuous surveys and such periodical or other surveys as may be required for classification purposes; and
- (b) supply to the Lessor copies of all related survey reports which have been issued.

56.12 Inspection

- (a) The Lessee shall provide an inspection report, or permit the Lessor and/or the Security Agent or any other Finance Party (by independent surveyors or other independent persons appointed by them for that purpose) to board the Vessel at all reasonable times during the Charter Period and after giving prior reasonable notice to the Lessee (but without interference with the normal operation, trading, loading or unloading of the Vessel), in order to inspect, examine or survey the Vessel on board to ascertain the condition of the Vessel and satisfy itself that the Vessel is being properly repaired and maintained and to take copies of the manuals and technical records.
- (b) In relation to each inspection, the Lessee shall afford all proper security, safety items and give all reasonable assistance or cooperation. The Lessee shall also give the Lessor reasonable advance notice of any intended dry-docking of the Vessel.
- (c) If the independent inspector or surveyor appointed by the Lessor or the Security Agent or any other Finance Party under this Clause 56.12 is of the opinion that there are any technical, commercial or operational actions being undertaken or omitted to be undertaken by the Lessee or any Manager which adversely affect the operation or value of the Vessel or are required to ensure that the Vessel is maintained with the Classification Society and/or to comply with the terms of this Charter, the Lessee shall forthwith (at its expense) on the Lessor's demand remedy such action or inaction and provide the Lessor with evidence that it has taken such remedial action.
- (d) The Lessee shall bear, and reimburse to the Lessor where incurred by the Lessor, all costs and expenses of any inspection or survey carried out pursuant to and in accordance with paragraph (a) above not more than once per calendar year unless a Termination Event has occurred or following any casualty to the Vessel which is or is likely to be or to become a Major Casualty.

56.13 Manuals and Technical Records

The Lessee shall procure that:

- (a) all certified true copies of records, logs, manuals, handbooks, technical data, drawings and other materials and documents which are required to be maintained in respect of the Vessel to comply with any applicable laws and regulations, or the requirements of the Vessel's approved classification society are maintained;
- (b) accurate, complete and up-to-date records and logs of all voyages made by the Vessel, and of all maintenance, repairs and modifications to the Vessel are kept; and
- (c) the Lessor and its representatives are permitted to examine and take copies of all such records and logs and other documents.

56.14 Manager and Designated Person Ashore

The Lessee shall not permit:

- (a) a company to be appointed as manager of the Ship unless:

- (i) that manager and the terms of its appointment have first been approved by the Lessor (such approval being deemed given in respect of Fidelity Marine Inc. of the Republic of the Marshall Islands, Seanergy Management Corp. of the Republic of the Marshall Islands and United Management as commercial manager and Seanergy, V.Ships of Cyprus, V.Ships Greece Ltd. of Bermuda and Global Seaways of the Republic of the Marshall Islands as technical manager); and
- (ii) such manager has delivered a duly executed Manager's Undertaking to the Lessor before its appointment ;
- (b) a company to be the technical manager of the Vessel unless it is in possession of an appropriate and valid Document of Compliance under the ISM Code; or
- (c) any change to the Designated Person Ashore (as defined in the Guidelines on application of the ISM Code issued by the International Chamber of Shipping and the International Shipping Federation) or the company responsible for compliance with the ISM Code.

56.15 Compliance with laws

The Lessee shall do or cause to be done all things necessary to comply with all national and international conventions, laws, and the rules and regulations thereunder, applicable to the Lessee and/or the Vessel, including the ISM Code, the ISPS Code, MARPOL, the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001, (if the Vessel enters or trades through the waters of the United States of America) the Oil Pollution Act 1990 and the Comprehensive Environmental Response, Compensation and Liability Act 1980, as amended, and international conventions, laws, rules and regulations relating to environmental matters, including discharges of Pollutants.

56.16 Information relating to the Vessel

The Lessee shall supply to the Lessor promptly, all such information as the Lessor shall from time to time reasonably request regarding the Vessel, its compliance with the ISM Code, ISPS Code, MARPOL, the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001, (if the Vessel enters or trades through the waters of the United States of America) the Oil Pollution Act 1990 and the Comprehensive Environmental Response, Compensation and Liability Act 1980, as amended, its employment, position and engagements, particulars of all towages and salvages, and copies of all charters and other contracts of its employment or otherwise concerning the Vessel.

56.17 Prevention of and release from arrest

- (a) The Lessee shall promptly pay and discharge all debts, damages, liabilities and outgoings (other than Permitted Liens which may subsist on a temporary basis) which have given or may give rise to any maritime, statutory or possessory liens on, or claims enforceable against, the whole or any part of the Vessel, its Earnings or the Insurances.
- (b) In the event of:
 - (i) a writ or libel being filed against the whole or any part of the Vessel, its Earnings or the Insurances, or of any of the same being arrested, attached or levied upon pursuant to legal process or purported legal process; or
 - (ii) detention of the Vessel in exercise or purported exercise of any lien or claim referred to in paragraph (i) above,

the Lessee shall procure the discharge of the writ or libel or, as the case may be, the release of the Vessel, its Earnings and the Insurances from such arrest, attachment, levy or detention within ten (10) Business Days of receiving notice, by providing bail or procuring the provision of Liens or otherwise as the circumstances may require.

56.18 Payment of outgoings and evidence of payments

The Lessee shall promptly:

- (a) pay all tolls, dues and other outgoings in respect of the Vessel, its Earnings and the Insurances when due and payable;
- (b) keep proper books of account in respect of the Vessel and its Earnings and as and when the Lessor may require, make such books available for inspection on behalf of the Lessor; and
- (c) furnish satisfactory evidence at the request of the Lessor that:
 - (i) the wages, allotments and the insurance and pension contributions of the master and crew are being promptly and regularly paid;
 - (ii) all deductions from crew's wages in respect of any tax liability are being properly accounted for; and
 - (iii) the master has no claim for disbursements, other than those incurred by him in the ordinary course of trading.

56.19 No pledging of credit

The Lessee shall not pledge the credit of the Lessor or the Vessel for any maintenance, service, replacements, repairs, overhauls of, or modifications to, or alterations in, the Vessel or otherwise connected with the use or operation of the Vessel.

56.20 Notification of certain events

The Lessee shall promptly notify the Lessor by e-mail and confirm by letter of:

- (a) any damage to the Vessel requiring repairs the cost of which will or might exceed the Major Casualty Amount (or the equivalent in any other currency);
- (b) any occurrence in consequence of which the Vessel has become or may become a Total Loss;
- (c) any requisition of the Vessel for hire;
- (d) any requirement or recommendation made by any insurer or classification society or by any competent authority which is not complied with within any time limit presented by any insurer, society or authority;
- (e) any arrest or detention of the Vessel or any exercise or purported exercise of a lien or other claim on the whole or any part of the Vessel, its Earnings or the Insurances;
- (f) any petition or notice of meeting to consider any resolution to wind-up the Lessee or the Guarantor (or any analogous event under the laws of the place of its incorporation);
- (g) the occurrence of any Potential Termination Event or Termination Event;
- (h) the occurrence of any collision or damage involving the Vessel in consequence of which the Lessee has notified any insurer or classification society of such occurrence;
- (i) the occurrence of any Environmental Claim involving the Vessel; and
- (j) any withdrawal of any certificate issued pursuant to the ISM Code and ISPS Code.

56.21 Inventory of Hazardous Materials

An Inventory of Hazardous Materials shall be maintained in relation to the Vessel.

56.22 Sustainable and socially responsible dismantling of vessels

The Vessel will, when it is to be scrapped or when sold to an intermediary with the intention of being scrapped be recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner in accordance with the provisions of The Hong Kong International Convention for the safe and Environmentally Sound Recycling of Ships 2009 (whether or not it is in force) and/or, if applicable, the EU Ship Recycling Regulation.

57 Title and Registration

The undertakings in this Clause 57 remain in force from the date of this Charter until the end of the Charter Period.

57.1 Title and ownership

- (a) The Vessel shall belong to the Lessor and title to, and ownership of, the Vessel shall remain vested in the Lessor.
- (b) The Lessee shall have no right, title or interest in or to any part of the Vessel except the rights expressly set out in this Charter.

57.2 Registration

- (a) The Lessee shall keep the Vessel registered as a Marshall Islands ship, and shall not do or permit to be done anything, or omit to do anything which could or might result in:
 - (i) such registration being forfeited or imperilled; or
 - (ii) the Vessel being required to be registered under any other flag.
- (b) The Lessee shall not register the Vessel or permit her registration under any other laws and flag without the prior written consent of the Lessor (such consent not to be unreasonably withheld). The Lessee shall bear the cost (including but not limited to the cost incurred by any Finance Party) of any change in flag as requested by the Lessee or as required by law.

57.3 Vessel's name and colours

- (a) The Lessee shall notify the Lessor in writing of any intended change to the name of the Vessel. Except with the prior written consent of the Lessor (such consent not to be unreasonably withheld), the Lessee shall not change the name or any particulars of the Vessel. The Lessor shall, at the Lessee's expense, co-operate in respect of any formalities required in connection with a change of name of the Vessel.
- (b) The Lessee may, at its own expense, paint the Vessel in its own colours and install and display its insignia on board.

57.4 Disposal

Except as permitted under the Operative Documents to which it is a party, the Lessee shall not attempt, or hold itself out as having any power, to sell, charge, charter or otherwise encumber or dispose of the Vessel.

57.5 Copy of Mortgage

The Lessee shall place, and at all times and places use due diligence to retain, a properly certified copy of the Mortgage on board the Vessel with its papers and cause such certified copy of the Mortgage to be exhibited to:

- (i) any person having business with the Vessel which might give rise to any lien on the Vessel other than a lien for crew's wages and salvage; and
- (ii) any representative of the Lessor or the Security Agent (or any other Finance Party).

57.6 Mortgage and Letter of Quiet Enjoyment

Further and without prejudice to Clause 52.1(q), the Lessee acknowledges that the Lessor intends to enter into certain Finance Documents including a Mortgage in favour of the Security Agent (or any other Finance Party) (securing an amount of principal not exceeding the aggregate of the Outstanding Charter Hire Principal and the Outstanding Charter Hire Principal (as defined in the Associated Charter) as at the date of such Mortgage, plus interest, costs and other covenants) and agrees that the Lessor's rights under this Charter shall be subject and subordinate in all respects to the rights of the Security Agent (or any other Finance Party) under such Mortgage. The Lessor shall procure that on or around the time that a Mortgage is executed the Security Agent shall enter into a Letter of Quiet Enjoyment.

57.7 Sanctions and Vessel trading

Without limiting Clause 52.1(m) and 56.15 (*Compliance with laws*), the Lessee shall procure that:

- (a) the Vessel shall not be used by or for the benefit of a Restricted Person;
- (b) the Vessel shall not be used in trading in any manner contrary to Sanctions (or which could be contrary to Sanctions if Sanctions were binding on each Relevant Party);
- (c) the Vessel shall not make a voyage to or from any Sanctioned Country;
- (d) the Vessel shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances; and
- (e) each Sub-Charter shall contain, for the benefit of the Lessee, language which gives effect to the provisions of this Clause 57.7 and which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions (or which would result in a breach of Sanctions if Sanctions were binding on each Relevant Party).

58 Insurance

The Lessee shall bear all risks howsoever arising whether of use, navigation, operation, possession and/or maintenance of the Vessel for the duration of the Charter. The undertakings in this Clause 58 remain in force throughout the Charter Period.

In this Clause:

"excess risks" means the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of the Vessel in consequence of its insured value being less than the value at which the Vessel is assessed for the purpose of such claims.

"obligatory insurances" means all insurances effected, or which the Lessee is obliged to effect under this Clause 58 or any other provision of this Charter.

"policy" includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms.

"protection and indemnity risks" means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Clubs, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02) (1/11/03), clause 8 of the Institute Time Clauses (Hulls) (1/10/83) (1/11/95) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision.

"war risks" includes the risk of mines and all risks excluded by clauses 29, 30 or 31 of the International Hull Clauses (1/11/02), clauses 29 or 30 of the International Hull Clauses (1/11/03), clauses 24, 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clauses 23, 24 or 25 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent provisions.

58.1 Maintenance of obligatory insurances

The Lessee shall keep the Vessel insured at its expense against:

- (a) all perils of the seas and usual marine risks (including hull and machinery and excess risks) and hull war risks including piracy, hijacking theft and terrorism;
- (b) protection and indemnity risks and war risks (including excess war risks including (but not limited to) crew, cargo liability, pollution liability, removal of wreck and contractual liability); and
- (c) any other risks against which the Lessor considers, having regard to practices and other circumstances prevailing at the relevant time, it would be reasonable for the Lessee to insure and which are specified by the Lessor by notice to the Lessee.

58.2 Terms of obligatory insurances

The Lessee shall effect such insurances:

- (a) in dollars;
- (b) in the case of all usual marine risks and war risks, in an amount on an agreed value basis at least the greater of:
 - (i) 120 per cent of the Outstanding Charter Hire Principal; and
 - (ii) the Fair Market Value of the Vessel for the time being (as determined by the Lessor on the basis of a valuation obtained from an Approved Valuer);
- (c) in the case of oil pollution liability risks, for an aggregate amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry and in the international marine insurance market;
- (d) in the case of protection and indemnity risks, in respect of the full tonnage of the Vessel (but, in relation to liability for oil pollution, for an amount of not less than \$1,000,000,000);
- (e) on terms approved by the Lessor; and
- (f) through Approved Brokers and with approved insurance companies and/or underwriters (which, for the avoidance of doubt, are in good standing and of recognised responsibility and reputation and having a credit rating of not less than BBB+ by Standard and Poor's or its equivalent by another credit rating agency acceptable to the Lessee) or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations (which, for the avoidance of doubt, shall in any event be a member of the International Group of P&I Clubs).

58.3 Further protections for the Lessor

In addition to the terms set out in Clause 58.2 (*Terms of obligatory insurances*), the Lessee shall procure that the obligatory insurances shall:

- (a) subject always to paragraph (b), name the Lessee and, if required by the Lessor, the Lessor and/or the Security Trustee as named assureds as well as any Manager or any other person approved by the Lessor provided that such Manager or other person has an interest which is limited:
 - (i) in respect of any obligatory insurances for hull and machinery and war risks;
 - (A) to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and
 - (B) to any third party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against it); and
 - (ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries it is entitled to make by way of reimbursement following discharge of any third party liability claims made specifically against it;

- (b) whenever the Security Agent requires to be endorsed as an additional assured, name (or be amended to name) the Security Agent (or any other Finance Party) as additional assured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Agent (or any other Finance Party);
- (c) name the Lessor, the Security Trustee and the Security Agent (or any other Finance Party) as loss payee with such directions for payment as the Lessor may specify;
- (d) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Lessor, the Security Trustee or the Security Agent shall be made without set off, counterclaim or deductions or condition whatsoever;
- (e) provide that the obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Security Agent or any other Finance Party; and
- (f) provide that the Lessor and/or Security Trustee and/or the Security Agent may make proof of loss if the Lessee fails to do so.

58.4 Renewal of obligatory insurances

The Lessee shall:

- (a) at least seven (7) Business Days (or such shorter period acceptable to the Lessor) before the expiry of any obligatory insurance:
 - (i) notify the Lessor of the Approved Brokers (or other insurers) and any protection and indemnity or war risks association through or with which the Lessee proposes to renew that obligatory insurance and of the proposed terms of renewal; and
 - (ii) obtain the Lessor's approval to the matters referred to in sub-paragraph (i) above;
- (b) at least three (3) days (or such shorter period acceptable to the Lessor) before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Lessor's approval pursuant to paragraph (a) above; and
- (c) procure that the Approved Brokers and/or the approved war risks and protection and indemnity associations with which such a renewal is effected shall at least two (2) days before such expiry notify the Lessor in writing of the terms and conditions of the renewal.

58.5 Copies of policies; letters of undertaking

The Lessee shall ensure that the Approved Brokers provide the Lessor with:

- (a) pro forma copies of all policies when requested, certificate of insurance and/or cover note relating to the obligatory insurances which they are to effect or renew in a form required by the Lessor; and
- (b) a letter or letters or undertaking in a form required by the Lessor and including undertakings by the Approved Brokers that:
 - (i) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 58.3 (*Further protections for the Lessor*);
 - (ii) they will hold such policies, and the benefit of such insurances, to the order of the Security Trustee in accordance with such loss payable clause;
 - (iii) they will advise the Lessor immediately of any material change to the terms of the obligatory insurances and provide as soon as reasonably practicable but no later than seven (7) days prior to the notice of cancellation;

- (iv) they will, if they have not received notice of renewal instructions from the Lessee or its agents, notify the Lessor as soon as reasonably practicable but no later than seven (7) days before the expiry of the obligatory insurances;
- (v) if they receive instructions to renew the obligatory insurances, they will promptly notify the Lessor of the terms of the instructions;
- (vi) they will not set off against any sum recoverable in respect of a claim relating to the Vessel under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of the Vessel 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;
- (vii) they will arrange for a separate policy to be issued in respect of the Vessel forthwith upon being so requested by the Lessor; and
- (viii) they will immediately notify the Lessor if they receive from the Lessee any insurance company or any underwriter notice of cancellation of the obligatory insurances.

58.6 Copies of certificates of entry

The Lessee shall ensure that any protection and indemnity and/or war risks associations in which the Vessel is entered provide the Lessor with:

- (a) a copy of the certificate of entry for the Vessel;
- (b) a letter or letters of undertaking in such form as may be required by the Lessor; and
- (c) the endorsement referred to in paragraph (b) of Clause 58.3 (*Further protections for the Lessor*).

58.7 Deposit of original policies

The Lessee shall ensure that all policies relating to obligatory insurances are deposited with the Approved Brokers through which the insurances are effected or renewed.

58.8 Payment of premiums

The Lessee shall punctually pay all premiums or other sums payable in respect of the obligatory insurances and produce all relevant receipts when so required by the Lessor.

58.9 Guarantees

The Lessee 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.

58.10 Compliance with terms of insurances

- (a) The Lessee shall not do nor omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part.
- (b) Without limiting paragraph (a) above, the Lessee shall:
 - (i) take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in sub-paragraph (iii) of paragraph (b) of Clause 58.5 (*Copies of policies; letters of undertaking*)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Lessor has not given its prior approval;

- (ii) not make any changes relating to the classification or classification society or manager or operator of the Vessel approved by the underwriters of the obligatory insurances;
- (iii) make (and promptly supply copies to the Lessor of) all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Vessel is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and
- (iv) not employ the Vessel, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

58.11 Alteration to terms of insurances

The Lessee shall not make or agree to any alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance.

58.12 Settlement of claims

The Lessee shall:

- (a) not settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty; and
- (b) do all things necessary and provide all documents, evidence and information to enable the Lessor or the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

58.13 Provision of copies of communications

The Lessee shall provide the Lessor, if so required by the Lessor, at the time of each such communication, with copies of all written communications between the Lessee 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) the Lessee's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
 - (ii) any credit arrangements made between the Lessee and any of the persons referred to in paragraphs (a) or (b) above relating wholly or partly to the effecting or maintenance of the obligatory insurances.

58.14 Provision of information

The Lessee shall promptly provide the Lessor (or any persons which it may designate) with any information which the Lessor (or any such designated person) requests for the purpose of:

- (a) if requested by the Lessor, obtain or prepare any report from an independent marine insurance broker appointed by the Lessor, 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 58.17 (*Mortgagee's Insurance Interest Policies*) or dealing with or considering any matters relating to any such insurances,

and the Lessee shall, forthwith upon demand, indemnify the Lessor in respect of all documented fees and other expenses incurred by it or for the account of the Security Agent in connection with any such report as is referred to in paragraph (a) above, provided that the Lessee shall be liable for such fees and expenses in connection with such report once every 365 days during the Charter Period.

58.15 Innocent Owner's interest insurance

- (a) The Lessee shall promptly following the Lessor's demand reimburse to the Lessor all costs, premiums and expenses the Lessor has incurred in connection with:
 - (i) an innocent owner's interest insurance in relation to the Vessel's hull insurances in an amount which shall equal to or exceed one hundred and twenty per cent (120%) of the Outstanding Charter Hire Principal from time to time; and
 - (ii) a contingency insurance against third party liabilities for an innocent owner,or any other similar Lessor insurance.
- (b) The Lessor shall also have the option to request for the Lessee to pay directly the costs, premiums and expenses referred to in paragraph (a) of this Clause 58.15 and the Lessee shall comply with such request.

58.16 Modification to Insurance

If the Lessor gives notice to the Lessee to change the terms and requirements of this Clause 58, this Clause 58 shall be modified in the manner to be agreed between the Parties within fifteen (15) Business Days of the Lessor's relevant notice, provided however that in the event the Parties fail to reach agreement within the said period this Clause 58 shall be modified in the manner so notified by the Lessor to the Lessee at any time after such failure.

58.17 Mortgagee's Insurance Interest Policies

The Lessee shall promptly following the Lessor's demand reimburse the Lessor and/or the Security Agent and/or any other Finance Party with all reasonably and properly documented costs, premiums and expenses the Lessor incurs in connection with the cost (as conclusively certified by the Lessor) of the Lessor effecting (A) a mortgagee's interest insurance on the Vessel and/or the Associated Vessel and (B) a mortgagee's interest insurance - additional perils (pollution) on the Vessel and/or the Associated Vessel, in each case in an amount and terms as may be reasonably specified by the Lessor having regard to the current market practice.

58.18 Insurance Proceeds

Unless a Termination Event shall have occurred and be continuing:

- (a) each sum receivable in respect of a Major Casualty, other than in respect of protection and indemnity risk insurances, shall be paid to the Security Trustee or, as the case may be, the Security Agent (or any other Finance Party);
- (b) the insurance moneys received by the Security Trustee or, as the case may be, the Security Agent (or any other Finance Party) in respect of any such Major Casualty shall be paid:
 - (i) to the person to whom the relevant liability shall have been incurred; or
 - (ii) upon the Lessee furnishing evidence satisfactory to the Lessor or the Security Agent (or any other Finance Party) that all loss and damage resulting from the casualty has been properly made good and repaired and paid for by the Lessee, to the Lessee or, at the option of the Lessor or, as the case may be, the Security Agent (or any other Finance Party) where the repairs have not yet been paid for, to the person by whom any repairs have been or are to be effected;

- (c) the receipt by any such person referred to in paragraphs (i) and (ii) of paragraph (b) above shall be a full and sufficient discharge of the same to the Security Trustee or, as the case may be, the Security Agent (or any other Finance Party); and
- (d) subject to the foregoing:
 - (i) each sum receivable in respect of the Insurances (insofar as the same are hull and machinery or war risks insurances) which does not exceed the Major Casualty Amount shall be paid in full to the Lessee or to its order and shall be applied by it for the purpose of making good the loss and fully repairing all damage in respect of which the receivable shall have been collected; and
 - (ii) each sum receivable in respect of protection and indemnity risk Insurances shall be paid direct to the person to whom the liability, to which that sum relates, was incurred, or to the Lessee in reimbursement to it of moneys expended in satisfaction of such liability.

Notwithstanding the foregoing, all sums receivable in respect of the Insurances after the occurrence of a Total Loss or a Termination Event which is continuing shall be paid to the Security Trustee who shall either apply them in accordance with the terms of the Security Trust Deed or, at its discretion, pay them over to the Lessor and the Lessor shall apply them in accordance with Clause 66.2 (*Payments on Termination Event or Total Loss*).

58.19 Financing

The Lessee acknowledges that the Vessel's insurance arrangements will be subject to review by the Security Agent and its insurance consultant and agrees to co-operate with the Security Agent in the provision of information relating to the Insurances. The Lessee shall, upon request from the Lessor, execute such documents as may be required to enable the Lessor to comply with its insurance provisions in the Finance Documents.

59 Asset Coverage Threshold

59.1 Valuations

- (a) The Lessor shall be entitled to require the Fair Market Value of the Financed Vessels, to be determined (i) not earlier than thirty (30) days before the Scheduled Delivery Date (the "**Fair Market Value at Closing** ") and (ii) at any time during the Charter Period. Prior to the Delivery Date, the Lessee shall bear the cost of all valuations of the Financed Vessels to be delivered pursuant to item 7 (*Valuation Reports*) of Part II of Schedule 1 (*Conditions Precedent*) and for the purposes of determining the Fair Market Value at Closing.
- (b) After the Delivery Date, the Lessee shall only bear the cost of valuations of the Financed Vessels so obtained twice per year in accordance with paragraph (c) below, unless there is a breach of Clause 59.2 (*Security Coverage Ratio*) or a Potential Termination Event occurs which is continuing or the Lessor reasonably believes that the market value of any Financed Vessel has decreased, in which event the Lessee shall bear the cost of all such valuations.
- (c) Subject to paragraph (a) above, the Fair Market Value of each Financed Vessel shall be tested on or around 30 June and 31 December during each year within the Charter Period (each a "**Testing Date**").

The **Fair Market Value** of a Financed Vessel shall be the arithmetic average of valuations for each Financed Vessel obtained from two (2) Approved Valuers appointed by the Lessor. If the two (2) valuations for a Financed Vessel vary by more than ten per cent (10%) by reference to the lower of the two (2) valuations, the Lessor may appoint a third Approved Valuer in order to value the relevant Financed Vessel on the same basis as the other two (2) valuations. In the case of such third valuation of a Financed Vessel, the arithmetic mean of the three (3) valuations shall constitute the Fair Market Value of the relevant Financed Vessel for the purposes of this Clause 59 and the other provisions of this Charter.

- (d) Each valuation of a Financed Vessel shall be:

- (i) provided in Dollars;
 - (ii) issued on a date not earlier than thirty (30) days prior to the Testing Date;
 - (iii) be made with or without physical inspection of the relevant Financed Vessel (as the Lessor may require) and on a charter free basis; and
 - (iv) be on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer.
- (e) The Lessee shall promptly provide to the Lessor and any Approved Valuer any information which they reasonably require for the purposes of providing such a valuation.

59.2 Security Coverage Ratio

If:

- (a) on or after a Testing Date; or
- (b) after the Lessor has obtained valuations of a Financed Vessel in accordance with paragraph (a) of Clause 59.1 (due to the Lessor reasonably believing that the market value of any Financed Vessel has decreased),

the Lessor notifies the Lessee that the Security Coverage Ratio is:

- (i) from the first (1st) to the twelfth (12th) month (inclusive) of the Charter Period, less than one hundred and twenty per cent (120%); or
- (ii) at any time thereafter, less than one hundred and thirty per cent (130%),

(in each case, the "**Asset Coverage Threshold**"),

then the Lessee shall within thirty (30) days of such notice either:

- (i) prepay such part of the Outstanding Charter Hire Principal and/or procure that the Associated Lessee prepays such part of the Outstanding Charter Hire Principal (as defined in the Associated Charter), as may be necessary in order to restore the Security Coverage Ratio to comply with the relevant Asset Coverage Threshold; or
- (ii) provide (and/or procure that the Associated Lessee provides) additional security in form and amount acceptable to the Lessor (included but not limited in the form of a blocked Dollar cash deposit in an Account over which Account Security exists).

Any prepayment made by the Lessee in accordance with paragraph (i) above and/or pursuant to Clause 66.2(a) (*Payments on Termination Events or Total Loss*) of the Associated Charter, shall be applied in reducing the Outstanding Charter Hire Principal pro rata against the Rent (including the Balloon Rental).

60 Risk, Total Loss and Damage

60.1 Risk

Throughout the Charter Period, the Lessee shall bear the full risk of:

- (a) any Total Loss of, or any other damage to, the Vessel; and
- (b) any other occurrence which shall deprive the Lessee of the use, possession or enjoyment of the Vessel.

60.2 Notification

The Lessee shall give the Lessor notice in writing as soon as reasonably practicable of any occurrence as is referred to in Clause 60.1 (*Risk*) other than repairable damage the likely cost of rectification of which will not exceed the Major Casualty Amount.

60.3 Total Loss

- (a) All sums receivable in respect of the Insurances of the Vessel after occurrence of a Total Loss shall be paid to the Lessor and the Lessor shall apply them in accordance with Clause 66.2 (*Payments on Termination Event or Total Loss*), provided that if such insurance proceeds are in excess of all sums payable to the Lessor thereunder, any excess shall be payable to (i) first the Security Trustee for the account of the Associated Lessor, and/or to the Associated Lessor directly, in each case in payment of the sum expressed to be payable by the Associated Lessee to the Associated Lessor under the last sentence of paragraph (a) or (as the case may be) paragraph (b) of Clause 66.2 (*Payments on Termination Event or Total Loss*) and (ii) secondly, as to any balance and provided that no Termination Event is outstanding, to the Lessee or to whoever else may be entitled to it.
- (b) The Lessee shall pay to the Lessor on the Total Loss Payment Date all sums due to the Lessor under Clause 66.2 (*Payments on Termination Event or Total Loss*), less any amount which has been applied by the Lessor pursuant to paragraph (a) above.
- (c) The Lessee shall procure that the Associated Lessee shall pay to the Associated Lessor on the Total Loss Payment Date all sums due to the Associated Lessor under the last sentence of paragraph (a) or (as the case may be) paragraph (b) of Clause 66.2 (*Payments on Termination Event or Total Loss*), less any amount which has already been paid to the Security Trustee and/or the Associated Lessor for the Associated Lessor's account pursuant to paragraph (a) above.

60.4 Payment of Rent

Notwithstanding that the Vessel has become a Total Loss and subject to the provisions of Clause 66.2 (*Payments on Termination Event or Total Loss*), the Lessee shall continue to pay Rent on the relevant Payment Dates and in the amounts required under this Charter until all sums due under Clause 66.2 (*Payments on Termination Event or Total Loss*) have been paid. The Charter Period will end and the obligation of the Lessee to pay Rent shall cease on the date on which all sums due under Clause 66.2 (*Payments on Termination Event or Total Loss*) have been received by the Lessor.

61 Requisition

61.1 Continuation of charter

If the Vessel is requisitioned for hire or use by any Governmental Agency during the Charter Period:

- (a) the Lessee shall promptly inform the Lessor of such requisition;
- (b) unless and until the Vessel becomes a Total Loss following such requisition and the Lessee shall have paid all sums due pursuant to Clause 66.2 (*Payments on Termination Event or Total Loss*), the chartering of the Vessel under this Charter shall continue for the remainder of the Charter Period (subject to the provisions of Clause 66 (*Rights following a Termination Event*)) and the Lessee shall remain fully responsible for complying with all its obligations under this Charter, other than such obligations (not being obligations to make payment) which the Lessee is unable to comply with solely by virtue of such requisition;
- (c) if there is no Termination Event, save as mentioned in paragraph (d) below, the Lessee shall during the Charter Period be entitled to all requisition hire paid to the Lessor or to the Lessee by such Government Agency or other competent authority on account of such requisition;
- (d) the Lessor shall (subject to any right of set-off which the Lessor may have in respect of any amounts due and unpaid under the terms hereof) pay any requisition hire to the Lessee immediately upon receipt;

- (e) the Lessee shall as soon as practicable after the end of any requisition for hire, cause the Vessel to be put into the condition required by this Charter, and where that requisition shall end after the expiry or termination of the Charter Period, the Lessee shall, as soon as practicable, cause the Vessel to be put into the redelivery condition required by Clause 62.2 (*Redelivery conditions*), allowance being made for fair wear and tear in respect of the period from the expiry or termination of the Charter Period; and
- (f) the Lessor shall be entitled to all compensation payable in respect of any change in the structure, state or condition of the Vessel arising during the period of requisition for hire. The Lessor shall apply such compensation in reimbursing the Lessee for the cost of complying with its obligations under this Charter (and otherwise, to the extent that there remains an excess, against any other amounts that become due and payable by the Lessee under the Operative Documents), provided always that if a Potential Termination Event or a Termination Event or an Early Termination Event has occurred and is continuing, the Lessor shall be entitled to apply such compensation in or towards settlement of any amounts owing by the Lessee under this Charter or any of the other Operative Documents to which the Lessee is a party.

61.2 Requisition at end of Charter Period

If the Vessel is requisitioned for hire or use at the end of the Charter Period and it is not lawful for the Lessee to complete its purchase of the Vessel pursuant to Clause 64.1 (*Purchase Option*):

- (a) the leasing of the Vessel under this Charter shall (unless otherwise agreed between the Parties) be terminated at the end of the Charter Period, but without prejudice to the accrued rights of the Parties, including the obligation of the Lessee contained in Clause 62 (*Redelivery*) (as modified by sub-paragraph 62.1(a)), and the Lessor shall be entitled to any requisition hire payable for the period from the expiry of the Charter Period; and
- (b) if the Lessor is prevented by reason of the requisition for use or hire from transferring title to the Vessel at the end of the Charter Period, the Lessor shall be temporarily relieved from its obligations to do so. However, the Lessor shall be obliged immediately upon the release of the Vessel from such requisition, if requested by the Lessee to transfer title to the Vessel to the Lessee in accordance with Clause 67 (*Transfer of title*).

62 Redelivery

62.1 Redelivery

- (a) The Vessel will be deemed to have been redelivered by the Lessee to the Lessor in accordance with the redelivery conditions set out in Clause 62.2 (*Redelivery conditions*) immediately before completion of the sale of the Vessel pursuant to Clause 65 (*Purchase of Vessel by Lessee*).
- (b) If for any reason the Vessel is not sold as a result of the exercise, pursuant to paragraph (a) of Clause 65, of a Purchase Option or the Purchase Obligation (and provided it is not a Total Loss), at the end of the Charter Period the Lessee shall, at its own expense, redeliver the Vessel to the Lessor in accordance with the redelivery conditions set out in Clause 62.2 (*Redelivery conditions*).

62.2 Redelivery conditions

The Lessee shall redeliver the Vessel:

- (a) safely afloat at an easily accessible, recognised and safe port or anchorage approved by the Lessor (which is not subject to Sanctions);
- (b) free of any class notation, statutory recommendations and any other standard certificates or statements applied in this industry affecting her trading certificates, and with all trading and class certificates valid and without qualification, and in the event of redelivery occurs prior to the five-year renewal of any class or statutory certificate, all costs of the renewal survey shall be borne or reimbursed by the Lessee;

- (c) without any overdue condition;
- (d) in the same structure, state and condition as at the Delivery Date (fair wear and tear excepted) and having installed all equipment, spares and replacements installed on the Delivery Date (provided that any equipment installed by the Lessee that replaced and improved the equipment existing on the Delivery Date shall be taken over by the Lessor free of charge);
- (e) with all Manuals and Technical Records with at least 3 months' validity remaining as at the redelivery date and all the original copies of certificates, documentation and drawings delivered to the Lessee at the Delivery Date;
- (f) free of crew and officers (unless otherwise agreed by the Lessor) and with all arrears of wages of the master and crew of the Vessel fully paid;
- (g) with all machinery fluid reservoirs and tanks, such as unused lubricating oils, hydraulic oils and bunkers on board the Vessel as would be sufficient to enable the Vessel to sail to the nearest bunker port in compliance with all bunkering fuel content regulations then applicable in such place of redelivery;
- (h) free and clear of all Liens (other than the Liens created pursuant to the Operative Documents or the Finance Documents) and free of charter (unless otherwise agreed by the Lessor); and
- (i) without prejudice to the above, being in generally good condition, tight, staunch, strong and well and sufficiently tackled, apparelled, furnished, equipped and in every respect seaworthy (ordinary wear and tear excepted).

62.3 Payment of Rent

The Lessee shall continue to pay Rent (including, when applicable, the Balloon Rental) until the Vessel has been redelivered to the Lessor in accordance with the terms of this Charter or the sale and purchase of the Vessel by the Lessee has been completed in accordance with the terms of this Charter.

63 Termination Events

63.1 The Lessor and the Lessee agree that from the date of this Charter:

- (a) it is a fundamental term and condition of this Charter and any other Operative Document that none of the events set out in this Clause 63 shall occur after the date of this Charter or at any time during the Charter Period; and
- (b) the occurrence of any such event shall constitute a repudiatory breach of this Charter by the Lessee, entitling the Lessor to accept such repudiation and to exercise any of its rights under Clause 66 (*Rights following a Termination Event*).

63.2 Non-payment

Any Relevant Party does not pay on the due date any amount payable pursuant to an Operative Document to which it is a party at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by administrative or technical error; and
- (b) payment is received within three (3) Business Days of its due date.

63.3 Value of security, failure to agree terms of an Operative Document upon request of the Security Agent; Conditions subsequent

The Lessee does not comply with Clause 42.3 (*Conditions subsequent*), Clause 59.2 (*Security Coverage Ratio*) or the Lessee and the Lessor fail to agree terms in accordance with Clause 52.1(q).

63.4 Financial covenants

The Lessee does not comply with Clause 53 (*Financial covenants*).

63.5 Insurance

- (a) The Insurances of the Vessel are not placed and kept in force in the manner required by Clause 58 (*Insurance*).
- (b) Any insurer either:
 - (i) cancels any such Insurances; or
 - (ii) disclaims liability under them or asserts that its liability under them is or should be reduced by reason of any mis-statement or failure or default by any person.

63.6 Sanctions

Any undertaking under Clause 52.1(m) or Clause 57.7 (*Sanctions and Vessel trading*) is breached.

63.7 Other obligations

Any Relevant Party does not comply with any provision of the Operative Documents to which it is a party (other than those referred to in Clause 63.2 (*Non-payment*), Clause 63.3 (*Value of security, failure to agree terms of an Operative Document upon request of the Security Agent*), Clause 63.4 (*Financial Covenants*), Clause 63.5 (*Insurance*) and Clause 63.6 (*Sanctions*) or any other provisions of this Clause 63) except if, provided that such non-compliance is capable of being remedied to the satisfaction of the Lessor, such non-compliance is remedied by the Relevant Party within ten (10) Business Days of the earlier of (A) the date on which the Lessee is notified of the breach and (B) such Relevant Party becoming aware of the failure to comply.

63.8 Misrepresentation

Any representation or statement made or deemed to be made by any Relevant Party in any Operative Document to which it is a party proves to have been incorrect or misleading when made or deemed to be made.

63.9 Cross default

- (a) Any Financial Indebtedness of a Relevant Party (other than a Third Party Manager) is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of a Relevant Party (other than a Third Party Manager) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of a Relevant Party (other than a Third Party Manager) is cancelled or suspended by a creditor of such Relevant Party as a result of an event of default (however described).
- (d) Any creditor of a Relevant Party (other than a Third Party Manager) becomes entitled to declare any Financial Indebtedness of such Relevant Party due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Termination Event will occur under this Clause 63.9 (*Cross default*) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is, at any relevant time, less than \$5,000,000 in aggregate (or the equivalent in any other currency) in the case of the Guarantor or a Manager.

63.10 Insolvency

A Relevant Party:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) is declared to be unable to pay its debts under applicable law;
- (c) suspends or threatens to suspend making payments on any of its debts or agrees with any of its creditors to any standstill period in respect thereof; or
- (d) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lessor in its capacity as such) with a view to rescheduling any of its indebtedness.

63.11 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, bankruptcy, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Relevant Party;
- (b) a composition, assignment or arrangement with any creditor of any Relevant Party;
- (c) the appointment of a liquidator, receiver, administrator or other similar officer in respect of any Relevant Party or any of its assets; or
- (d) enforcement of any Liens over any assets of any Relevant Party,

or any analogous procedure or step is taken in any jurisdiction.

63.12 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any other analogous process or enforcement action affecting any asset or assets of any Relevant Party is not discharged within ten (10) Business Days of commencement.

63.13 Cessation of business

Any Relevant Party suspends or ceases or threatens to suspend or cease to carry on all or a material part of its business.

63.14 Failure to pay final judgment

Any Relevant Party fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court of competent jurisdiction within the period specified in the relevant judgment.

63.15 Repudiation

Any Relevant Party:

- (a) repudiates any Transaction Document to which it is a party; or
- (b) evidences an intention to repudiate any Transaction Document to which it is a party.

63.16 Liens

Any Security Document to which any Relevant Party is a party is not in full force and effect or does not create in favour of the Lessor the Liens which it is expressed to create with the ranking and priority it is expressed to have.

63.17 Arrest of the Vessel

The Vessel is arrested, confiscated, seized, taken in execution, impounded, forfeited, detained in exercise or purported exercise of any possessory lien or other claim due to the Lessee's action or omission or default or negligence and the Lessee fails to procure the release of the Vessel within a period of thirty (30) days thereafter.

63.18 Management Agreements

Any Management Agreement is materially amended or is repudiated, terminated or cancelled without consent of the Lessor.

63.19 Material Adverse Change

Any material adverse change occurs in relation to any Relevant Party which has or is likely to have a Material Adverse Effect.

63.20 Change of Control

A Change of Control has occurred.

63.21 Modification, revocation, termination and expiry of Authorisation, etc.

Any Authorisation required by any Relevant Party or any other party (other than a Creditor Party) to authorise, or required by any Relevant Party or any other party (other than a Creditor Party) in connection with the execution, delivery, validity, enforceability or admissibility in evidence of any of the Operative Documents or the performance by any Relevant Party or any other party (other than a Creditor Party) of its obligations under any of such documents is modified in a manner unacceptable to the Lessor or is not granted or is revoked or terminated or expires and is not renewed or otherwise ceases to be in full force and effect.

63.22 Unlawfulness, invalidity and unenforceability

It is or becomes unlawful for any Relevant Party to perform any of its obligations under any of the Operative Documents to which it is a party or any of the Operative Documents is or becomes wholly or partly invalid or unenforceable as against any Relevant Party unless in the opinion of the Lessor such Relevant Party is able to remedy any such event under this Clause 63.22 to the Lessor's satisfaction within thirty (30) days of the relevant event occurring.

63.23 Security Documents

Any Security Document in favour of the Security Trustee or any Guarantee is or becomes wholly or partly invalid or unenforceable.

63.24 Litigation, arbitration or administrative proceedings

Either any litigation, alternative dispute resolution, arbitration or administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to any Transaction Document or the transactions contemplated in the Transaction Documents or against any Group Member or any of its assets, rights or revenues which has or might have a Material Adverse Effect.

63.25 Associated Charter

Any Termination Event (as defined in the Associated Charter) occurs under the Associated Charter.

63.26 De-listing

The common shares of the Guarantor cease to be listed on NASDAQ.

63.27 Replacement of Manager

The Termination Events referred to in Clauses 63.10 (*Insolvency*), 63.11 (*Insolvency proceedings*), 63.13 (*Cessation of business*), 63.15 (*Repudiation*), 63.19 (*Material Adverse Change*) and 63.22 (*Unlawfulness, invalidity and unenforceability*), shall not apply in respect of a Third Party Manager provided that the Lessee has replaced such Third Party Manager with another Manager in accordance with Clause 56.14 (*Manager and Designated Person Ashore*), in each case within thirty (30) days of any of the events set out in paragraph (a) occurring in respect of such Manager.

64 Purchase Option and Purchase Obligation

64.1 Purchase Option

- (a) If no Termination Event or Potential Termination Event has occurred and is continuing, the Lessee shall have the option (the "**Purchase Option**") to purchase the Vessel on the basis set out in paragraph (b) of Clause 65 (*Purchase of Vessel by Lessee*) on any Payment Date (the date on which a Purchase Option is to be exercised is herein referred to as the "**Purchase Option Date**").
- (b) The Purchase Option shall be exercisable by the Lessee by giving irrevocable written notice to the Lessor at least thirty (30) days prior to the proposed Purchase Option Date.

64.2 Purchase Option Price

The Lessee shall pay to the Lessor on the relevant Purchase Option Date (the "**Purchase Option Price**"):

- (a) any Rent due or accrued but unpaid;
- (b) the Outstanding Charter Hire Principal;
- (c) any interest accrued due on the unpaid and overdue Rent or the Outstanding Charter Hire Principal at the Default Rate;
- (d) the relevant Prepayment Fee;
- (e) any reasonable and documented costs incurred by the Lessor or any other Creditor Party to the Finance Parties under the Finance Documents as a result of or in connection with the Purchase Option being exercised (and this Charter being terminated early and/or cancelled hereunder);
- (f) any documented fees or other amounts due and payable but unpaid by any Relevant Party to the Lessor or any other Creditor Party under any of the Operative Documents; and
- (g) any out of pocket costs (including legal costs) incurred by the Lessor or any other Creditor Party as a result of or in connection with the termination of the Charter and the sale and purchase hereunder,

and, in addition, the Lessee shall procure that the Associated Lessee shall pay to the Associated Lessor on the relevant Purchase Option Date, any amounts then due and payable to the Associated Lessor under the provisions of the Associated Charter.

Upon irrevocable and unconditional payment of the Purchase Option Price and all of the other amounts set out in this Clause 64.2 (*Purchase Option Price*), this Charter shall terminate and, without prejudice to Clause 81 (*Survival of terms*), the provisions of Clause 65 (*Purchase of Vessel by Lessee*) shall apply.

64.3 Purchase Obligation

On the Expiry Date, the Lessee shall purchase the Vessel on the basis set out in paragraph (b) of Clause 65 and shall pay to the Lessor the aggregate of the following (the "**Purchase Obligation Price**"):

- (a) any Rent due or accrued but unpaid;
- (b) the Outstanding Charter Hire Principal;
- (c) any interest accrued due on the unpaid and overdue Rent or the Outstanding Charter Hire Principal at the Default Rate;
- (d) any relevant Break Costs;
- (e) any costs incurred by the Lessor or any other Creditor Party to the Finance Parties under the Finance Documents as a result of or in connection with this Charter being terminated early and/or cancelled hereunder;
- (f) any other amounts due and payable but unpaid by any Relevant Party to the Lessor or any other Creditor Party under any of the Operative Documents; and
- (g) any out of pocket costs (including legal costs) incurred by the Lessor or any other Creditor Party as a result of or in connection with the sale and purchase hereunder,

and, in addition, the Lessee shall procure that the Associated Lessee shall pay to the Associated Lessor on the Expiry Date, any amounts then due and payable to the Associated Lessor under the provisions of the Associated Charter.

Upon irrevocable and unconditional payment of the Purchase Obligation Price and all of the other amounts set out in this Clause 64.3 (*Purchase Obligation*), this Charter shall terminate and, without prejudice to Clause 81 (*Survival of terms*), the provisions of Clause 65 (*Purchase of Vessel by Lessee*) shall apply.

65 Purchase of Vessel by Lessee

- (a) Immediately upon receipt by the Lessor of the sums set out in Clause 64.2 (*Purchase Option Price*) or Clause 64.3 (*Purchase Obligation*), as the case may be, and upon receipt by the Associated Lessor of any applicable sums payable to it by the Associated Lessee as set out in any such clause, and subject to no Termination Event or Potential Termination Event being outstanding and/or having occurred and subject to the Security Coverage Ratio complying with the Asset Coverage Threshold (as each such term is defined in the Associated Charter) applicable at the time pursuant to Clause 59.2 (*Security Coverage Ratio*) of the Associated Charter (including in each case on, before or after the said transfer of title and the sale, transfer other actions referred to in paragraph (b) below), the Lessor shall transfer title to the Vessel to the Lessee or its nominee on the terms set out in Clause 67 (*Transfer of title*).
- (b) The Vessel shall be sold or transferred by the Lessor to the Lessee on the following terms:
 - (i) for a consideration of \$1;
 - (ii) the sale will be on an "as is, where is" basis;
 - (iii) the Lessor shall pass to the Lessee such title to the Vessel as the Lessor has acquired pursuant to the Memorandum of Agreement, warranted free of all Liens created by the Lessor;
 - (iv) the sale shall exclude all liability of the Lessor, to the same extent as such liability is excluded by Clause 43 (*Extent of Lessor's liability*), except for the warranty given by the Lessor in paragraph (iii) above;
 - (v) if the Vessel is, at the date of sale, subject to any requisition for hire, the sale will be subject to such requisition;
 - (vi) the Lessor will transfer to the Lessee or its nominee the benefit of all Vessel rights which it then holds;

- (vii) any terms implied to such sale by any applicable statute or law are hereby excluded to the extent such exclusion can legally be made and without limiting the generality of the foregoing, this sale of the Vessel shall be specifically outside the terms of the UK Sale of Goods Act 1979 or any statutory modification or re-enactment thereof for the time being in force; and
- (viii) all costs, expenses, Taxes and any payment of a similar nature arising in connection with the sale of the Vessel by the Lessor shall be for the account of the Lessee.

66 Rights following a Termination Event

66.1 Rights on Termination Event

If a Termination Event occurs and is continuing, the Lessor may:

- (a) by written notice to the Lessee:
 - (i) effect compliance on the Lessee's behalf with any requirements in respect of which the Lessee is in default and if the Lessor incurs any expense in effecting such compliance, the Lessor shall be entitled (without prejudice to Clause 66.2 (*Payments on Termination Event or Total Loss*)) to recover such expense from the Lessee together with interest on it at the Default Rate from the date on which such expenditure is incurred by the Lessor until the date of reimbursement by the Lessee (both before and after judgment); and/or
 - (ii) proceed by appropriate court action or actions to enforce performance of this Charter, or to recover damages for the breach of this Charter; and/or
 - (iii) accept the repudiation of this Charter by the Lessee, and cancel the Memorandum of Agreement and/or terminate the leasing of the Vessel under this Charter with immediate effect (following which all rights of the Lessee under this Charter will cease, but without prejudice to the continuing obligations of the Lessee under this Charter and the other Operative Documents) and/or require the Lessee to purchase the Vessel or redeliver the Vessel to the Lessor in accordance with Clause 62 (*Redelivery*); and/or
 - (iv) inspect the Vessel and/or, subject to applicable law, take possession of the Vessel, for which purposes the Lessor may enter any premises belonging to or in the occupation or control of the Lessee where the Vessel may be located; and/or
 - (v) notify the Lessee of the occurrence of the same and demand the payment of the Termination Sum by the Lessee, whereupon the Lessee shall immediately pay the Termination Sum to the Lessor (and upon receipt of the Termination Sum in full, and subject to no Termination Event or Potential Termination Event being outstanding and/or having occurred and further subject to the Security Coverage Ratio complying with the Asset Coverage Threshold (as each such term is defined in the Associated Charter) applicable at the time pursuant to clause 59.2 (*Security Coverage Ratio*) of the Associated Charter (including in each case on, before or after the sale, transfer and redelivery referred to below), the Lessor shall sell, transfer and redeliver, at the cost and expense of the Lessee, the Vessel to the Lessee in accordance with Clause 67 (*Transfer of title*)); and
- (b) exercise any or all of its rights, remedies, powers or discretions under the Security Documents.

66.2 Payments on Termination Event or Total Loss

Upon termination of the leasing of the Vessel pursuant to paragraph (iii) of Clause 66.1 (*Rights on Termination Event*) (the "**Termination Sum Payment Date**") or upon occurrence of a Total Loss Payment Date, the Lessee shall immediately pay to the Lessor (provided that in the case of a Total Loss, any amounts which have been already received directly by the Security Trustee or, as the case may be, the Security Agent or any other Finance Party or, as the case may be, the Lessor in respect of such Total Loss under the Insurances, shall reduce the amount that the Lessee is obliged to pay under paragraph (a) or (as the case may be) paragraph (b) of this Clause 66.2 by the amount so received in the order set out in paragraph (a) or (as the case may be) paragraph (b) of this Clause 66.2) by way of agreed compensation for loss of bargain and as a genuine pre-estimate of damages and not as a penalty:

- (a) in case of the occurrence of a Total Loss Payment Date, the aggregate of the following amounts:
- (i) any Rent (including, if applicable, the Balloon Rental) due or accrued but unpaid;
 - (ii) the Outstanding Charter Hire Principal;
 - (iii) any interest accrued and unpaid on the unpaid Rent (including, if applicable, the Balloon Rental) or the Outstanding Charter Hire Principal at the Default Rate;
 - (iv) any relevant Break Costs;
 - (v) the relevant Prepayment Fee;
 - (vi) any costs incurred by the Lessor or any other Creditor Party to the Finance Parties under the Finance Documents as a result of or in connection with the early termination and/or cancellation hereunder;
 - (vii) any fee or other amount due and payable but unpaid by any Relevant Party to the Lessor or any other Creditor Party under any of the Operative Documents; and
 - (viii) any out of pocket costs (including legal costs) incurred by the Lessor or any other Creditor Party as a result of or in connection with the early termination and/or cancellation hereunder,

and, in addition, the Lessee shall procure that the Associated Lessee shall pay to the Associated Lessor on the Total Loss Payment Date, such part of the Outstanding Charter Hire Principal (as defined in the Associated Charter) as shall ensure that, immediately following such payments by the Lessee and the Associated Lessee under this paragraph (a), the Security Coverage Ratio complies with the Asset Coverage Threshold applicable at the time pursuant to Clause 59.2 (*Security Coverage Ratio*).

- (b) in case of a termination due to the occurrence of a Termination Event, the aggregate of the following amounts on the Termination Sum Payment Date:
- (i) any Rent (including, if applicable, the Balloon Rental) due or accrued but unpaid;
 - (ii) the Outstanding Charter Hire Principal;
 - (iii) any interest accrued on any unpaid and overdue Rent or on the Outstanding Charter Hire Principal at the Default Rate;
 - (iv) any relevant Break Costs;
 - (v) the relevant Prepayment Fee;
 - (vi) any costs incurred by the Lessor or any other Creditor Party to the Finance Parties under the Finance Documents in connection with the early termination and/or cancellation hereunder;

- (vii) any fee or other amount due and payable but unpaid by any Relevant Party to the Lessor or any other Creditor Party under any of the Operative Documents; and
- (viii) any out-of-pocket costs (including legal costs) incurred by the Lessor or any other Creditor Party in connection with the early termination hereunder,

and, in addition, the Lessee shall procure that the Associated Lessee shall pay to the Associated Lessor on the Termination Sum Payment Date, the Termination Sum (as defined in the Associated Charter) and all amounts then due and payable to the Associated Lessor under paragraph (b) of Clause 66.2 (*Payments on Termination Events or Total Loss*) of the Associated Charter.

66.3 Lessor's obligations upon receipt of payment

Subject to Clause 66.4 (*Failure to pay Termination Sum at all or within a given period*), as soon as practically possible after receipt by the Lessor of the applicable sums payable to the Lessor as set out in Clause 66.2 (*Payments on Termination Event or Total Loss*) (the "**Termination Sum**") and upon receipt by the Associated Lessor of any applicable sums payable to it by the Associated Lessee as set out in the same clause, and subject to no Termination Event or Potential Termination Event being outstanding and/or having occurred and subject to the Security Coverage Ratio complying with the Asset Coverage Threshold (as each such term is defined in the Associated Charter) applicable at the time pursuant to Clause 59.2 (*Security Coverage Ratio*) of the Associated Charter (including in each case on, before or after the release and transfer referred to below), the Lessor shall:

- (a) procure the release of the Mortgage and all other Liens created by the Lessor on the Vessel and the other security created pursuant to the Operative Documents in relation to the Vessel and this Charter (and if they relate to both the Vessel and the Associated Vessel, and/or to both this Charter and the Associated Charter, only insofar as they relate to the Vessel and this Charter); and
- (b) save where the Vessel is a Total Loss, transfer title to the Vessel to the Lessee or its nominee pursuant to Clause 67 (*Transfer of title*).

66.4 Failure to pay Termination Sum at all or within a given period

If within ten (10) Business Days of the Total Loss Payment Date or the Termination Sum Payment Date (as the case may be), (a) the Lessee fails to pay the Termination Sum and/or (b) the Associated Lessee fails to pay the Associated Lessor any applicable sums payable to the Associated Lessor at the time under the Associated Charter and/or (c) a Termination Event or a Potential Termination Event is outstanding and/or (d) the Security Coverage Ratio does not comply with the Asset Coverage Threshold (as each such term is defined in the Associated Charter) applicable at the time pursuant to Clause 59.2 (*Security Coverage Ratio*) of the Associated Charter, the Lessor shall be entitled, after the expiry of such ten (10) Business Days' period (without further notice to the Lessee), to (i) retain the Vessel and continue to have a claim against the Lessee for an amount equal to the applicable Termination Sum and/or (ii) to sell the Vessel to a third party on an arms-length basis, subject to the proceeds of such sale being applied in accordance with the terms of the Security Trust Deed.

67 Application of proceeds

67.1 Partial payments

- (a) If the Lessor receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Operative Documents, the Lessor shall apply that payment towards the obligations of that Obligor under the Operative Documents in the following order:
 - (i) first, in or towards payment pro rata of any unpaid amount owing to any Creditor Party under the Operative Documents (other than as provided in paragraphs (a)(ii) and (a)(iii) below);

- (ii) secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under the Operative Documents; and
- (iii) thirdly, in or towards payment pro rata of any principal due but unpaid under this Charter.

67.2 Currency Conversion

- (a) For the purpose of, or pending the discharge of, any of the Outstanding Indebtedness the Lessor may convert any moneys received or recovered by the Lessor from one currency to another, at the spot rate at which the Lessor is able to purchase the currency in which the Outstanding Indebtedness are due with the amount received.
- (b) The obligations of any Relevant Party to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

67.3 Permitted Deductions

The Lessor shall be entitled (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Charter, and to pay all taxes which may be assessed against it in respect of any of the Secured Property.

68 Transfer of title

Immediately upon receipt by the Lessor (and, if applicable, by the Associated Lessor) of the full sums referred to in Clause 49 (*Illegality*), Clause 50.3 (*Payment of Increased Costs, indemnity sum or voluntary termination*), Clause 64 (*Purchase Option and Purchase Obligation*) or Clause 66.2 (*Payments on Termination Event or Total Loss*) (as applicable) and subject to no Termination Event and no Potential Termination Event being outstanding and/or having occurred and subject to the Security Coverage Ratio complying with the Asset Coverage Threshold (as each such term is defined in the Associated Charter) applicable at the time pursuant to Clause 59.2 (*Security Coverage Ratio*) of the Associated Charter (including in each case on, before or after the release, transfer and other actions referred to below), the Lessor shall:

- (a) irrevocably and unconditionally procure the release of the Mortgage and all other Liens created by the Lessor on the Vessel and the other security created pursuant to the Operative Documents in relation to the Vessel and this Charter (and if they relate to both the Vessel and the Associated Vessel, and/or to both this Charter and the Associated Charter, only insofar as they relate to the Vessel and this Charter);
- (b) transfer all its right, title and interest in the Vessel to the Lessee or its nominee on the terms set out in paragraph (b) of Clause 65(b);
- (c) at the Lessee's expense, execute in favour of, and deliver to, the Lessee:
 - (i) a bill of sale in respect of the Vessel conveying the same title as was transferred to the Lessor pursuant to the Memorandum of Agreement; and
 - (ii) any further documentation required by the Flag State so as to enable the Lessee to register title over the Vessel in its name; and
- (d) transfer to the Lessee or its nominee the benefit of all Vessel rights which it then holds.

69 Substitute Performance

69.1 Lessor's right

- (a) If the Lessee fails to:
 - (i) do, or cause to be done, anything which it is obliged to do, or cause to be done, under any of the Operative Documents; or

(ii) make any payment which it is obliged to make under any of the Operative Documents (other than a payment to the Lessor),

the Lessor shall be at liberty to do, or cause to be done, that thing or make, or cause to be made, that payment itself.

- (b) The Lessee shall not cease to be in breach of any of its obligations under any of the Operative Documents by reason of anything done, or caused to be done, or any payment made, or caused to be made, by the Lessor pursuant to paragraph (a) above.

69.2 Costs

The Lessee shall:

- (a) pay to the Lessor all reasonable and duly documented expenses incurred by the Lessor in connection with its doing, or causing to be done, anything pursuant to paragraph (a) of Clause 69.1 (*Lessor's right*); and
- (b) reimburse the Lessor for any such documented payment made, or caused to be made, by the Lessor together with interest at the Default Rate for the period starting on (and including) the date on which the demand was given by the Lessor and ending on (but excluding) the date on which the same is paid or reimbursed to the Lessor.

70 Further Assurances

Each of the Lessor (at no cost to it) and the Lessee shall promptly take such steps as the Lessor or the Lessee may deem necessary or appropriate to:

- (a) establish, maintain and protect the rights and remedies of the Lessor or the Lessee; and
- (b) carry out and effect the intent and purpose of the Operative Documents.

71 Assignment

- (a) Except in accordance with the terms of the Operative Documents, no Party may assign or transfer any of its rights or obligations under this Charter without the prior written consent of the other Party.
- (b) The Lessee hereby consents to any assignment and/or transfer by the Lessor and/or the Security Trustee of any of its rights under this Charter and under the other Operative Documents to the Security Agent (or any other Finance Party) pursuant to the Finance Documents and to the exercise of any of the rights of the Security Agent (or any other Finance Party).
- (c) Subject to paragraph (e) below, the Lessee further hereby consents to any assignment by the Lessor of any of its rights and/or transfer of any of its obligations under this Charter to any Affiliate of the Lessor provided that (i) any such assignment or transfer shall not result in any increased cost or liability for the Lessee under this Charter as a result of circumstances existing at the time of such assignment or transfer (as applicable) and (ii) the Lessor shall promptly notify the Lessee of such assignment and/or transfer.
- (d) Subject to paragraph (e) below, the Lessor may, with the prior written consent of the Lessee (such consent not to be unreasonably withheld or delayed), assign any of its rights and/or transfer any of its obligations under this Charter and/or under any other Operative Document to another person, provided that (i) any such assignment or transfer shall not result in any increased cost or liability for the Lessee under this Charter as a result of circumstances existing at the time of such assignment or transfer (as applicable) and (ii) the Lessor shall promptly notify the Lessee of such assignment and/or transfer.
- (e) At any time after the occurrence of a Termination Event, the Lessor may assign any of its rights and/or transfer any of its obligations under any Operative Document to any person without the consent of, and without notice to, the Lessee.

72 Disclosure of Information

At any time after the date of this Charter and during the Charter Period, each of the Lessor and the Lessee shall keep confidential and shall not, without the prior written consent of the other, disclose to any person:

- (a) the financial details of, or the transactions contemplated by, the Operative Documents; or
- (b) any information provided pursuant to any of the Operative Documents,

provided that the Parties may disclose any such information without the other Party's consent:

- (i) to any person to the extent required for the purpose of any litigation, arbitration or regulatory proceedings or procedure;
- (ii) to any person (including but not limited to any investor and potential investor of the Relevant Party or any party entitled under the Operative Documents or Finance Document) to whom, and to the extent that, information is required to be disclosed by any applicable law, regulation, decree or rule of any jurisdiction, governmental order or stock exchange and/or securities and exchange commission (including, but not limited to, the US Securities and Exchange Commission Rule or the Nasdaq Rules);
- (iii) to any Governmental Agency;
- (iv) to the Finance Parties, to the Creditor Parties or any other party to any of the Operative Documents;
- (v) to the auditors, legal or insurance advisors, underwriters or brokers or any professional service provider of the Lessor, the Lessee or of any of the persons listed in paragraph (iv) above who shall be instructed to maintain the confidentiality of any information supplied to them;
- (vi) to the Lessor Account Bank or the Account Bank;
- (vii) to any employee, officer or shareholder of the Lessor, any other Creditor Party, the Lessee or any Relevant Party; or
- (viii) in any manner contemplated by any of the Operative Documents.

73 Notices

73.1 Communications in writing

Any communication to be made under or in connection with this Charter shall be made in writing and, unless otherwise stated, may be made by letter or (under Clause 73.4 (*Electronic communication*)) email.

73.2 Addresses

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Charter are as follows:

- (a) If to the Lessor at:

c/o Neptune Maritime Leasing Limited
8 Akadimias Street
10671 Athens
Greece

Attn:

Email:

- (b) If to the Lessee at:

Cretansea Maritime Co.

c/o 154 Vouliagmenis Avenue
166 74 Glyfada
Greece

Attention:

Tel:

Email:

or to any substitute address, email address or department or officer as the relevant Party may notify to the other Party by not less than five (5) Business Days' prior notice in writing.

73.3 Delivery

Any communication or document made or delivered by one Party to the other Party under or in connection with this Charter will only be effective:

- (a) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
- (b) if by way of email, if it complies with the rules under Clause 73.4 (*Electronic communication*),

and, if a particular department or officer is specified as part of its address details provided under Clause 73.2 (*Addresses*), if addressed to that department or officer.

73.4 Electronic communication

- (a) Any communication to be made between the Parties under or in connection with this Charter may be made by electronic mail or other electronic means, and the Parties hereby agree:
 - (i) that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) to 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
 - (iii) to notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made by one Party to another Party will be effective when it is sent by the sender Party unless the sender Party receives a message indicating failed delivery.
- (c) A Party shall notify the other Party promptly upon becoming aware that its electronic mail system or other electronic means of communication cannot be used due to technical failure (and that failure is or is likely to be continuing for more than 24 hours). Until that Party has notified the other Party that the failure has been remedied, all notices between the Parties shall be sent by letter in accordance with this Clause 73.

73.5 English language

- (a) Any notice given under or in connection with this Charter must be in English.
- (b) All other documents provided under or in connection with this Charter must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Lessor accompanied by a certified (by an attorney-at-law) English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

74 Partial Invalidity

If, at any time, any provision of this Charter is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

75 Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of the Lessor, any right or remedy under this Charter shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Charter are cumulative and not exclusive of any rights or remedies provided by law.

76 Amendments and Waivers

Any term of this Charter may be amended or waived only with the consent of the Lessor.

77 Contractual Recognition of Bail-In

Notwithstanding any other term of any Operative Document or any other agreement, arrangement or understanding between the Parties, each Party (and any other Relevant Party who is a party to any other Operative Document to which this clause is expressed by the terms of that other Operative Document to apply) acknowledges and accepts that any liability of the Lessor and/or the Security Trustee to any Relevant Party under or in connection with the Operative 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 Operative Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

In this Clause 77:

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

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

Bail-In Legislation means:

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

EEA Member Country means any member state of the European Union, Iceland, Liechtenstein and Norway.

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

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

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

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

78 Counterparts

This Charter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Charter.

79 Time of the Essence

Without prejudice to any grace periods contained in this Charter, the time stipulated in this Charter for all payments payable by the Lessee, and for the performance of the Lessee's obligations under this Charter, will be of the essence of this Charter.

80 Governing Law

This Charter, and all non-contractual obligations arising from or in connection with this Charter, shall be governed by, and construed in accordance with, English law.

81 Survival of Terms

The Lessee's and the Lessor's rights and obligations under this Clause 81 and under Clauses 41 (*Delivery of Vessel*), 43 (*Extent of Lessor's Liability*), 44 (*Rent, Payments and Calculations*), 45 (*Costs and Expenses*), 47 (*Indemnities*), 48 (*Taxes*), 63 (*Termination Events*), Clause 65 (*Purchase of Vessel by Lessee*), Clause 66 (*Rights following a Termination Event*) and paragraph (b) of Clause 67 (*Transfer of Title*) of this Charter and the rights of each Indemnitee and Tax Indemnitee under Clauses 47 (*Indemnities*) and 48 (*Taxes*), of this Charter shall survive any termination of the Charter Period or any termination of this Charter or any other Operative Document.

82 Enforcement

82.1 Jurisdiction of English courts

- (a) Subject to paragraph (c) below, the courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Charter (including any dispute relating to any non-contractual obligation arising from or in connection with this Charter and any dispute regarding the existence, validity or termination of this Charter) (a "**Dispute**").
- (b) The parties to this Charter agree that the courts of England and Wales are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Charter will argue to the contrary.
- (c) This Clause 82.1 is for the benefit of the Lessor only. As a result, the Lessor shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lessor may take concurrent proceedings in any number of jurisdictions.

82.2 Appointment of process agent

The Lessee agrees that the documents which start any proceedings in relation to any Operative Document, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered to Shoreside Agents Ltd, presently at 5 St Helen's Place, London EC3A 6AB, England (Attn: Andrew Johnson, T: +44 (0)20 3771 8869, M: + 44 (0) 7591 440086, F: +44 (0)20 3771 8870) or to such other address in England and Wales as the Lessee may specify by notice in writing to the Lessor. Nothing in this Clause 82.2 shall affect the right of either Party to serve process in any other manner permitted by law. This Clause 82.2 applies to proceedings in England and proceedings elsewhere.

82.3 Waiver of immunities

To the extent that either Party has acquired or may, after the date of this Charter, acquire any immunity, with respect to itself and its revenues and assets (irrespective of their use or intended use), on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings),

that Party irrevocably waives, to the extent permitted by applicable law, such immunity in respect of its obligations under this Charter.

IN WITNESS WHEREOF the Parties have caused this Charter to be duly executed as a deed and delivered on the date first above written.

Schedule 1
Conditions Precedent

Part I

Conditions Precedent to effectiveness of the Memorandum of Agreement and this Charter

1 Relevant Parties

- (a) A copy, certified as true copy by a director or an officer of each Relevant Party (other than a Third Party Manager) and each Subordinated Creditor, of the constitutional documents of each such Relevant Party and each Subordinated Creditor and its register of directors, register of members and register of mortgages and charges.
- (b) A copy, certified as true copy by a director or an officer of each Relevant Party (other than a Third Party Manager) and each Subordinated Creditor, of a resolution of the board of directors or a unanimous written resolution of the board of directors of each such Relevant Party and each Subordinated Creditor:
 - (i) approving the terms of, and the transactions contemplated by, the Operative Documents to which it is a party and resolving that it executes, delivers and performs the Operative Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Operative Documents to which it is a party on its behalf;
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Operative Documents to which it is a party; and
 - (iv) in the case of the Guarantor or any other Relevant Party (other than a Third Party Manager) providing third party security, resolving that it is in its best interests to enter into the transactions contemplated by the Operative Documents to which it is a party.
- (c) A certificate of the Guarantor and the Associated Lessee (signed by a director) confirming that guaranteeing or securing, as appropriate, the obligations of any Relevant Party (other than a Third Party Manager) under the Operative Documents to which such Relevant Party is a party, would not cause any borrowing, guarantee, security or similar limit binding on any such Relevant Party to be exceeded.
- (d) If relevant, a copy, certified as true copy by a director or an officer of each Relevant Party (other than a Third Party Manager), of a resolutions signed by all the holders of the issued shares in each such Relevant Party (other than the Guarantor), approving the terms of, and the transactions contemplated by, the Operative Documents to which such Relevant Party is a party.
- (e) If relevant, a copy, certified as a true copy by a director or an officer of each Relevant Party (other than a Third Party Manager) and each Subordinated Creditor, of a power of attorney of each Relevant Party and each Subordinated Creditor.
- (f) A certificate of an authorised signatory of each Relevant Party (other than a Third Party Manager) and each Subordinated Creditor certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect as at a date no earlier than the date of this Charter.

2 Operative Documents

The Memorandum of Agreement, this Charter, the Fee Letter, each Guarantee, the Share Pledge, any Subordination Deed, the Security Trust Deed, each duly executed by the relevant parties (other than the Lessor) thereto.

3 Legal Opinions

- (a) A draft legal opinion in relation to English law from Norton Rose Fulbright Greece satisfactory to the Lessor.
- (b) A draft legal opinion in relation to Marshall Islands law from Hill Dickinson International satisfactory to the Lessor.
- (c) Draft of any other legal opinion satisfactory to the Lessor as required by the Lessor.

4 “Know your customer” information

Such documentation and information as the Lessor may reasonably request to comply with “know your customer” or similar identification procedures under all laws and regulations applicable to each Relevant Party.

5 Copies of documents

A copy, certified as a true copy by a director of the Lessee, of each Management Agreement, the Hampton Bay Contract and any Sub-Charter.

6 Other documents and evidence

Evidence that any process agent referred to in clause 82.2 (*Appointment of process agent*) or any equivalent provision of any other Operative Document entered into on or before the Delivery Date, if not a Relevant Party, has accepted its appointment.

Part II

Conditions precedent to issuance of the Payment Notice in respect of the Purchase Price

1 Corporate documents

A certificate from an authorised signatory of the Relevant Party confirming that the resolutions referred to in the certificate described in Schedule 1 remain in full force and effect and have not been amended, modified or revoked in any respect.

2 Operative Documents

The Manager's Undertaking by each Manager, the Account Security, any Subordination Deed and the General Assignment together with all ancillary documents to be delivered pursuant thereto, each duly executed by the relevant parties (other than the Lessor) thereto.

3 Other documents and evidence

- (a) Copies, certified as true copies by a director of the Lessee, of all documents which the Lessor may reasonably require evidencing that all Authorisations with respect to or in connection with the registration of the Vessel under the laws of the Flag State have been taken or obtained.
- (b) A copy of any other Authorisation or other document, opinion or assurance which the Lessor considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Operative Document or for the validity and enforceability of any Operative Document.
- (c) Evidence satisfactory to the Lessor that the Operating Account has been opened with the Account Bank and that the amount of \$350,000 has been deposited in the Operating Account (or that the Lessee and the Lessor have agreed that such amount will be remitted by the Lessor to the Operating Account as part of the payment of the Purchase Price to the Lessee).
- (d) Documentary evidence showing that the Lessee is a wholly owned direct Subsidiary of the Guarantor.
- (e) Documentary evidence that:
 - (i) prior to Delivery, there will be no Lien of any kind whatsoever on the Vessel, her earnings or insurance; and
 - (ii) the required insurances for the Vessel with effect from the Delivery Date have been arranged through acceptable brokers and/or with acceptable underwriters.

4 Insurance

A satisfactory opinion from Willis Towers Watson or other insurance consultants approved by the Lessor on the insurances effected or to be effected on the Vessel pursuant to this Charter.

5 Fees

Evidence that any fee then due from the Lessee has been paid.

6 Manager

A copy, certified as a true copy by a director of the Technical Manager, of the Document of Compliance of the Technical Manager issued pursuant to the ISM Code.

7 Valuation Reports

Two valuation reports of the Vessel, each issued by an Approved Valuer in accordance with Clause 59.1 (*Valuations*), and being acceptable in all respects to the Lessor.

8 Legal Opinion

- (a) A draft legal opinion in relation to English law from Norton Rose Fulbright Greece satisfactory to the Lessor.
- (b) A draft legal opinion in relation to Marshall Islands law from Hill Dickinson International satisfactory to the Lessor.
- (c) A draft legal opinion in relation to German law from Norton Rose Fulbright Germany satisfactory to the Lessor.
- (d) Draft of any other legal opinion satisfactory to the Lessor as required by the Lessor.

Conditions precedent to Delivery

1 Purchase price under the Hampton Bay Contract

Evidence that the full purchase price of the Vessel under the Hampton Bay Contract will have been paid upon the Purchase Price being released in accordance with clause 4.2 (*Payment*) of the Memorandum of Agreement and that the Hampton Bay Seller will not have any Lien or other right to detain the Vessel.

2 Vessel requirements

- (a) An original of the Bills of Sale and an original Protocol of Delivery and Acceptance, as evidence that the Vessel has been delivered to, and accepted by, the Lessor under the Memorandum of Agreement.
- (b) An original Acceptance Certificate.
- (c) Evidence that the Vessel:
 - (i) is (or will be, simultaneously with the release of the Purchase Price in accordance with clause 4.2 (*Payment*) of the Memorandum of Agreement) registered in the name of the Lessor under the laws of the Flag State free of Liens;
 - (ii) is classed in accordance with Clause 56.10 (*Maintenance of class; compliance with Authorisations*);
 - (iii) is insured in accordance with the provisions of Clause 58 (*Insurance*), and all requirements of Clause 58 (*Insurance*) in respect of such insurance have been complied with;
 - (iv) is in possession of (or evidence satisfactory to the Lessor that the Lessee has duly applied to the relevant authorities for the issuance of) a valid International Air Pollution Prevention Certificate (IAPPC) under Annex VI (Regulations for the Prevention of Air Pollution from Ships) to MARPOL;
 - (v) is in possession of (or evidence satisfactory to the Lessor that the Lessee has duly applied to the relevant authorities for the issuance of) a valid Safety Management Certificate under the ISM Code and a valid International Ship Security (ISS) Certificate; and
 - (vi) is in possession of (or evidence satisfactory to the Lessor that the Lessee has duly applied to the relevant authorities for the issuance of) a certificate issued pursuant to Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001.

3 Insurance

A satisfactory opinion from Willis Towers Watson or other insurance consultants approved by the Lessor on the Insurances.

4 Legal Opinions

- (a) A draft legal opinion in relation to English law from Norton Rose Fulbright Greece satisfactory to the Lessor.
- (b) A legal opinion in relation to Marshall Islands law from Hill Dickinson International satisfactory to the Lessor.
- (c) Any other legal opinion satisfactory to the Lessor as required by the Lessor.

Schedule 2
Form of Acceptance Certificate

To: [•]

Dated: [•]

Charter agreement dated [•] 2023 (the “Charter”) between NML Cretansea LLC (the “Lessor”) and Cretansea Maritime Co. (the “Lessee”) relating to the bulk carrier vessel named Cretansea (the “Vessel”)

- 1** We refer to the Charter. This is the Acceptance Certificate. Terms defined in the Charter shall have the same meaning in this Acceptance Certificate.
- 2** We confirm that today as at [•] hours ([•] time), is the Delivery Date.
- 3** We further confirm that, as at the date hereof:
- (a) the Purchase Price is \$[•];
 - (b) the Purchase Obligation Price is [•] and any other amount payable to the Lessee in accordance with Clause 64.3 (*Purchase Obligation*);
 - (c) the Fixed Rent payable by the Lessee on each of the 60 Payment Dates is, \$[•]; and
 - (d) the Balloon Rental payable on the last Payment Date is \$[•].
- 4** The Lessee further confirms that:
- (a) the Vessel was duly accepted by the Lessee in accordance with, and subject to the provisions of, the Charter. The execution and delivery of this Acceptance Certificate confirms the acceptance of the Vessel by the Lessee for all purposes of the Charter;
 - (b) the Lessee became obliged to pay to the Lessor the amounts provided for in the Charter with respect to the Vessel;
 - (c) the Vessel is insured in accordance with the Charter;
 - (d) the representations and warranties contained in Clause 51.1 (*Lessee representations*) of the Charter are true by reference to the facts and circumstances existing at the date of this Acceptance Certificate;
 - (e) [there has been affixed to the Vessel the notice required by Clause 57.5 (*Copy of Mortgage*) of the Charter;] and
 - (f) no Potential Termination Event or Termination Event has occurred and is continuing.

The Lessor

For and on behalf of

NML Cretansea LLC

By: _____
Name:
Title:

The Lessee

For and on behalf of

Cretansea Maritime Co.

By: _____
Name:
Title:

EXECUTED BY THE PARTIES

The Lessor

For and on behalf of	)	/s/ Athanasios Voudris
NML CRETANSEA LLC	)	Attorney-in-fact
and SIGNED by Athanasios Voudris	)	
as attorney-in-fact	)	

in the presence of:

/s/ Pericles Lynoudis
Witness
Name: Pericles Lynoudis
Address: Athens, Greece
Occupation:

The Lessee

EXECUTED as a DEED	)	/s/ Stavros Gyftakis
for and on behalf of	)	Attorney-in-fact
CRETANSEA MARITIME CO.	)	
and SIGNED by Stavros Gyftakis	)	
as attorney-in-fact	)	

in the presence of:

/s/ Maria Moschopoulou
Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue
16674 Glyfada, Athens Greece
Occupation: Attorney-in-fact

Private & Confidential

UNITED MARITIME CORPORATION
as Guarantor

and

NML TRUSTEE LLC
as Security Trustee

Guarantee
in respect of the bareboat charter of
the 81,508 dwt Kamsarmax bulk carrier
“*CRETANSEA*”

 **NORTON ROSE FULBRIGHT**

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THIS GUARANTEE is made on 12 April 2023

BETWEEN:

- (1) **UNITED MARITIME CORPORATION**, a corporation organised and existing under the laws of the Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Guarantor**"); and
- (2) **NML TRUSTEE LLC** a limited liability company formed and existing under the laws of the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road Island, Majuro, Marshall Islands MH 96960 as security trustee for the Creditor Parties (as such term is defined below) (the "**Security Trustee**").

WHEREAS:

- (A) NML CRETANSEA LLC (the "**Lessor**") is the owner of the 81,508 dwt Kamsarmax bulk carrier vessel *Cretansea* registered under the laws and flag of the Republic of the Marshall Islands with IMO No. 9376373 on the Delivery Date (the "**Vessel**").
- (B) By a bareboat charterparty dated 12 April 2023 made between the Lessor and Cretansea Maritime Co., a corporation organised and existing under the laws of the Republic of the Marshall Islands, having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Lessee**"), as the same may from time to time be amended, varied or supplemented (together the "**Charter**"), the Lessor has agreed to let and the Lessee has agreed to take the Vessel on bareboat charter upon the terms therein described.
- (C) By a security trust dated 31 March 2023 made between inter alios, the Guarantor, the Lessor, NML Oasea LLC, the Lessee, Seanergy Shipmanagement Corp. and the Security Trustee ("**Security Trust Deed**"), the Lessor has appointed the Security Trustee to hold the Secured Property (as defined in the Security Trust Deed) on trust for the benefit of the Creditor Parties, including the Lessor.
- (D) It is a condition precedent to, among others, the Lessor making or continuing to make the Vessel available to the Lessee pursuant to the terms of the Charter that the Guarantor shall execute and deliver to the Security Trustee this Guarantee.

NOW THIS GUARANTEE WITNESSES AND IT IS HEREBY AGREED

1 Definitions and Interpretation

- 1.1** Expressions defined in the Charter shall, unless the context otherwise requires, have the same meanings when used in this Guarantee.
- 1.2** In this Guarantee, unless there is something in the subject or context inconsistent therewith, the following expressions shall have the following meanings:

"**Associated Charter**" has the meaning given to such term in the Charter.

"**Associated Lessee**" has the meaning given to such term in the Charter.

"**Associated Lessor**" has the meaning given to such term in the Charter.

"**Creditor Parties**" means the Lessor, the Associated Lessor, the Security Trustee and each Creditor Party as such term is defined in the Charter and the Associated Charter.

"**Outstanding Indebtedness**" means the aggregate of all sums of money from time to time owing by the Lessee, the Associated Lessee, the Guarantor, any other Relevant Party or any of them to the Lessor, the Associated Lessor, the Security Trustee or any other Creditor Party or any of them, whether actually or contingently, present or future, under the Charter, the Associated Charter and the other Transaction Documents or any of them.

“Relevant Party” means each Relevant Party as that term is defined in each of the Charter and the Associated Charter.

“Security Period” means the period commencing on the date hereof and terminating on the date on which the Outstanding Indebtedness is irrevocably and unconditionally paid in full.

“Transaction Documents” has the meaning given to that term in the Security Trust Deed.

1.3 In this Guarantee:

- (a) clause headings are inserted for ease of reference only and shall not affect the construction of this Guarantee and unless otherwise specified, all references to Clauses and Schedules are to be construed as references to clauses and schedules of this Guarantee;
- (b) unless the context otherwise requires, words importing the plural include the singular and *vice versa*, and words importing a gender include every gender;
- (c) references to persons include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (d) references to assets include present and future properties, revenues and rights of every description;
- (e) references to any document are to be construed as references to such document as amended, novated, supplemented, extended or restated from time to time; and
- (f) references to any enactment include re-enactments, amendments and extensions thereof.

2 Guarantee

2.1 The Guarantor hereby irrevocably and unconditionally:

- (a) guarantees to the Security Trustee the due and punctual performance by each Relevant Party of all its obligations, duties and liabilities under or in connection with the Operative Documents to which it is a party, payment on the due date of all sums payable now or in the future to the Creditor Parties by each Relevant Party thereunder or in connection therewith (including, without limitation, any amount payable by way of liquidated and/or unliquidated damages for breach of any of the terms and conditions of the Operative Documents) when and as the same shall become due or as the case may be, liable, for the performance by each Relevant Party according to the terms of the Operative Documents to which it is a party;
- (b) undertakes with the Security Trustee that, if and whenever any Relevant Party does not pay any amount when due under or in connection with any Operative Document, it shall immediately on demand pay that amount as if it was the principal obligor (taking into account any taken grace period for such payment before it has become due as and if it may be applicable under the terms of the Operative Documents);
- (c) undertakes with the Security Trustee that if and whenever any Relevant Party shall be in default in the performance of any of its obligations whatsoever under or in connection with the Operative Documents to which it is a party, the Guarantor will perform such obligations on written demand; and

- (d) undertakes with the Security Trustee that if any obligation under an Operative Document is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify the Creditor Parties immediately on demand against any cost, loss or liability it incurs as a result of any Relevant Party not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it on the date when it would have been due. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 2.1 if the amount claimed had been recoverable on the basis of this Guarantee.

2.2 It is declared and agreed that:

- (a) this Guarantee shall be held by the Security Trustee as a continuing security and shall not be satisfied by any intermediate payment or satisfaction of any part of the moneys and liabilities hereby guaranteed;
- (b) the security so created shall be in addition to and shall not in any way be prejudiced or affected by any other security given in respect of the Operative Documents;
- (c) the Security Trustee shall not be bound to enforce the Operative Documents provided it must serve a written demand on the Lessee and the Associated Lessee for payment under the Charter and the Associated Charter, respectively, before enforcing its rights under this Guarantee;
- (d) no delay or omission on the part of the Security Trustee in exercising any right, power or remedy under this Guarantee shall impair such right, power or remedy or be construed as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights powers and remedies provided in this Guarantee are cumulative and not exclusive of any rights, powers and remedies provided by law and may be exercised from time to time and as often as the Security Trustee may deem expedient; and
- (e) any waiver by the Security Trustee of any terms of this Guarantee or any consent given by the Security Trustee under this Guarantee shall only be effective if given in writing and then only for the purpose and upon the terms for which it is given.

2.3 Any settlement or discharge under this Guarantee between the Security Trustee and the Guarantor shall be conditional upon no security or payment to the Security Trustee by any Relevant Party or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force, and if such condition is not satisfied, the Security Trustee shall be entitled to recover from the Guarantor on demand the value of such security or the amount of any such payment as if such settlement or discharge had not occurred.

2.4 The obligations of the Guarantor under this Guarantee shall not be affected by any act, omission, matter or thing which, but for this provision, might operate to release or otherwise exonerate the Guarantor from its obligations hereunder in whole or in part, including without limitation, and whether or not known to or discoverable by the Guarantor, the Lessee any other Relevant Party, the Lessor, the Security Trustee, any other Creditor Party or any other person:

- (a) any time or waiver granted to or composition with any Relevant Party or any other person; or
- (b) the release of any Relevant Party or any other person under the terms of any composition or arrangement with any creditor of any Relevant Party; or
- (c) the taking, variation, compromise, renewal or release of or refusal or neglect to perfect or enforce any rights, remedies or securities against any Relevant Party or any other person; or
- (d) any legal limitation, disability, incapacity or other circumstances relating to any Relevant Party or any other person; or

- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of any Operative Document or any other document or security; or
- (f) the dissolution, liquidation, amalgamation, reconstruction, reorganisation or similar proceedings of any Relevant Party or any other person; or
- (g) the unenforceability or invalidity of any obligations of any Relevant Party or any other person under the Operative Documents or any other document or security.

2.5 Until all amounts which may be or become payable by any Relevant Party under or in connection with the Operative Documents have been irrevocably paid in full, the Guarantor will not, without the prior written consent of the Security Trustee, exercise any rights which it may have by reason of performance by it of its obligations under the Operative Documents or by reason of any amount being payable, or liability arising, under this Guarantee:

- (a) to be indemnified by any Relevant Party;
- (b) to claim any contribution from any other guarantor of obligations of any Relevant Party under the Operative Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Creditor Parties under the Operative Documents or of any other guarantee or security taken pursuant to, or in connection with, the Operative Documents by the Creditor Parties;
- (d) to bring legal or other proceedings for an order requiring any Relevant Party to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Clause 2.1;
- (e) to exercise any right of set-off against any Relevant Party; and
- (f) to claim or prove as a creditor of any Relevant Party in competition with any Creditor Party.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Creditor Parties by any Relevant Party under or in connection with the Operative Documents to be repaid in full on trust for the Creditor Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct.

2.6 Until all moneys and liabilities hereby guaranteed have been unconditionally and irrevocably paid in full to the satisfaction of the Security Trustee and, for this purpose, the Security Trustee may keep in a separate account for as long as it may think fit, any moneys received, recovered or realised under this Guarantee or under any other guarantee, security or agreement relating in whole or in part to the moneys and liabilities hereby guaranteed without being under any intermediate obligation to apply the same or any part thereof in or towards the discharge of such amount.

2.7 The Guarantor waives any right it may have of first requiring the Security Trustee or any other Creditor Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of any document to the contrary.

3 Representations and Warranties

3.1 The Guarantor hereby represents and warrants to the Security Trustee as at the date of this Guarantee that:

(a) **Status**

- (i) it is a corporation, duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands; and
- (ii) it has the power and authority to own its assets and carry on its business as it is now being conducted.

(b) **Binding obligations**

the obligations expressed to be assumed by it in each Operative Document to which it is a party are legal, valid, binding and enforceable in accordance with their terms;

(c) **Non-conflict with other obligations**

the entry into and performance by it of, and the transactions contemplated by, the Operative Documents to which it is a party do not and will not conflict with:

- (i) any law or regulation applicable to it;
- (ii) its constitutional documents; or
- (iii) any agreement or instrument binding upon it or any of its assets,

nor constitute a default or termination event (however described) under any such agreement or instrument, or (except as provided in any Operative Document to which it is a party or in case of a Permitted Lien) result in the existence of, or oblige it to create, any Lien over any of its assets;

(d) **Power and authority**

- (i) it has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, and compliance with, the Operative Documents to which it is a party and the transactions contemplated by those documents and to create the Liens expressed to be created by the Security Documents to which it is or will be a party; and
- (ii) no limitation on its powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of, any Operative Document to which it is, or is to be, a party;

(e) **Validity and admissibility in evidence**

all Authorisations required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in, the Operative Documents to which it is a party;
- (ii) to make the Operative Documents to which it is a party admissible in evidence in its jurisdiction of incorporation;
- (iii) for it to carry on its business; and
- (iv) to enable it to create the Liens to be created by it under any Operative Document to which it is a party and to ensure that such Lien has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect;

(f) **Governing law and enforcement**

- (i) the choice of English law as the governing law of the Operative Documents to which it is a party will be recognised and enforced in its jurisdiction of incorporation; and
- (ii) any judgment or arbitration award obtained in England in relation to an Operative Document to which it is a party will be recognised and enforced in its jurisdiction of incorporation;

(g) **Place of business**

- (i) it has not established a place of business in England; and
- (ii) its centre of main interest (as that term is used in Article 3(1) for the purposes of the Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the **Regulation**)) is situated in Greece and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

(h) **No misleading information**

- (i) all information provided by it for the purposes of any Operative Document to which it is a party was true, complete and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated;
- (ii) any financial projections provided by it or on its behalf and delivered to the Security Trustee in connection with this Guarantee or any other Operative Document have been prepared on the basis of recent historical information and on the basis of reasonable assumptions; and
- (iii) nothing has occurred or been omitted from the information so provided and no information has been given by it or withheld that results in any such information provided by it or on its behalf being untrue or misleading in any material respect;

(i) **Financial statements**

- (i) the Group's financial statements most recently supplied to the Security Trustee under any Operative Document were prepared in accordance with GAAP consistently applied save to the extent expressly disclosed in such financial statements;
- (ii) the Group's financial statements most recently supplied to the Security Trustee under any Operative Document give a true and fair view and represent its financial condition and operations as at the end of the relevant financial year save to the extent expressly disclosed in such financial statements; and
- (iii) there has been no material adverse change in the Group's business or financial condition since the date of the Original Financial Statements;

(j) **Pari passu ranking**

- (i) each Operative Document to which it is a party creates (or, once entered into, will create) in favour of the Security Trustee the security which it is expressed to create with the ranking and priority it is expressed to have; and
- (ii) without limiting paragraph (i) above, its payment obligations under each Operative Document to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;

(k) **No insolvency**

no insolvency proceeding or creditors' process described in clause 63.11 (*Insolvency proceedings*) of the Charter has been taken or threatened in relation to it and no petition for the opening of such proceedings has been presented;

(l) **Deduction of Tax**

it is not required under the law it is incorporated to make any Tax Deduction from any payment it may make under any Operative Document to which it is a party;

(m) **No filing or stamp taxes**

under the law of its jurisdiction of incorporation, it is not necessary that any of the Operative Documents to which it is a party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid in that jurisdiction on or in relation to any of the Operative Documents to which it is a party or the transactions contemplated by any of the Operative Documents to which it is a party;

(n) **No Potential Termination Event**

- (i) No Potential Termination Event or Termination Event is continuing or might reasonably be expected to result from the entry into or performance of, or the transactions contemplated by, the Operative Documents to which it is a party; and
- (ii) no other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which would have a Material Adverse Effect;

(o) **No proceedings pending or threatened**

no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency (including any Environmental Claims) which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have been started or threatened against it;

(p) **Authorised signatures**

any person specified as its authorised signatory in documents delivered to the Lessee under schedule 1 (*Conditions precedent*) of the Charter is authorised to sign all documents and notices on its behalf;

(q) **No immunity**

it and its assets are not entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (including suit, attachment prior to judgment, execution or other enforcement);

(r) **Environmental Authorisations**

all records, reports, returns, registrations and information necessary for compliance with any Environmental Law or any Environmental Authorisations have been made or given to the relevant competent authority in accordance with the requirements thereof;

(s) **Environmental provisions**

- (i) all applicable Environmental Laws and Environmental Authorisations relating to the Vessel and her operation and management have been complied with;

(ii) no Environmental Claim has been made or threatened against the Lessee or any Manager in connection with the Vessel; and

(iii) no Environmental Incident has occurred;

(t) **Liens**

the Vessel will be free from all Liens at Delivery;

(u) **Vessel condition**

at Delivery, the Vessel will comply with all requirements of the Charter including, without limitation, in respect of its condition, insurance, class and employment;

(v) **Tax compliance**

it has complied in all material respects with all Tax laws and regulations applicable to it and its business; and

(w) **Disclosure of material facts**

it is not aware of any material facts or circumstances which have not been disclosed to the Security Trustee and which might, if disclosed, have adversely affected the decision of a person considering whether or not to acquire the Vessel from the Lessee and to charter it back to the Lessee.

3.2 Each of the representations and warranties set out in Clause 3.1 are deemed to be made by the Guarantor by reference to the facts and circumstances then existing on the Delivery Date and on each Payment Date.

4 Undertakings

The undertakings in this Clause 4 shall remain in force from the date of this Guarantee until the end of the Security Period.

4.1 Status

The Guarantor shall maintain its corporate existence under the laws of the Republic of the Marshall Islands.

4.2 Authorisations

The Guarantor shall promptly:

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

(b) supply certified copies to the Security Trustee of,

any Authorisation required under any law or regulation to enable it to perform its obligations under any Operative Document to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Operative Document to which it is subject or to ensure that each of the Liens created under the Security Documents to which it is a party has the priority and ranking contemplated by them.

4.3 Compliance with laws

The Guarantor shall (and shall ensure that each other Group Member will comply in all material respects with all laws (including Environmental Laws) to which it may be subject.

4.4 Performance of obligations

The Guarantor shall comply with all its obligations under any Operative Document to which it is a party.

4.5 Pari passu

The Guarantor shall ensure that its liabilities under any Operative Document to which it is a party rank at least *pari passu* with all its other unsecured liabilities except where such liabilities are mandatorily preferred by laws of general application to companies.

4.6 Notification of default

The Guarantor shall notify the Security Trustee as soon as it becomes aware of:

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

and, in each case, shall keep the Security Trustee fully informed of all developments.

4.7 Notification of litigation

It shall provide the Security Trustee with details of any Environmental Claim, any legal or administrative proceedings involving it, the Vessel or any Operative Document to which it is a party as soon as it becomes aware that such action has been instituted or it becomes apparent to the Security Trustee that it is likely to be instituted and such action is likely to have a Material Adverse Effect on the ability of it to perform its obligations under any Operative Document to which it is a party.

4.8 Provision of information

It shall provide, or procure that there is provided, to the Security Trustee promptly, such information regarding compliance by it with the terms of any Operative Document to which it is a party, or with respect to the Vessel, as the Security Trustee may from time to time reasonably request.

4.9 Change of business

The Guarantor shall ensure that no substantial change is made to the general nature of its business from that carried on at the date of the Charter without the prior written consent of the Lessor.

4.10 Cancellation, termination and amendment of documents

Except with the prior written consent of the Lessor, the Guarantor shall not cancel, terminate or amend or permit to be cancelled, terminated or amended any Operative Document to which it is a party.

4.11 Taxes

The Guarantor shall:

- (a) file or cause to be filed all tax returns required to be filed in all jurisdictions in which it is situated or carries on business or otherwise is subject to Taxation;
- (b) pay all Taxes shown to be due and payable on such returns or any assessments made against it, except to the extent these are contested in good faith and by appropriate means where such payment may be lawfully withheld and for which adequate reserves have been established by the Guarantor taking into account the amount of Taxes payable;

- (c) except as approved by the Security Trustee, maintain its residence for Tax purposes in the jurisdiction in which it is currently resident for Tax purposes and ensure that it is not resident for Tax purposes in any other jurisdiction; and
- (d) promptly upon becoming aware of the same notify the Security Trustee of the imposition or the proposed levy of any taxes (by withholding or otherwise) on any payment to be made by the Guarantor under any Operative Document to which it is a party.

4.12 Sanctions, anti-corruption law and anti-bribery law

- (a) The Guarantor undertakes that it, and shall procure that each Group Member and each Relevant Party will (in the case of a Third Party Manager on a best efforts basis), comply with all Sanctions.
- (b) The Guarantor shall not become a Restricted Person or act on behalf of, or as an agent of, a Restricted Person. The Guarantor shall procure that no other Group Member and no Relevant Party shall (in the case of a Third Party Manager on a best efforts basis), become a Restricted Person or act on behalf of, or as an agent of, a Restricted Person.
- (c) The Guarantor shall procure that no proceeds from any activity or dealing with a Restricted Person are credited to any bank account of any Creditor Party or any Affiliate of any Creditor Party.
- (d) The Guarantor shall, and it shall procure that each Group Member and each Relevant Party will (in the case of a Third Party Manager on a best efforts basis), promptly upon becoming aware of them supply to the Security Trustee details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority.
- (e) The Guarantor shall not, and it shall procure that no Group Member nor any Relevant Party will (in the case of a Third Party Manager on a best efforts basis), use any revenue or benefit derived from any activity or dealing with a Restricted Person in discharging any obligation due or owing to the Creditor Parties or any of them.
- (f) The Guarantor shall not, and it shall procure that no other Group Member nor any Relevant Party shall (in the case of a Third Party Manager on a best efforts basis), directly or indirectly, use, lend, contribute or otherwise make available any proceeds of the Purchase Price or other transaction contemplated by this Charter or the Memorandum of Agreement for the purpose of financing any trade, business or other activities with any Restricted Person.
- (g) The Guarantor shall, and shall procure that each Relevant Party (using all reasonable endeavours to procure the respective officers and/or directors, of the relevant entity to do the same) shall, (A) comply with all Anti-Money Laundering Laws; (B) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws; and (C) in respect of the Lessee, procure that it shall not use, or permit or authorize any person not to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws;
- (h) The Guarantor shall procure that the Lessee shall not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti-Money Laundering Laws.
- (i) The Guarantor shall promptly notify the Security Trustee of any non-compliance by any Relevant Party (in the case of a Third Party Manager on a best efforts basis) or its respective officers, directors, with all laws and regulations relating to Anti-Money Laundering Laws as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws.

4.13 Financial statements and Compliance Certificate

The Guarantor shall supply to the Security Trustee:

- (a) as soon as the same become available, but in any event within 180 days after the end of each financial year of the Guarantor, the audited consolidated financial statements of the Group for that financial year (the "**Annual Financial Statements**"); and
- (b) as soon as the same become available, but in any event within 90 days after the first half of each financial year of the Guarantor, the unaudited consolidated financial statements of the Group for that financial half year (the "**Semi-Annual Financial Statements**").

4.14 Requirements as to financial statements

- (a) The Guarantor shall arrange that each set of Annual Financial Statements and Semi-Annual Financial Statements shall include a profit and loss account, a balance sheet and a cashflow statement and, in addition, that each set of Annual Financial Statements shall be audited by the Auditors.
- (b) The Guarantor shall arrange that each set of financial statements delivered by it pursuant to Clause 4.13 (*Financial statements and Compliance Certificate*) shall:
 - (i) be prepared in accordance with GAAP;
 - (ii) fairly present, and be certified by a director of the relevant company as fairly presenting, its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the Annual Financial Statements, shall be accompanied by any letter addressed to the management of the relevant company by the Auditors and accompanying those Annual Financial Statements; and
 - (iii) in the case of Annual Financial Statements, not be the subject of any qualification in the Auditors' opinion.
- (c) The Guarantor shall ensure that each set of financial statements delivered pursuant to Clause 4.13 (*Financial statements and Compliance Certificate*) shall be prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements, unless, in relation to any set of financial statements, the Guarantor notifies the Security Trustee that there has been a change in GAAP or the accounting practices and the Auditors deliver to the Security Trustee:
 - (i) a description of any change necessary for those financial statements to reflect the GAAP or accounting practices and reference periods upon which corresponding Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Security Trustee, to enable the Lessor and/or the Security Trustee to determine whether Clause 4.17 (*Financial covenants*) and clause 53 (*Financial covenants*) of the Charter have been complied with and to make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.
- (d) Any reference in this Guarantee to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

4.15 Change of accounting period

Except with the prior written consent of the Security Trustee, the Guarantor shall not change its accounting periods or its Auditors.

4.16 Information: miscellaneous

The Guarantor shall promptly supply to the Security Trustee:

- (a) at the same time as they are dispatched, copies of all material documents dispatched by it to its shareholders generally (or any class of them) or its creditors generally (or any class of them);
- (b) such information regarding the employment status and operating status of the Vessel as the Security Trustee may reasonably request;
- (c) such further information regarding the financial condition, business and operations of the Lessee and/or the financial condition of the Guarantor, as the Security Trustee may reasonably request;
- (d) such further information and records relating to the Vessel and/or the Associated Vessel and/or the Lessee as the Security Trustee may reasonably request;
- (e) any notice being received from any competent authority amending, terminating or suspending or threatening to amend, terminate or suspend any Authorisation where such action (or implementing the result thereof) constitutes a Material Adverse Effect; and
- (f) upon becoming aware of them, details of any circumstances which may lead to:
 - (i) any Authorisation not being obtained or effected or not remaining in full force and effect (other than in accordance with its terms); or
 - (ii) any Authorisation not being obtained, renewed or effected when required,

where failure to obtain and/or maintain the same would constitute a Material Adverse Effect.

4.17 Financial covenants

- (a) The Guarantor shall ensure and procure that, at all times throughout the Charter Period, the Operating Account has a credit balance of no less than \$350,000 (for the avoidance of doubt, not taking into account any amount of Rent paid by the Lessee on any Payment Date).
- (b) In the event that the Guarantor or any other Group Member agrees to, or grants, or agrees to grant, any financial covenants or restriction to the payment or distribution of dividends, for the benefit of, or in favour of, any lender or creditor of any indebtedness of any Group Member (the **more favourable rights**), which are in any respect more favourable to such lender or creditor than paragraph (a) of this Clause 4.17 and/or Clause 54.13 (*Distributions and other payments*) of the Charter are for the Lessor, the Guarantor undertakes:
 - (i) to notify the Lessor within five (5) days after the granting of or any agreement to grant (as the case may be) such more favourable rights; and
 - (ii) within thirty (30) days after the date when such more favourable rights have been agreed or granted, to agree to, provide and grant, such more favourable rights also in favour of the Lessor under or in connection with this Guarantee, by entering into such documentation as the Lessor shall reasonably require, immediately after its request to the Guarantor.

4.18 Subordination

The Guarantor shall not grant any shareholder's loans and/or intercompany loans from time to time to the Lessee or any other Group Member (in this Clause 4.18, each, a "**Subordinated Debt**"), unless such Subordinated Debt:

- (a) are subordinated in all respects to all amounts owing and which may in future become owing by the Lessee under the Operative Documents;
- (b) shall not be subject to payment of interest;
- (c) are and shall remain unsecured by any Lien over the whole or any part of the assets of the Lessee; and
- (d) shall not be capable of becoming subject to any right of set-off or counterclaim.

5 Payments, calculations and interest

5.1 All payments to be made by the Guarantor to the Security Trustee under this Guarantee shall be made:

- (a) in full, without any set-off or counterclaim and, subject as provided in Clause 48.1 (*Withholding Taxes*) of the Charter, free and clear of any deductions or withholdings; and
- (b) in Dollars, in same day funds before 11:00 a.m. (London time) on the due date for payment, to the Payment Account or such other account as the Security Trustee may notify the Guarantor in writing at least five (5) Business Days before the due date for payment.

5.2 Any payment which is due to be made under this Guarantee on a day which is not a Business Day shall be made on the next Business Day, unless such Business Day falls in the next calendar month or after the Expiry Date, in which case the due date shall be the preceding Business Day.

5.3 Without prejudice to the other rights and remedies of the Security Trustee hereunder, if any amount due and payable by the Guarantor hereunder is not received by the Security Trustee on the due date for payment thereof in the manner herein stipulated, the Guarantor shall pay interest on the same for the period starting on (and including) the due date for payment thereof and ending on (but excluding) the date on which the same is received or recovered by the Security Trustee in full (after as well as before judgment) at the rate(s) from time to time determined under this Clause 5.3. The period between the due date for payment of any sum due and payable hereunder or thereunder and the date upon which the obligation to pay such sum is discharged shall be divided into successive periods, the duration of which shall be selected by the Security Trustee. During each such period (as well after as before judgment) the outstanding balance of the unpaid sum shall bear interest which shall accrue from day to day and on the basis of actual days elapsed and shall be calculated at a rate per annum which is equal to the Default Rate calculated on the basis of a year of three hundred and sixty (360) days and actual days elapsed. Any such interest shall be due and payable when the relevant unpaid sum is paid or, if earlier, at the end of each period by reference to which it is calculated.

6 Expenses

The Guarantor shall pay to (and indemnify) the Security Trustee on demand all costs, fees and expenses including, but not limited to, legal fees and expenses and taxes thereon incurred by the Security Trustee in connection with the preserving or enforcing of, or attempting to preserve or enforce, any of its rights under this Guarantee.

7 Currency Indemnity

7.1 If any sum due from the Guarantor under any Operative Document to which it is a party (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (a) making or filing a claim or proof against the Guarantor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Guarantor shall indemnify the Security Trustee, on an After Tax Basis, against all Losses arising out of, or as a result of, the conversion, including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to the relevant Indemnatee at the time of its receipt of that Sum.

- 7.2** The Guarantor waives any right it may have in any jurisdiction to pay any amount under any relevant Operative Document to which it is a party in a currency or currency unit other than that in which it is expressed to be payable

8 Notices

8.1 Communications in writing

Any communication to be made under or in connection with this Guarantee shall be made in writing and, unless otherwise stated, may be made by letter or (under Clause 8.4 (*Electronic communication*)) email.

8.2 Addresses

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of the Guarantor and the Security Trustee for any communication or document to be made or delivered under or in connection with this Guarantee are as follows:

- (a) If to the Guarantor at:

c/o 154 Vouliagmenis Avenue
166 74 Glyfada
Greece
Attention: Legal Department & CFO
Tel:
Email:

- (b) If to the Security Trustee at:

c/o Neptune Maritime Leasing
8 Akadimias Street
10671 Athens
Greece

Attn:
Email:

or to any substitute address, email address or department or officer as the relevant party may notify to the other party by not less than 5 Business Days' prior notice in writing

8.3 Delivery

Any communication or document made or delivered by one party to this Guarantee to the other party under or in connection with this Guarantee will only be effective:

- (a) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
- (b) if by way of email, if it complies with the rules under Clause 8.4 (*Electronic communication*),

and, if a particular department or officer is specified as part of its address details provided under Clause 8.2 (*Addresses*), if addressed to that department or officer.

8.4 Electronic communication

- (a) Any communication to be made between the parties to this Guarantee under or in connection with this Guarantee may be made by electronic mail or other electronic means, and the parties to this Guarantee hereby agree:
 - (i) that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) to 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
 - (iii) to notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made by one party to this Guarantee to the other party will be effective when it is sent by the sender party unless the sender party receives a message indicating failed delivery.
- (c) A party to this Guarantee shall notify the other party promptly upon becoming aware that its electronic mail system or other electronic means of communication cannot be used due to technical failure (and that failure is or is likely to be continuing for more than 24 hours). Until that party has notified the other party that the failure has been remedied, all notices between the parties to this Guarantee shall be sent by letter in accordance with this Clause 8.

8.5 English language

- (a) Any notice given under or in connection with this Guarantee must be in English.
- (b) All other documents provided under or in connection with this Guarantee must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Security Trustee accompanied by a certified by an attorney-at-law English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

9 Assignments

This Guarantee shall be binding upon and inure to the benefit of the Security Trustee and the Guarantor and their respective successors and permitted assigns and references in this Guarantee to either of them shall be construed accordingly. The parties hereto acknowledge that the benefit of this Guarantee (including any rights of the Security Trustee exercisable under or in connection with this Guarantee) may be assigned or transferred in accordance with clause 70 (*Assignment*) of the Charter or, as the case may be, clause 6 of the Security Trust Deed.

10 Miscellaneous

10.1 Time shall be of the essence of this Guarantee.

10.2 If at any time anyone or more of the provisions in this Guarantee is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions of this Guarantee shall not be in any way affected or impaired thereby.

10.3 The obligations of the Guarantor under this Guarantee shall remain in full force and effect until the Security Trustee shall have received all amounts due or to become due to it hereunder in accordance with the terms hereof, following which the Security Trustee shall, at the written request and cost of the Guarantor, execute and deliver promptly to the Guarantor a discharge of this Guarantee. Without prejudice to the foregoing, the obligations of the Guarantor under Clauses 2.3, 5.3, 6 (*Expenses*) and 7 (*Currency Indemnity*) shall survive the termination of the Charter.

10.4 If the Security Trustee considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Guarantor under this Guarantee will continue and such amount will not be considered to have been irrevocably discharged.

11 Law and Jurisdiction

11.1 Law

This Guarantee, and all non-contractual obligations arising from or in connection with this Guarantee, are governed by English law.

11.2 Jurisdiction of English courts

- (a) Subject to paragraph (c) below, the courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Guarantee (including any dispute relating to any non-contractual obligation arising from or in connection with this Guarantee and any dispute regarding the existence, validity or termination of this Guarantee) (a "**Dispute**").
- (b) The parties to this Guarantee agree that the courts of England and Wales are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Guarantee will argue to the contrary.
- (c) This Clause 11.2 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. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

11.3 Appointment of process agent

The Guarantor agrees that the documents which start any proceedings in relation to this Guarantee, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered to Shoreside Agents Ltd, presently at 5 St Helen's Place, London EC3A 6AB, England (Attn: Andrew Johnson, T: +44 (0)20 3771 8869, M: + 44 (0) 7591 440086, F: +44 (0)20 3771 8870), or to such other address in England as the Guarantor may specify by notice in writing to the Security Trustee. Nothing in this Clause 11.3 shall affect the right of the Security Trustee to serve process in any other manner permitted by law. This Clause 11.3 applies to proceedings in England and proceedings elsewhere.

11.4 Waiver of immunities

To the extent that either party to this Guarantee has acquired or may, after the date of this Guarantee, acquire any immunity, with respect to itself and its revenues and assets (irrespective of their use or intended use), on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings),

that party irrevocably waives, to the extent permitted by applicable law, such immunity in respect of its obligations under this Guarantee.

IN WITNESS WHEREOF this Guarantee has been executed as a deed by each party to this Guarantee and is intended to be and is hereby delivered by it as a deed on the date specified above.

SIGNATURE PAGES

GUARANTOR

EXECUTED as a DEED)
by Stavros Gyftakis)
for and on behalf of)
UNITED MARITIME CORPORATION)
as attorney-in-fact)

/s/ Stavros Gyftakis

Witnessed by

/s/ Maria Moschopoulou

Name: Maria Moschopoulou
Title: Attorney-in-fact
Address: 154 Vouliagmenis Avenue 16674
Glyfada, Athens Greece

SECURITY TRUSTEE

EXECUTED as a DEED)
by)
for and on behalf of)
NML TRUSTEE LLC)
as attorney-in-fact)

/s/ Athanasios Voudris

Witnessed by

/s/ Elias Deftereos

Name: Elias Deftereos
Title:
Address: Athens, Greece

Private & Confidential

OASEA MARITIME CO.
as Guarantor

and

NML TRUSTEE LLC
as Security Trustee

Guarantee
in respect of the bareboat charter of
the 81,508 dwt Kamsarmax bulk carrier
CRETANSEA

 **NORTON ROSE FULBRIGHT**

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THIS GUARANTEE is made on 12 April 2023

BETWEEN:

- (1) **OASEA MARITIME CO.**, a corporation organised and existing under the laws of the Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Guarantor**"); and
- (2) **NML TRUSTEE LLC** a limited liability company formed and existing under the laws of the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Island, Majuro, Marshall Islands MH 96960 as security trustee for the Creditor Parties (as such term is defined below) (the "**Security Trustee**").

WHEREAS:

- (A) NML CRETANSEA LLC (the "**Lessor**") is the owner of the 81,508 dwt Kamsarmax bulk carrier vessel *Cretansea* registered under the laws and flag of the Republic of the Marshall Islands with IMO No. 9376373, on the Delivery Date (the "**Vessel**").
- (B) By a bareboat charterparty dated 12 April 2023 made between the Lessor and Cretansea Maritime Co. a corporation organised and existing under the laws of the Republic of the Marshall Islands, having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Lessee**"), as the same may from time to time be amended, varied or supplemented (together the "**Charter**"), the Lessor has agreed to let and the Lessee has agreed to take the Vessel on bareboat charter upon the terms therein described.
- (C) By a security trust dated 31 March 2023 made between inter alios, the Guarantor, the Lessor, the Lessee, NML Oasea LLC, United Maritime Corporation, Seanergy Shipmanagement Corp. and the Security Trustee ("**Security Trust Deed**"), the Lessor has appointed the Security Trustee to hold the Secured Property (as defined in the Security Trust Deed) on trust for the benefit of the Creditor Parties, including the Lessor.
- (D) It is a condition precedent to, among others, the Lessor making or continuing to make the Vessel available to the Lessee pursuant to the terms of the Charter that the Guarantor shall execute and deliver to the Security Trustee this Guarantee.

NOW THIS GUARANTEE WITNESSES AND IT IS HEREBY AGREED

1 Definitions and Interpretation

1.1 Expressions defined in the Charter shall, unless the context otherwise requires, have the same meanings when used in this Guarantee.

1.2 In this Guarantee, unless there is something in the subject or context inconsistent therewith, the following expressions shall have the following meanings:

"**Associated Charter**" has the meaning given to such term in the Charter.

"**Associated Lessee**" has the meaning given to such term in the Charter.

"**Associated Lessor**" has the meaning given to such term in the Charter.

"**Creditor Parties**" means the Lessor, the Associated Lessor, the Security Trustee and each Creditor Party as such term is defined in the Charter and the Associated Charter.

"**Outstanding Indebtedness**" means the aggregate of all sums of money from time to time owing by the Lessee, the Associated Lessee, the Guarantor, any other Relevant Party or any of them to the Lessor, the Associated Lessor, the Security Trustee or any other Creditor Party or any of them, whether actually or contingently, present or future, under the Charter, the Associated Charter and the other Transaction Documents or any of them.

“Relevant Party” means each Relevant Party as that term is defined in each of the Charter and the Associated Charter.

“Security Period” means the period commencing on the date hereof and terminating on the date on which the Outstanding Indebtedness is irrevocably and unconditionally paid in full.

“Transaction Documents” has the meaning given to that term in the Security Trust Deed.

1.3 In this Guarantee:

- (a) clause headings are inserted for ease of reference only and shall not affect the construction of this Guarantee and unless otherwise specified, all references to Clauses and Schedules are to be construed as references to clauses and schedules of this Guarantee;
- (b) unless the context otherwise requires, words importing the plural include the singular and *vice versa*, and words importing a gender include every gender;
- (c) references to persons include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (d) references to assets include present and future properties, revenues and rights of every description;
- (e) references to any document are to be construed as references to such document as amended, novated, supplemented, extended or restated from time to time; and
- (f) references to any enactment include re-enactments, amendments and extensions thereof.

2 Guarantee

2.1 The Guarantor hereby irrevocably and unconditionally:

- (a) guarantees to the Security Trustee the due and punctual performance by each Relevant Party of all its obligations, duties and liabilities under or in connection with the Operative Documents to which it is a party, payment on the due date of all sums payable now or in the future to the Creditor Parties by each Relevant Party thereunder or in connection therewith (including, without limitation, any amount payable by way of liquidated and/or unliquidated damages for breach of any of the terms and conditions of the Operative Documents) when and as the same shall become due or as the case may be, liable, for the performance by each Relevant Party according to the terms of the Operative Documents to which it is a party;
- (b) undertakes with the Security Trustee that, if and whenever any Relevant Party does not pay any amount when due under or in connection with any Operative Document, it shall immediately on demand pay that amount as if it was the principal obligor (taking into account any taken grace period for such payment before it has become due as and if it may be applicable under the terms of the Operative Documents);
- (c) undertakes with the Security Trustee that if and whenever any Relevant Party shall be in default in the performance of any of its obligations whatsoever under or in connection with the Operative Documents to which it is a party, the Guarantor will perform such obligations on written demand; and

- (d) undertakes with the Security Trustee that if any obligation under an Operative Document is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify the Creditor Parties immediately on demand against any cost, loss or liability it incurs as a result of any Relevant Party not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it on the date when it would have been due. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 2.1 if the amount claimed had been recoverable on the basis of this Guarantee.

2.2 It is declared and agreed that:

- (a) this Guarantee shall be held by the Security Trustee as a continuing security and shall not be satisfied by any intermediate payment or satisfaction of any part of the moneys and liabilities hereby guaranteed;
- (b) the security so created shall be in addition to and shall not in any way be prejudiced or affected by any other security given in respect of the Operative Documents;
- (c) the Security Trustee shall not be bound to enforce the Operative Documents provided it must serve a written demand on the Lessee and the Associated Lessee for payment under the Charter and the Associated Charter, respectively, before enforcing its rights under this Guarantee;
- (d) no delay or omission on the part of the Security Trustee in exercising any right, power or remedy under this Guarantee shall impair such right, power or remedy or be construed as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights powers and remedies provided in this Guarantee are cumulative and not exclusive of any rights, powers and remedies provided by law and may be exercised from time to time and as often as the Security Trustee may deem expedient; and
- (e) any waiver by the Security Trustee of any terms of this Guarantee or any consent given by the Security Trustee under this Guarantee shall only be effective if given in writing and then only for the purpose and upon the terms for which it is given.

2.3 Any settlement or discharge under this Guarantee between the Security Trustee and the Guarantor shall be conditional upon no security or payment to the Security Trustee by any Relevant Party or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force, and if such condition is not satisfied, the Security Trustee shall be entitled to recover from the Guarantor on demand the value of such security or the amount of any such payment as if such settlement or discharge had not occurred.

2.4 The obligations of the Guarantor under this Guarantee shall not be affected by any act, omission, matter or thing which, but for this provision, might operate to release or otherwise exonerate the Guarantor from its obligations hereunder in whole or in part, including without limitation, and whether or not known to or discoverable by the Guarantor, the Lessee any other Relevant Party, the Lessor, the Security Trustee, any other Creditor Party or any other person:

- (a) any time or waiver granted to or composition with any Relevant Party or any other person; or
- (b) the release of any Relevant Party or any other person under the terms of any composition or arrangement with any creditor of any Relevant Party; or
- (c) the taking, variation, compromise, renewal or release of or refusal or neglect to perfect or enforce any rights, remedies or securities against any Relevant Party or any other person; or
- (d) any legal limitation, disability, incapacity or other circumstances relating to any Relevant Party or any other person; or

- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of any Operative Document or any other document or security; or
- (f) the dissolution, liquidation, amalgamation, reconstruction, reorganisation or similar proceedings of any Relevant Party or any other person; or
- (g) the unenforceability or invalidity of any obligations of any Relevant Party or any other person under the Operative Documents or any other document or security.

2.5 Until all amounts which may be or become payable by any Relevant Party under or in connection with the Operative Documents have been irrevocably paid in full, the Guarantor will not, without the prior written consent of the Security Trustee, exercise any rights which it may have by reason of performance by it of its obligations under the Operative Documents or by reason of any amount being payable, or liability arising, under this Guarantee:

- (a) to be indemnified by any Relevant Party;
- (b) to claim any contribution from any other guarantor of obligations of any Relevant Party under the Operative Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Creditor Parties under the Operative Documents or of any other guarantee or security taken pursuant to, or in connection with, the Operative Documents by the Creditor Parties;
- (d) to bring legal or other proceedings for an order requiring any Relevant Party to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Clause 2.1;
- (e) to exercise any right of set-off against any Relevant Party; and
- (f) to claim or prove as a creditor of any Relevant Party in competition with any Creditor Party.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Creditor Parties by any Relevant Party under or in connection with the Operative Documents to be repaid in full on trust for the Creditor Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct.

2.6 Until all moneys and liabilities hereby guaranteed have been unconditionally and irrevocably paid in full to the satisfaction of the Security Trustee and, for this purpose, the Security Trustee may keep in a separate account for as long as it may think fit, any moneys received, recovered or realised under this Guarantee or under any other guarantee, security or agreement relating in whole or in part to the moneys and liabilities hereby guaranteed without being under any intermediate obligation to apply the same or any part thereof in or towards the discharge of such amount.

2.7 The Guarantor waives any right it may have of first requiring the Security Trustee or any other Creditor Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of any document to the contrary.

3 Representations and Warranties

3.1 The Guarantor hereby represents and warrants to the Security Trustee as at the date of this Guarantee that:

(a) **Status**

- (i) it is a corporation, duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands; and
- (ii) it has the power and authority to own its assets and carry on its business as it is now being conducted.

(b) **Binding obligations**

the obligations expressed to be assumed by it in each Operative Document to which it is a party are legal, valid, binding and enforceable in accordance with their terms;

(c) **Non-conflict with other obligations**

the entry into and performance by it of, and the transactions contemplated by, the Operative Documents to which it is a party do not and will not conflict with:

- (i) any law or regulation applicable to it;
- (ii) its constitutional documents; or
- (iii) any agreement or instrument binding upon it or any of its assets,

nor constitute a default or termination event (however described) under any such agreement or instrument, or (except as provided in any Operative Document to which it is a party or in a case of a Permitted Lien) result in the existence of, or oblige it to create, any Lien over any of its assets;

(d) **Power and authority**

- (i) it has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, and compliance with, the Operative Documents to which it is a party and the transactions contemplated by those documents and to create the Liens expressed to be created by the Security Documents to which it is or will be a party; and
- (ii) no limitation on its powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of, any Operative Document to which it is, or is to be, a party;

(e) **Validity and admissibility in evidence**

all Authorisations required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in, the Operative Documents to which it is a party;
- (ii) to make the Operative Documents to which it is a party admissible in evidence in its jurisdiction of incorporation;
- (iii) for it to carry on its business; and
- (iv) to enable it to create the Liens to be created by it under any Operative Document to which it is a party and to ensure that such Lien has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect;

(f) **Governing law and enforcement**

- (i) the choice of English law as the governing law of the Operative Documents to which it is a party will be recognised and enforced in its jurisdiction of incorporation; and
- (ii) any judgment or arbitration award obtained in England in relation to an Operative Document to which it is a party will be recognised and enforced in its jurisdiction of incorporation;

(g) **Place of business**

- (i) it has not established a place of business in England; and
- (ii) its centre of main interest (as that term is used in Article 3(1) for the purposes of the Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the **Regulation**)) is situated in Greece and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

(h) **No misleading information**

- (i) all information provided by it for the purposes of any Operative Document to which it is a party was true, complete and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated;
- (ii) any financial projections provided by it or on its behalf and delivered to the Security Trustee in connection with this Guarantee or any other Operative Document have been prepared on the basis of recent historical information and on the basis of reasonable assumptions; and
- (iii) nothing has occurred or been omitted from the information so provided and no information has been given by it or withheld that results in any such information provided by it or on its behalf being untrue or misleading in any material respect;

(i) **Pari passu ranking**

- (i) each Operative Document to which it is a party creates (or, once entered into, will create) in favour of the Security Trustee the security which it is expressed to create with the ranking and priority it is expressed to have; and
- (ii) without limiting paragraph (i) above, its payment obligations under each Operative Document to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;

(j) **No insolvency**

no insolvency proceeding or creditors' process described in clause 63.11 (*Insolvency proceedings*) of the Charter has been taken or threatened in relation to it and no petition for the opening of such proceedings has been presented;

(k) **Deduction of Tax**

it is not required under the law it is incorporated to make any Tax Deduction from any payment it may make under any Operative Document to which it is a party;

(l) **No filing or stamp taxes**

under the law of its jurisdiction of incorporation, it is not necessary that any of the Operative Documents to which it is a party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid in that jurisdiction on or in relation to any of the Operative Documents to which it is a party or the transactions contemplated by any of the Operative Documents to which it is a party;

(m) **No Potential Termination Event**

- (i) No Potential Termination Event or Termination Event is continuing or might reasonably be expected to result from the entry into or performance of, or the transactions contemplated by, the Operative Documents to which it is a party; and
- (ii) no other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which would have a Material Adverse Effect;

(n) **No proceedings pending or threatened**

no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency (including any Environmental Claims) which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have been started or threatened against it;

(o) **Authorised signatures**

any person specified as its authorised signatory in documents delivered to the Lessee under schedule 1 (*Conditions precedent*) of the Charter is authorised to sign all documents and notices on its behalf;

(p) **No immunity**

it and its assets are not entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (including suit, attachment prior to judgment, execution or other enforcement);

(q) **Environmental Authorisations**

all records, reports, returns, registrations and information necessary for compliance with any Environmental Law or any Environmental Authorisations have been made or given to the relevant competent authority in accordance with the requirements thereof;

(r) **Environmental provisions**

- (i) all applicable Environmental Laws and Environmental Authorisations relating to the Vessel and her operation and management have been complied with;
- (ii) no Environmental Claim has been made or threatened against the Lessee or any Manager in connection with the Vessel; and
- (iii) no Environmental Incident has occurred;

(s) **Liens**

the Vessel will be free from all Liens at Delivery;

(t) **Vessel condition**

at Delivery, the Vessel will comply with all requirements of the Charter including, without limitation, in respect of its condition, insurance, class and employment;

(u) **Tax compliance**

it has complied in all material respects with all Tax laws and regulations applicable to it and its business; and

(v) **Disclosure of material facts**

it is not aware of any material facts or circumstances which have not been disclosed to the Security Trustee and which might, if disclosed, have adversely affected the decision of a person considering whether or not to acquire the Vessel from the Lessee and to charter it back to the Lessee.

3.2 Each of the representations and warranties set out in Clause 3.1 are deemed to be made by the Guarantor by reference to the facts and circumstances then existing on the Delivery Date and on each Payment Date.

4 Undertakings

The undertakings in this Clause 4 shall remain in force from the date of this Guarantee until the end of the Security Period.

4.1 Status

The Guarantor shall maintain its corporate existence under the laws of the Republic of the Marshall Islands.

4.2 Authorisations

The Guarantor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Security Trustee of,

any Authorisation required under any law or regulation to enable it to perform its obligations under any Operative Document to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Operative Document to which it is subject or to ensure that each of the Liens created under the Security Documents to which it is a party has the priority and ranking contemplated by them.

4.3 Compliance with laws

The Guarantor shall (and shall ensure that each other Group Member will comply in all material respects with all laws (including Environmental Laws) to which it may be subject.

4.4 Performance of obligations

The Guarantor shall comply with all its obligations under any Operative Document to which it is a party.

4.5 Pari passu

The Guarantor shall ensure that its liabilities under any Operative Document to which it is a party rank at least *pari passu* with all its other unsecured liabilities except where such liabilities are mandatorily preferred by laws of general application to companies.

4.6 Notification of default

The Guarantor shall notify the Security Trustee as soon as it becomes aware of:

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

and, in each case, shall keep the Security Trustee fully informed of all developments.

4.7 Notification of litigation

It shall provide the Security Trustee with details of any Environmental Claim, any legal or administrative proceedings involving it, the Vessel or any Operative Document to which it is a party as soon as it becomes aware that such action has been instituted or it becomes apparent to the Security Trustee that it is likely to be instituted and such action is likely to have a Material Adverse Effect on the ability of it to perform its obligations under any Operative Document to which it is a party.

4.8 Provision of information

It shall provide, or procure that there is provided, to the Security Trustee promptly, such information regarding compliance by it with the terms of any Operative Document to which it is a party, or with respect to the Vessel, as the Security Trustee may from time to time reasonably request.

4.9 Change of business

The Guarantor shall ensure that no substantial change is made to the general nature of its business from that carried on at the date of the Charter without the prior written consent of the Lessor.

4.10 Cancellation, termination and amendment of documents

Except with the prior written consent of the Lessor, the Guarantor shall not cancel, terminate or amend or permit to be cancelled, terminated or amended any Operative Document to which it is a party.

4.11 Taxes

The Guarantor shall:

- (a) file or cause to be filed all tax returns required to be filed in all jurisdictions in which it is situated or carries on business or otherwise is subject to Taxation;
- (b) pay all Taxes shown to be due and payable on such returns or any assessments made against it, except to the extent these are contested in good faith and by appropriate means where such payment may be lawfully withheld and for which adequate reserves have been established by the Guarantor taking into account the amount of Taxes payable;

- (c) except as approved by the Security Trustee, maintain its residence for Tax purposes in the jurisdiction in which it is currently resident for Tax purposes and ensure that it is not resident for Tax purposes in any other jurisdiction; and
- (d) promptly upon becoming aware of the same notify the Security Trustee of the imposition or the proposed levy of any taxes (by withholding or otherwise) on any payment to be made by the Guarantor under any Operative Document to which it is a party.

4.12 Sanctions, anti-corruption law and anti-bribery law

- (a) The Guarantor undertakes that it, and shall procure that each Group Member and each Relevant Party will (in the case of a Third Party Manager on a best efforts basis), comply with all Sanctions.
- (b) The Guarantor shall not become a Restricted Person or act on behalf of, or as an agent of, a Restricted Person. The Guarantor shall procure that no other Group Member and no Relevant Party shall (in the case of a Third Party Manager on a best efforts basis) , become a Restricted Person or act on behalf of, or as an agent of, a Restricted Person.
- (c) The Guarantor shall procure that no proceeds from any activity or dealing with a Restricted Person are credited to any bank account of any Creditor Party or any Affiliate of any Creditor Party.
- (d) The Guarantor shall, and it shall procure that each Group Member and each Relevant Party will (in the case of a Third Party Manager on a best efforts basis), promptly upon becoming aware of them supply to the Security Trustee details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority.
- (e) The Guarantor shall not, and it shall procure that no Group Member nor any Relevant Party will (in the case of a Third Party Manager on a best efforts basis), use any revenue or benefit derived from any activity or dealing with a Restricted Person in discharging any obligation due or owing to the Creditor Parties or any of them.
- (f) The Guarantor shall not, and it shall procure that no other Group Member nor any Relevant Party shall (in the case of a Third Party Manager on a best efforts basis), directly or indirectly, use, lend, contribute or otherwise make available any proceeds of the Purchase Price or other transaction contemplated by this Charter or the Memorandum of Agreement for the purpose of financing any trade, business or other activities with any Restricted Person.
- (g) The Guarantor shall, and shall procure that each Relevant Party (using all reasonable endeavours to procure the respective officers and/or directors, of the relevant entity to do the same) shall, (A) comply with all Anti-Money Laundering Laws; (B) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws; and (C) in respect of the Lessee, procure that it shall not use, or permit or authorize any person not to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws;
- (h) The Guarantor shall procure that the Lessee shall not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti-Money Laundering Laws.
- (i) The Guarantor shall promptly notify the Security Trustee of any non-compliance by any Relevant Party (in the case of a Third party Manager on a best effort basis), or its respective officers, directors, with all laws and regulations relating to Anti-Money Laundering Laws as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws.

4.13 Information: miscellaneous

The Guarantor shall promptly supply to the Security Trustee:

- (a) at the same time as they are dispatched, copies of all material documents dispatched by it to its shareholders generally (or any class of them) or its creditors generally (or any class of them);
- (b) such information regarding the employment status and operating status of the Vessel as the Security Trustee may reasonably request;
- (c) such further information regarding the financial condition, business and operations of the Lessee and/or the financial condition of the Guarantor, as the Security Trustee may reasonably request;
- (d) such further information and records relating to the Vessel and/or the Associated Vessel and/or the Lessee as the Security Trustee may reasonably request;
- (e) any notice being received from any competent authority amending, terminating or suspending or threatening to amend, terminate or suspend any Authorisation where such action (or implementing the result thereof) constitutes a Material Adverse Effect; and
- (f) upon becoming aware of them, details of any circumstances which may lead to:
 - (i) any Authorisation not being obtained or effected or not remaining in full force and effect (other than in accordance with its terms); or
 - (ii) any Authorisation not being obtained, renewed or effected when required,

where failure to obtain and/or maintain the same would constitute a Material Adverse Effect.

5 Payments, calculations and interest

5.1 All payments to be made by the Guarantor to the Security Trustee under this Guarantee shall be made:

- (a) in full, without any set-off or counterclaim and, subject as provided in Clause 48.1 (*Withholding Taxes*) of the Charter, free and clear of any deductions or withholdings; and
- (b) in Dollars, in same day funds before 11:00 a.m. (London time) on the due date for payment, to the Payment Account or such other account as the Security Trustee may notify the Guarantor in writing at least five (5) Business Days before the due date for payment.

5.2 Any payment which is due to be made under this Guarantee on a day which is not a Business Day shall be made on the next Business Day, unless such Business Day falls in the next calendar month or after the Expiry Date, in which case the due date shall be the preceding Business Day.

5.3 Without prejudice to the other rights and remedies of the Security Trustee hereunder, if any amount due and payable by the Guarantor hereunder is not received by the Security Trustee on the due date for payment thereof in the manner herein stipulated, the Guarantor shall pay interest on the same for the period starting on (and including) the due date for payment thereof and ending on (but excluding) the date on which the same is received or recovered by the Security Trustee in full (after as well as before judgment) at the rate(s) from time to time determined under this Clause 5.3. The period between the due date for payment of any sum due and payable hereunder or thereunder and the date upon which the obligation to pay such sum is discharged shall be divided into successive periods, the duration of which shall be selected by the Security Trustee. During each such period (as well after as before judgment) the outstanding balance of the unpaid sum shall bear interest which shall accrue from day to day and on the basis of actual days elapsed and shall be calculated at a rate per annum which is equal to the Default Rate calculated on the basis of a year of three hundred and sixty (360) days and actual days elapsed. Any such interest shall be due and payable when the relevant unpaid sum is paid or, if earlier, at the end of each period by reference to which it is calculated.

6 Expenses

The Guarantor shall pay to (and indemnify) the Security Trustee on demand all costs, fees and expenses including, but not limited to, legal fees and expenses and taxes thereon incurred by the Security Trustee in connection with the preserving or enforcing of, or attempting to preserve or enforce, any of its rights under this Guarantee.

7 Currency Indemnity

7.1 If any sum due from the Guarantor under any Operative Document to which it is a party (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (a) making or filing a claim or proof against the Guarantor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Guarantor shall indemnify the Security Trustee, on an After Tax Basis, against all Losses arising out of, or as a result of, the conversion, including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to the relevant Indemnatee at the time of its receipt of that Sum.

7.2 The Guarantor waives any right it may have in any jurisdiction to pay any amount under any relevant Operative Document to which it is a party in a currency or currency unit other than that in which it is expressed to be payable

8 Notices

8.1 Communications in writing

Any communication to be made under or in connection with this Guarantee shall be made in writing and, unless otherwise stated, may be made by letter or (under Clause 8.4 (*Electronic communication*)) email.

8.2 Addresses

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of the Guarantor and the Security Trustee for any communication or document to be made or delivered under or in connection with this Guarantee are as follows:

- (a) If to the Guarantor at:

c/o 154 Vouliagmenis Avenue
166 74 Glyfada
Greece
Attention: Legal Department & CFO
Tel:
Email:

- (b) If to the Security Trustee at:

c/o Neptune Maritime Leasing
8 Akadimias Street
10671 Athens
Greece

Attn:
Email:

or to any substitute address, email address or department or officer as the relevant party may notify to the other party by not less than 5 Business Days' prior notice in writing

8.3 Delivery

Any communication or document made or delivered by one party to this Guarantee to the other party under or in connection with this Guarantee will only be effective:

- (a) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
- (b) if by way of email, if it complies with the rules under Clause 8.4 (*Electronic communication*),

and, if a particular department or officer is specified as part of its address details provided under Clause 8.2 (*Addresses*), if addressed to that department or officer.

8.4 Electronic communication

- (a) Any communication to be made between the parties to this Guarantee under or in connection with this Guarantee may be made by electronic mail or other electronic means, and the parties to this Guarantee hereby agree:
 - (i) that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) to 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
 - (iii) to notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made by one party to this Guarantee to the other party will be effective when it is sent by the sender party unless the sender party receives a message indicating failed delivery.
- (c) A party to this Guarantee shall notify the other party promptly upon becoming aware that its electronic mail system or other electronic means of communication cannot be used due to technical failure (and that failure is or is likely to be continuing for more than 24 hours). Until that party has notified the other party that the failure has been remedied, all notices between the parties to this Guarantee shall be sent by letter in accordance with this Clause 8.

8.5 English language

- (a) Any notice given under or in connection with this Guarantee must be in English.
- (b) All other documents provided under or in connection with this Guarantee must be:
 - (i) in English; or

- (ii) if not in English, and if so required by the Security Trustee accompanied by a certified by an attorney-at-law English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

9 Assignments

This Guarantee shall be binding upon and inure to the benefit of the Security Trustee and the Guarantor and their respective successors and permitted assigns and references in this Guarantee to either of them shall be construed accordingly. The parties hereto acknowledge that the benefit of this Guarantee (including any rights of the Security Trustee exercisable under or in connection with this Guarantee) may be assigned or transferred in accordance with clause 70 (*Assignment*) of the Charter or, as the case may be, clause 6 of the Security Trust Deed.

10 Miscellaneous

10.1 Time shall be of the essence of this Guarantee.

10.2 If at any time anyone or more of the provisions in this Guarantee is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions of this Guarantee shall not be in any way affected or impaired thereby.

10.3 The obligations of the Guarantor under this Guarantee shall remain in full force and effect until the Security Trustee shall have received all amounts due or to become due to it hereunder in accordance with the terms hereof, following which the Security Trustee shall, at the written request and cost of the Guarantor, execute and deliver promptly to the Guarantor a discharge of this Guarantee. Without prejudice to the foregoing, the obligations of the Guarantor under Clauses 2.3, 5.3, 6 (*Expenses*) and 7 (*Currency Indemnity*) shall survive the termination of the Charter.

10.4 If the Security Trustee considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Guarantor under this Guarantee will continue and such amount will not be considered to have been irrevocably discharged.

11 Law and Jurisdiction

11.1 Law

This Guarantee, and all non-contractual obligations arising from or in connection with this Guarantee, are governed by English law.

11.2 Jurisdiction of English courts

- (a) Subject to paragraph (c) below, the courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Guarantee (including any dispute relating to any non-contractual obligation arising from or in connection with this Guarantee and any dispute regarding the existence, validity or termination of this Guarantee) (a "**Dispute**").
- (b) The parties to this Guarantee agree that the courts of England and Wales are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Guarantee will argue to the contrary.
- (c) This Clause 11.2 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. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

11.3 Appointment of process agent

The Guarantor agrees that the documents which start any proceedings in relation to this Guarantee, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered to Shoreside Agents Ltd presently at 5 St Helen's Place, London EC3A 6AB, England (Attn: Andrew Johnson, T: +44 (0)20 3771 8869, M: + 44 (0) 7591 440086, F: +44 (0)20 3771 8870), or to such other address in England as the Guarantor may specify by notice in writing to the Security Trustee. Nothing in this Clause 11.3 shall affect the right of the Security Trustee to serve process in any other manner permitted by law. This Clause 11.3 applies to proceedings in England and proceedings elsewhere.

11.4 Waiver of immunities

To the extent that either party to this Guarantee has acquired or may, after the date of this Guarantee, acquire any immunity, with respect to itself and its revenues and assets (irrespective of their use or intended use), on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings),

that party irrevocably waives, to the extent permitted by applicable law, such immunity in respect of its obligations under this Guarantee.

IN WITNESS WHEREOF this Guarantee has been executed as a deed by each party to this Guarantee and is intended to be and is hereby delivered by it as a deed on the date specified above.

SIGNATURE PAGES

GUARANTOR

EXECUTED as a DEED)
by Stavros Gyftakis)
for and on behalf of)
OASEA MARITIME CO.)
as attorney-in-fact)

/s/ Stavros Gyftakis

Witnessed by

/s/ Maria Moschopoulou

Name: Maria Moschopoulou
Title: Attorney-in-fact
Address: 154 Vouliagmenis Avenue,
16674 Glyfada, Athens Greece

SECURITY TRUSTEE

EXECUTED as a DEED)
by)
for and on behalf of)
NML TRUSTEE LLC)
as attorney-in-fact)

/s/ Athanasios Voudris

Witnessed by

/s/ Pericles Lykoudis

Name: Pericles Lykoudis
Title:
Address: Athens, Greece

Confidential

AMENDMENT AGREEMENT

Date 22 March 2024

Bareboat charter dated 12 April 2023 (as amended, supplemented and/or restated from time to time) in relation to m.v. Cretansea (the "Ship")

- 1 Reference is made to the bareboat charter dated 12 April 2023 (the "**Charter**") made between NML Cretansea LLC as lessor (the "**Lessor**") and Cretansea Maritime Co. as lessee (the "**Lessee**" and together with the Lessor, the "**Parties**").
- 2 This Agreement is supplemental to the Charter and it constitutes an Operative Document.
- 3 Words and expressions defined in the Charter shall, unless the context otherwise requires or unless otherwise defined herein, have the same meanings when used in this Agreement.
- 4 In this Agreement, "**EU ETS Legislation**" means the Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down the rules for the application of Directive 2003/87/EC of the European Parliament and of the Council.
- 5 The Parties have agreed to certain amendments to the Charter in relation to the EU ETS Legislation. With effect from the date of this Agreement, the Parties hereby agree that the Charter shall be (and is hereby) amended on the date of this Agreement in accordance with the following provisions of this paragraph 5 (and the Charter as so amended will continue to be binding upon the Parties upon such terms as so amended):
 - (a) by inserting the words "and the First Supplemental Agreement" after the words "this Charter (together with the Acceptance Certificate)" in paragraph (a) of the definition of "**Operative Documents**" in clause 39 (*Definitions and Interpretation*) of the Charter;
 - (b) by inserting the following new definitions in clause 39 (*Definitions and Interpretation*) of the Charter in the correct alphabetical order:

“**EU ETS Legislation**” means the Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down the rules for the application of Directive 2003/87/EC of the European Parliament and of the Council.”;

and

“**First Supplemental Agreement**” means the amendment agreement dated 22 March March 2024 made between, among others, (1) the Lessor and (2) the Lessee, supplemental to this Charter.”;
 - (c) by replacing the definition of "**Reference Rate**" with the following new definition of "**Reference Rate**":

“**Reference Rate**” means:

 - (a) the applicable Term SOFR as of 11am on the relevant Quotation Day and for a period equal in length to the relevant Interest Period; or
 - (b) as otherwise determined pursuant to clause 44.6 (Unavailability of Term SOFR),

and if, in either case, the rate is less than zero (0), the Reference Rate shall be deemed to be zero (0).”;

- (d) by replacing the definition of “**Variable Rent**” with the following new definition of “**Variable Rent**”:

““**Variable Rent**” means, in respect of each Payment Date falling during an Interest Period (the “**Relevant Payment Date**”), rent for each day during the part of such Interest Period which starts on the preceding Payment Date and ends on the relevant Payment Date (a “**Relevant Period**”) in an aggregate amount in Dollars equal to the relevant Applicable Rate for each such day, each multiplied by the Outstanding Charter Hire Principal on the preceding Payment Date or (in respect of the first payment of Variable Rent under this Charter) the Delivery Date, for such Relevant Period and by reference to the actual number of days elapsed during such Relevant Period.”;

- (e) by replacing paragraph (a) of clause 44.2 (*Rent*) with the following new paragraph (a):

“(a) The Lessee shall from the Delivery Date until the end of the Charter Period pay the relevant Rent to the Lessor on each Payment Date (which for the avoidance of doubt, includes the applicable Fixed Rent payable on that Payment Date and Variable Rent payable on that Payment Date for each day of the part of the current Interest Period which starts on the preceding Payment Date and ends on that Payment Date).”;

- (f) by replacing paragraph (e) of clause 44.2 (*Rent*) with the following new paragraph (e):

“(e) If the Lessee defaults in payment of (i) the applicable Fixed Rent or the applicable Variable Rent on the relevant Payment Date when it falls due or (ii) the Balloon Rental on the final Payment Date, the Lessee shall pay default interest thereon pursuant to Clause 44.11 (*Default Interest*).”;

- (g) by replacing the first three lines of clause 44.5 (*Variable Rent periods*) with the following wording:

“The Variable Rent shall be determined for each day in respect of each period of three (3) months (each an “**Interest Period**”) by reference to the actual number of days elapsed during such period, provided always that:”;

- (h) by inserting the words “first day falling after the” after the words “will start on the” in paragraph (b) of clause 44.5 (*Variable Rent periods*) of the Charter;

- (i) by inserting the words “, or any breach by any Relevant Party of any provision of,” after the words “due under” in paragraph (a) of clause 47.2 (*Financial indemnities*) of the Charter;

- (j) by inserting the words “(including, for the avoidance of doubt, as a result of (i) the Lessor complying with any laws in respect of monitoring, reporting and verifying greenhouse gas emissions (including Regulation 2015/757 of the European Union) and (ii) payments by the Lessor for any emission allowances under any applicable emissions trading scheme (including but not limited to the European Union emissions trading system) in respect of the Vessel)”, at the end of paragraph (f) of clause 47.3 (*Operational indemnity*) of the Charter;

- (k) by inserting the words “when due” after the words “by the Lessor” in the first line of clause 49.3 (*Release and Transfer*) and in the first line of paragraph (g) of clause 50.3 (*Payment of Increased Costs, indemnity sum or voluntary termination*) of the Charter;

- (l) by replacing the words “FATCA Except Party” in the fifth line of paragraph (d) of clause 50.4 (*FATCA Information*) of the Charter with the words “FATCA Exempt Party”;

- (m) by replacing the words “In respect of the Lessee, not” in sub-paragraph (xii) of paragraph (m) (Sanctions, anti-corruption law and anti-bribery law) in clause 52.1 (*Lessee undertakings*) with the words “The Lessee shall not”;

- (n) by replacing sub-paragraph (iv) of paragraph (r) (*Information: miscellaneous*) of clause 52.1 (*Lessee undertakings*) of the Charter with the following sub-paragraph (iv):
-

"(iv) such further information and records relating to the Vessel (including but not limited to any information relating to the energy efficiency of the Vessel and greenhouse gas carbon emissions of the Vessel and the Lessee's compliance with Clause 56.15 (*Compliance with laws*)) and the Lessee as the Lessor and/or the Security Agent or any other Finance Party may reasonably request;"

(o) by replacing paragraph (s) of clause 52.1 (*Lessee undertakings*) with the following new paragraph (s):

"(s) Environmental

The Lessee shall, upon becoming aware of the same, promptly notify the Lessor and the Security Agent or any other Finance Party of:

- (i) any material Environmental Claim or any Environmental Incident;
- (ii) any material inspections, investigations, studies, audits, tests, reviews and other analysis carried out by it or on its behalf (but excluding any routine inspection) in relation to any environmental matters; and
- (iii) details of:
 - (A) any material non-compliance by it with:
 - (1) any applicable Environmental Law or applicable Environmental Authorisation; or
 - (2) any emissions trading scheme or emissions taxation scheme that may impact on the ability of the Vessel to trade to particular jurisdictions; or
 - (B) any suspension, revocation or modification of any Environmental Authorisation and shall set out the action it intends to take with respect to those matters,

in relation to the Vessel.";

(p) by inserting the following new paragraph (u) (*EU ETS*) in clause 52.1 (*Lessee undertakings*) after paragraph (t) (*"Know your customer" checks*) of the Charter:

"(u) EU ETS

Should the Lessee trade the Vessel to ports in the European Union, then notwithstanding any other provision in this Charter, the Parties agree as follows:

- (i) during this Charter, the Lessee agrees to assume or sub-delegate to the relevant Manager as the Vessel's ISM Company/DOC holder any and all responsibility for compliance with the Emission Scheme as the 'Shipping Company' as defined in the Directive and that the Lessee will, or the Lessee will procure that the relevant Manager of the Vessel (as may be applicable), will establish the necessary maritime operator holding account in an appropriate member state of the European Union to arrange the surrender of Emission Allowances as required by the Emission Scheme and the regulations of the appropriate member state of the European Union. The Lessee agrees that the Lessor has no liability or obligation with respect to the Emission Scheme and the Lessee will indemnify and hold harmless the Lessor in the event that a demand for Emissions Allowances is levied against the Lessor or any penalty, fine or regulatory sanction or measure is taken against the Lessor with respect to any non-compliance with the Emission Scheme. The Lessor agrees to assist the Lessee in relation to any procedures/proceedings under the Emissions Scheme by, including but not limited to, providing timely any necessary information, documents, consents or authorisations as may be needed;
-

- (ii) within five (5) days of the First Supplemental Agreement, (and in any case no later than 26 March 2024, the Lessor and the Lessee will execute the mandate letters in a form acceptable to the Lessor and the applicable administering authority (the “**Applicable Administering Authority**”) and the Lessee shall provide such mandate letters to the Applicable Administering Authority under which the Lessee or the Vessel's relevant Manager, as the case may be, will establish a maritime operator holding account in order for the Lessee to (A) communicate to the Applicable Administering Authority the existence of the Charter and (B) mandate an organisation to comply with obligations under the EU ETS Legislation on its behalf;
- (iii) the Lessee shall report to the Lessors in writing latest by November of each calendar year, commencing in November 2025, that they have surrendered the necessary allowances for the preceding calendar year in accordance with the Emission Scheme;
- (iv) the Lessee shall provide following a written request from the Lessor all reasonably available certificates evidencing compliance with the Monitoring, Reporting and Verification (MRV) requirements, including an up-to-date monitoring plan and a copy of the report of the verified emissions data to be sent to the relevant authority on 30 April of each year;
- (v) other than in cases of redelivery of the Vessel pursuant to the exercise of the Purchase Obligation or Purchase Option by the Lessee, one month before redelivery of the Vessel to the Lessor, the Lessee will provide the Lessor with full details of (A) the emissions of the Vessel during the preceding and current calendar year and provide the necessary and available at that time verified emissions data to permit the Lessor to verify the estimated liability of the Lessor for the surrender of Emission Allowances after the end of this Charter and (B) the number of Emission Allowances that are held in the Lessee's or relevant Manager's, as the case may be, maritime operators holding account in relation to the Vessel. The Parties will discuss and agree with full transparency and in good faith the number of Emissions Allowances that may be due to be surrendered by the Lessor on 30 September after redelivery of the Vessel that relate to emissions during the period of the Charter to permit the Lessor (if so required) to be in a position to comply fully with their obligations under the Emission Scheme. In such case and on redelivery of the Vessel to the Lessor under this Charter, the Lessee or the mandated relevant Manager of the Vessel will transfer the agreed number of Emission Allowances to the Lessor nominated account; additionally, the Lessor shall in good faith provide any documents, consents or information that may be requested by the Applicable Administering Authority to evidence that the Lessee or the relevant Manager of the Vessel is no longer responsible under the Emission Scheme; and
- (vi) other than in relation to the Emission Scheme, should the Lessee trade into any country or region where the emissions from burning of Lessee's bunkers are taxed, charged or otherwise give rise to a liability requiring offset, the Lessee will settle the liability directly with the relevant administering authority where possible or otherwise indemnify the Lessor for such liability. Parties expressly agree that known schemes such as carbon trading schemes or imposition of new dues by princes, powers or rulers shall not give rise to changes in the hire due under this Charter.
- (vii) In this Clause 52.1(u):

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

“**Emission Scheme**” means a greenhouse gas emissions trading scheme which for the purposes of this Charter shall include the European Union Emissions Trading System specifically applicable to shipping as set out at paragraph 1 of Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the administration of shipping companies by administering authorities in respect of a shipping company (the “**Directive**”) and any other similar systems imposed by applicable lawful authorities that regulate the issuance, allocation, trading or surrendering of Emission Allowances.”;

(q) by inserting in clause 56.15 (*Compliance with laws*) after the words "Liability Act 1980, as amended," the following new wording:

" , any laws applicable to the Lessor and/or the Lessee in respect of monitoring, reporting and verifying greenhouse gas emissions (including Regulation 2015/757 of the European Union) and surrendering and paying for any emission allowances under any applicable emissions trading scheme and to discharge all of the Lessor's obligations thereunder (including but not limited to the European Union emissions trading system), subject to receiving any required documents and/or information from the Lessor"; and

(r) by replacing the words "as a Marshall Islands ship" in the first line of paragraph (a) of clause 57.2 with the words "under the Flag State".

6 The Lessee undertakes that, no later than 29 March 2024, it will:

(a) duly execute the mandate letters attached at Appendix A (*Form of EU ETS Reports to the Administering Authority*); and

(b) provide such forms to the applicable administering authority under which the Lessee or, as the case may be, the relevant Manager will establish or, as the case may be, has established, a maritime operator's holding account (the "**Applicable Administering Authority**"),

in order for the Lessee to (i) communicate to the Applicable Administering Authority the existence of the Charter and (ii) mandate an organisation to comply with obligations under the EU ETS Legislation on its behalf.

7 The Lessee and each Relevant Party hereby confirms its consent to the amendments to the Charter hereunder and the other arrangements contained in this Agreement, and further acknowledges and agrees that the Operative Documents to which it is a party and its obligations, shall remain and continue to be in full force and effect notwithstanding the said amendments to the Charter Agreement and the other arrangements contained in this Agreement.

8 This Agreement may be entered into the form of two (2) or more counterparts, each executed by one of the parties hereto and, provided all parties hereto shall so execute this Agreement, each of the executed counterparts, when duly exchanged and delivered, shall be deemed to be an original but, taken together, they shall constitute one instrument.

9 This Agreement is supplemental to the Charter, it constitutes an integral part of the same and the Charter and this Agreement shall be read and construed as one instrument.

10 Save as amended by this Agreement, the Charter shall remain unchanged and in full force and effect.

11 This Agreement and any non-contractual obligations in connection with it are governed by, and shall be construed in accordance with, English law.

12 Clause 73 (*Notices*) and 82.2 (*Appointment of process agent*) of the Charter shall apply to this Agreement *mutatis mutandis* as if it were incorporated in full herein.

APPENDIX A

FORM OF EU ETS REPORTS TO THE ADMINISTERING AUTHORITY

**NOTICE OF BAREBOAT CHARTER & AUTHORISATION
IN RELATION TO EU MRV AND ETS OBLIGATIONS
TO THE EU ETS ADMINISTERING AUTHORITY**

To: Greek EU ETS Administering Authority – Ministry of Environment and Energy

22 March 2024

Dear Sirs,

m.v. Cretansea (IMO Number 9376373 – Marshall Islands Flag) (the “Vessel”)

For the purpose of Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the administration of shipping companies by administering authorities in respect of a shipping company (the “**EU ETS Legislation**”), the registered owner identified in paragraph (1) below (the “**Registered Shipowner**”) declares that the organisation identified in paragraph (2) below (being the bareboat charterer of the Vessel) (the “**Organisation**”), assumes responsibility for, and will take any and all steps necessary to ensure, compliance of the Vessel with the MRV and EU ETS obligations and is hereby authorised to mandate and sub-delegate as authorised by the Registered Shipowner such obligations to the Vessel's ISM Company.

- (1) The name of the Registered Shipowner is **NML CRETANSEA LLC** and its IMO unique company and registered owner identification number is **6397124**.
- (2) The **Organisation's** details are as follows:
 - (a) the name of the Organisation is **CRETANSEA MARITIME CO.** and its IMO unique company and registered owner identification number is 6385183;
 - (b) the country of registration of the Organisation as recorded under the IMO Unique Company and Registered Owner Identification Number Scheme is the Republic of the Marshall Islands; and
 - (c) the contact details of the Organisation are as follows:
 - (i) full name of an individual at the Organisation to be point of contact for the administering authority: Stavros Gyftakis
 - (ii) job title: Director,
 - (iii) business address: 154 Vouliagmenis Avenue, 16674, Glyfada, Athens, Greece
 - (iv) business telephone number:
 - (v) business email address:

This Notice and authorisation is retrospectively effective from the 1st of January 2024.

Signed by:
as
For and on behalf of
NML CRETANSEA LLC

Signed by: Stavros Gyftakis
As Director
For and on behalf of
CRETANSEA MARITIME CO.

**EU ETS OWNER'S REPORT/ MANDATE
IN RELATION TO EU MRV AND ETS OBLIGATIONS
TO THE ADMINISTERING AUTHORITY**

To: Greek EU ETS Administering Authority – Ministry of Environment and Energy

22 March 2024

Dear Sirs,

m.v Cretansea (IMO Number 9376373 – Marshall Islands Flag) (the “Vessel”)

For the purpose of paragraph 1, of Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the administration of shipping companies by administering authorities in respect of a shipping company (the “**EU ETS Legislation**”), if the shipping company (having the meaning ascribed to such term in the ETS Legislation) mandates an organisation to comply with obligations under the EU ETS Legislation (“**EU ETS Obligations**”) on its behalf, then the shipping company shall provide the organisation with a document clearly indicating that it has been duly mandated by the shipping company to comply with the EU ETS Obligations.

The bareboat charterer of the Vessel identified in paragraph (2) below (the “**Bareboat Charterer**”) declares that the organisation identified in paragraph (3) below (being the Vessel's technical manager and ISM Company) (the “**Organisation**”) is duly authorised by the Bareboat Charterer, as authorised by NML CRETANSEA LLC, being the Registered Shipowner of the Vessel (the “**Registered Shipowner**”), to take all steps necessary to ensure compliance of the Vessel with the MRV and EU ETS Obligations.

(1) The Registered Shipowner's details are as follows:

- a) the **name** of the Registered Shipowner is **NML CRETANSEA LLC** and its IMO unique company and registered owner identification number is **6397124**; and
- b) the **contact details** of the Registered Shipowner are as follows:
 - (i) full name of an individual at the Registered Shipowner to be point of contact for the administering authority: Mr. Charalampos Antoniou / Mr. Sakis Voudris
 - (ii) job title: Managing Director / Director,
 - (iii) business address: 8 Akadimias Street 10671 Athens, Greece
 - (iv) business telephone number:
 - (v) business email address:

(2) The Bareboat Charterer's details are as follows:

- a) the **name** of the Bareboat Charterer is **CRETANSEA MARITIME CO.** and its IMO unique company and registered owner identification number is **6385183**; and
- b) the **contact details** of the Bareboat Charterer are as follows:

- (i) full name of an individual at the Bareboat Charterer to be point of contact for the administering authority: Stavros Gyftakis,
- (ii) job title: Director
- (iii) business address: 154 Vouliagmenis Avenue, 16674, Glyfada, Athens, Greece
- (iv) business telephone number:
- (v) business email address:

(3) The Organisation's details are as follows:

- a) the **name** of the Organisation is **SEANERGY SHIPMANAGEMENT CORP.** and its IMO unique company and registered owner identification number is: **5828613**; and
- b) the country of registration of the Organisation as recorded under the IMO Unique Company and Registered Owner Identification Number Scheme is the Republic of the Marshall Islands (with established office at 154 Vouliagmenis Avenue, 16674, Glyfada, Greece).

IT IS HEREBY AGREED AND ACKNOWLEDGED:

The Organisation confirms that it has accepted this mandate from the Bareboat Charterer, as authorised by the Registered Shipowner, in respect of the Vessel's EU ETS Obligations and that:

- 1. it has assumed the responsibility for the operation of the Vessel from the Registered Shipowner and the Bareboat Charterer;
- 2. on assuming such responsibility the Organisation has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention as set out in Annex I to Regulation (EC) No 336/2006 of the European Parliament and of the Council;
- 3. it has also assumed responsibility for the obligations to comply with the obligations under Regulation (EU) 2015/757 (the **MRV Obligations**);
- 4. the Organisation has also assumed responsibility for the obligations to comply with the national measures transposing Directive 2003/87/EC and the obligation to surrender allowances under Articles 3gb and 12 of the Directive 2023/959 (the **ETS Obligations**), as the Shipping Company; and
- 5. the Organisation has been duly mandated by the Bareboat Charterer, being duly authorised by the Registered Shipowner, to comply with the MRV Obligations and the ETS Obligations.

The date of application of this mandate from the duly authorised Bareboat Charterer, as authorised by the Registered Shipowner, is the 1st of January 2024.

Signed by: Stavros Gyftakis
As Director

For and on behalf of
CRETANSEA MARITIME CO.

Signed by: Stamatios Tsantanis
As Director / Legal Representative
For and on behalf of
SEANERGY SHIPMANAGEMENT CORP.

SIGNATORIES

EXECUTED as a **DEED**)
By Athanasios Voudris) /s/ Athanasios Voudris
for and on behalf of)
NML CRETANSEA LLC) Attorney-in-fact
as Lessor)
in the presence of:)

/s/ PERIKLIS LYKLOUDIS
Witness
Name: PERIKLIS LYKLOUDIS
Address: ATHENS
Occupation:

EXECUTED as a **DEED**)
By Athanasios Voudris) /s/ Athanasios Voudris
for and on behalf of)
NML OASEA LLC) Attorney-in-fact
as Associated Lessor)
in the presence of:)

/s/ PERIKLIS LYKLOUDIS
Witness
Name: PERIKLIS LYKLOUDIS
Address: ATHENS
Occupation:

EXECUTED as a **DEED**)
by Stavros Gyftakis) /s/ Stavros Gyftakis
for and on behalf of)
CRETANSEA MARITIME CO.) Attorney-in-fact
as Lessee)
in the presence of:)

/s/ Maria Moschopoulou
Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
by Stavros Gyftakis) /s/ Stavros Gyftakis
for and on behalf of)
OASEA MARITIME CO.) Attorney-in-fact
as Associated Lessee in the presence of:)

/s/ Maria Moschopoulou
Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
By Nikolaos Frantzeskakis) /s/ Nikolaos Frantzeskakis
for and on behalf of)
FIDELITY MARINE INC.) Director/President
as Commercial Manager)
in the presence of:)

/s/ Maria Moschopoulou

Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
By Stamatios Tsantanis) /s/ Stamatios Tsantanis
for and on behalf of)
SEANERGY SHIPMANAGEMENT CORP.) Director/President
as Technical Manager in the presence of:)

/s/ Maria Moschopoulou

Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
By Stavros Gyftakis) /s/ Stavros Gyftakis
for and on behalf of)
UNITED MARITIME CORPORATION) Attorney-in-fact
as Guarantor)
in the presence of:)

/s/ Maria Moschopoulou

Witness
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece
Occupation: Attorney-at-law

EXECUTED as a **DEED**)
By Athanasios Voudris) /s/ Athanasios Voudris
for and on behalf of)
NML TRUSTEE LLC) Attorney-in-fact
as Security Trustee in the presence of:)

/s/ PERIKLIS LYKLOUDIS

Witness
Name: PERIKLIS LYKLOUDIS
Address: ATHENS
Occupation:



BARECON 2001

STANDARD BAREBOAT CHARTER

PART I

1. Shipbroker Japan Shipping Services Co., Ltd.	2. Place and date 19th April, 2023
3. Owners/Place of business (Cl. 1) Mi-Das Line S.A. Vallarino Building, 3rd Floor, Fifty Second (52) and Elvira Mendez Street, City of Panama, Republic of Panama	4. Bareboat Charterers/Place of business (Cl. 1) Synthesea Maritime Co. of 80 Broad Street, Monrovia, Liberia guaranteed by United Maritime Corporation, of Trust Company Complex, Ajeltake Road, Ajeltake Island, MH 96960 Majuro, Marshall Islands
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: M.V. IKAN KERAPU Flag: PANAMA IMO: 9697959	
6. Type of Vessel Bulk Carrier	7. GT/NT GT: 41,753 NT: 26,057
8. When/Where built January 2015 SASEBO HEAVY INDUSTRIES CO., LTD. SASEBO SHIPYARD	9. Total DWT (abt.) in metric tons on summer freeboard Abt. 78,020 DWT
10. Classification Society (Cl. 3) NK (Nippon Kaiji Kyokai)	11. Date of last special survey by the Vessel's classification society 1st February, 2020
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) All of Class NK Certificates, trading, national and international certificates shall be clean, valid and unexpired at the time of delivery on the vessel and continuous survey cycles shall be up to date without extension at the time of delivery, but with the following condition as attached. "Temporarily repaired cracked bilge keel at Fr. 192-193 (Port side) and cut bilge keel at Fr. 129-133 (Port side) are to be permanently repaired by next docking survey (Due Date : 19 Jan 2025)"	
13. Port or Place of delivery (Cl. 3) Charter free, free of stowaways, safely afloat at a safe berth or a safe accessible anchorage at a safe port within East Coast India/Japan range in Owners' option but always at a place suitable for safe crew exchanges and usual delivery formalities.	14. Time for delivery (Cl. 4) Between 1st July 2023 and 15th October 2023 in Owners' option.
	15. Cancelling date (Cl. 5) 15th October 2023
16. Port or Place of redelivery (Cl. 15) Within Japan/Singapore range in the Charterers' option	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) Three (3) months, or less where part of customary renewal procedures.
18. Running days' notice if other than stated in Cl. 4 See clause 32	19. Frequency of dry-docking (Cl. 10(g)) As required by class

20. Trading limits (Cl. 6) Worldwide Trading always within Institute Warranty Limits (IWL). However, any country designated pursuant to any international (including United Nations, or United States or European Union or member state of European Union or United Kingdom or Japan, Panama, China) or regulation imposing trade and economic sanctions, prohibitions or restrictions (which may be amended from time to time during the Charter period), North Korea, Israel, and other countries sanctioned / boycotted / banned by UN or USA, Japan, Panama, China, to be excluded from trading. If the situation of the country(ies) or a country not including in trading is changed, both parties will discuss. War or warlike zone to be excluded. Charterers may breach IWL against payment of additional premium / expense prior to Charterers' written notice to the Owners but need prior written Owners' consent. Owners' written response to be received within 24 hours not to delay the operation of the Vessel.	
21. Charter period (Cl. 2) 12 months + 30days at Charterers' option, from the time of delivery.	22. Charter hire (Cl. 11) USD 8,000 per day
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii)) See Clause 37	
24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV 5.0%	25. Currency and method of payment (Cl. 11) United States Dollars (see also clause 11)
26. Place of payment; also state beneficiary and bank account (Cl. 11) BANK: THE BANK OF FUKUOKA, LTD. BRANCH: HEAD OFFICE SWIFT CODE: FKBKJPJT BANK ADDRESS: 13-1, TENJIN 2CHOME CHUO-KU, FUKUOKA 810-8727, JAPAN BENEFICIARY'S USD ACCOUNT No: BENEFICIARY: MI-DAS LINE S.A. BENEFICIARY ADDRESS: VALLARINO BUILDING, 3RD FLOOR, FIFTY SECOND(52) AND ELVIRA MENDEZ STREET, CITY OF PANAMA, REPUBLIC OF PANAMA	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) N/A
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) See Clause 33	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) See Clause 34
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) N/A	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) See Clause 13(b)
32. Latent defects (only to be filled in if period other than stated in Cl. 3) N/A	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) Three (3) banking days (as defined in clause 1)	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30)
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) N/A	38. Name and place of Builders (only to be filled in if PART III applies) N/A

39. Vessel's Yard Building No. (only to be filled in if PART III applies) N/A	40. Date of Building Contract (only to be filled in if PART III applies) N/A
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) N/A b) N/A c) N/A	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) No
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) See Clause 36	45. Country of the Underlying Registry (only to be filled in if PART V applies) N/A
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) Liberia	
46. Number of additional clauses covering special provisions, if agreed See Clause 32 to 44	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) Mi-Das Line S.A. /s/ Genji Ohkouchi Name: Genji Ohkouchi Title: President	Signature (Charterers) Synthesea Maritime Co. /s/ Stamatios Tsantanis Name: Stamatios Tsantanis title : President

PART II
BARECON 2001 Standard Bareboat Charter

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

"The Owners" shall mean the party identified in Box 3.

"The Charterers" shall mean the party identified in Box 4.

"The Vessel" shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

"The Charter" means this Bareboat Charter with Rider clauses and as later amended

"The Parties" jointly refers to both the Owners and the Charterers.

"Banking Days" are days on which banks are open in the United States of America (New York), Panama, Japan, Cyprus and Greece and Buyers nominated flag state

"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28.

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 ("The Charter Period").

3. Delivery See Clause 32

~~(not applicable when Part III applies, as indicated in Box 37)~~

- (a) The Owners shall ~~before and at the time of delivery exercise due diligence to make deliver~~ the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter following completion of an Underwater Inspection to be arranged by Charterers and paid by Charterers at the delivery port with NK class surveyor attendance arranged by Owners. Charterers to declared their option for underwater inspection following receipt of the 7 days' notice by Owners. In the event that damage affecting class is found, Owners to cover all expenses for the relevant repairs during the Vessel's redelivery or exercise of purchase option. In the event that the Class requires the repairs to be performed immediately (CoC), the repairs to be arranged prior to delivery of the Vessel from the Owners to the Charterers at Owners' cost.

The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in Box 13 ~~in such ready safe berth as the Charterers may direct.~~ The Vessel delivery place should be available for crew exchanges and should be mutually agreed between the Owners and the Charterers. In case if due to Coronavirus issue, the delivery of the Vessel is affected or delayed by reasons, including but not limited to crew change not being able to take place at the intended delivery port, the new delivery place to mutually agreed between the Owners and the charterers. The sharing cost of related expenses as a result of such delays and change in delivery port to be shared 50/50 by both parties including the consumed bunkers and lubricating oils from the final discharging port to the actual delivery port. If delivery of the Vessel is expected to take place beyond the original Cancelling Date mentioned herein, then, the Cancelling Date shall be extended with mutual agreement by the parties.

- (b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in Box 5 and the requirements of the classification society stated in Box 10. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid and unextended at the time of the delivery ~~for at least the number of one months agreed in Box 12.~~

The Vessel shall be delivered charter free, free from AGM, free of stowaways and taken over safely afloat at the port or place indicated in Box 13. The Vessel shall be delivered with swept/clean cargo holds at the time of delivery, however the Owners have an option to deliver the vessel with her holds as they are without cleaning after discharge, against compensation of USD 4,000 ~~34,000~~ in lieu of cargo hold cleaning.

PART II
BARECON 2001 Standard Bareboat Charter

The Vessel shall be delivered with her class maintained, free of condition, recommendations also free of damage affecting her class. The Owners shall provide the Charterers with Class Maintenance Certificate to be issued by Class NK dated not more than three (3) Banking Days prior to the expected date of delivery showing that, on the basis of the review of the Vessel's survey records filed in the Class head office, the Vessel's class is maintained without outstanding condition, recommendations (which does not mean "Note" and "Observation"). However, the Vessel shall be delivered with the following condition attached. "Temporarily repaired cracked bilge keel at Fr. 192-193 (Port side) and cut bilge keel at Fr. 129-133 (Port side) are to be permanently repaired by next docking survey. (DueDate : 19 Jan 2025)"

- (c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under this Clause 3, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel. ~~but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

4. Time for Delivery (See also Clause 32)

(not applicable when Part III applies, as indicated in Box 37)

The Vessel shall ~~not~~ be delivered ~~before~~ within the date indicated in Box 14 ~~without the Charterers' consent and in the Owners' option shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.~~

The Buyers crew are Syrian. In case that the Vessel shall be redelivered from current Charterers in USA (or any other port/country where Syrian crew can not go), then the Owners will shift the vessel to the place where Buyers can send their crews to onboard the vessel for delivery and buyers will pay the ballasting cost such as FO/DO consumed.

~~Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days' preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is expected to be ready for delivery. The Owners shall tender the Charterers 30/20/15/20/15/10/7/5 3 days' approximate notices with intended delivery port and 3, 2, 1 days' definite notices delivery. Along with the Ten (10), days approximate notice Sellers at least to nominate Delivery Country.~~ The Owners shall keep the Charterers closely advised of possible changes in the Vessel's position.

The Charterers shall take delivery of the Vessel within three (3) Banking Days after the Owners have tendered to the Charterers "Notice of Readiness for Delivery" (NOR) in accordance with the terms and conditions of this agreement, the date of tendering such NOR exclusive.

Save for the case that the Owners and the Charterers do not reach the agreement of the delivery place, in the event the Charterers do not take delivery of the Vessel within the period specified above, the Charterers shall pay to the Owners for each day of the delay upto the tenth (10th) day of the delay the liquidated ~~fixed~~ damages of US\$10 ~~5~~,000 per day pro rata. If the delay exceeds ten (10) days then the Owners shall have the right to cancel this agreement and claim proven damages for their losses following therefrom. In this case, the deposit Downpayment together with interest shall be forfeited to the Owners.

5. Cancelling

(not applicable when Part III applies, as indicated in Box 37)

- (a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.
- (b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.

PART II
BARECON 2001 Standard Bareboat Charter

- (c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.

In the event that the Charterers cancel this agreement, part of the Deposit Downpayment already remitted and interest if any shall be returned to the Charterers within 5 Banking Days.

6. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 20.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery

~~(not applicable when Part III applies, as indicated in Box 37)~~

~~The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof. The Owners shall have the right at their expense but at Charterers' time to arrange an underwater inspection by a diver approved by the Classification Society no earlier than 45 days and no later 30 days prior to redelivery of the Vessel. This inspection shall take place at a convenient port at Charterers' option and shall be carried out without interference to the Vessel's normal operation. Should such underwater inspection reveal major condition that affect the Class of the Vessel and such Class items require immediate rectification in accordance with specific instruction from the Classification Society and the Class will not grant an extension, and whereby such repairs cannot be made to the Vessel without immediate dry docking, then the Vessel shall be dry docked as soon as possible by Charterers in order to repair such Class items to the Classification Society's satisfaction at Charterers' reasonable expense and time. Any expense or time related to other repairs carried out during such dry docking by Owners, and which are not the responsibility of Charterers under the Charter, shall be for Owner's account. This clause 7 shall not apply if Charterers exercise their purchase option as set out in Clause 39.~~

8. Inspection

The Owners shall have the right at any time once per year after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf always provided such inspection or survey does not delay or interfere with the normal operation of the Vessel.

PART II
BARECON 2001 Standard Bareboat Charter

- (a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. Such notice to be made no later than 30 days prior to the inspection or survey and the Charterers to keep the Owners well informed of the Vessel's itinerary for inspection purpose. The costs and fees for such inspection or survey shall be paid by the Owners unless the Vessel is found to require repairs or maintenance to meet a condition required by Class or the Vessel's Flag State in order to achieve the condition so provided;
- (b) in dry-dock if the Charterers have not dry-docked Her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and
- ~~(c)~~ (c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.

All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period which inspection, survey or repairs shall not be interfere with the Vessel's normal operation.

The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.

9. Inventories, Oil and Stores

The Vessel shall be delivered with everything belonging to the Vessel on board including used and/or unused stores, spare parts, radio equipments and navigational aids except the Owners' personal computers with software used for e-mail communication and ship's management at the time of delivery. Provisions and bonded stores shall be settled by cash between the Owners' crews and the Charterers' crews upon delivery. A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroke provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.

The Vessel has neither spare propeller nor spare tail-end shaft. Inmarsat will be decommissioned during Panama Panama office hours, the Owners shall act swiftly after delivery of the Vessel.

Excluded from this agreement are personal effects of Master, Officers and crews including slop chest, log books (copies may be taken by the Charterers), ISM manuals, SMS, SSP (Ship Security Plan), original certificates to be returned to competent authorities and hire or third party's items and current Charterers' property and manuals/records of ship manager, which exclusively for use by the Owners on the Vessel and to be taken ashore by the Owners on or before delivery of the Vessel.

The Charterers shall take over and pay ~~extra~~ only for remaining Bunkers (i.e. VLSFO/LSMDO/LSMGO) and unused lubricating/hydraulic/grease oils in tanks, unopened drums and unopened cans onboard at the time of delivery. Remaining Bunkers for VLSFO and LSMGO to be paid at the previous Charterers' contract price with supporting voucher or estimate price if not available upon deductions as per bunker wire PLATTS prices of last bunkering port or the nearest major port on the day of redelivery from previous Charterers or previous working day if redelivery from previous Charterers falls within weekend or holiday. ~~actual purchased prices to be settled against supporting vouchers issued by bunker suppliers as per bunker wire PLATTS prices of last bunkering port on the day of redelivery from previous Charterers or previous working day if redelivery from previous Charterers falls within weekend or holiday,~~ and Lubricating Oils to be paid at Owners' net purchase price excluding barging cost by supporting vouchers. The quantities of remaining Bunkers and Lubricating Oils at the time of delivery for the settlement shall be sounded and fixed by between the Owners' and Charterers' representatives on an estimation basis latest by three (3) ~~three (3) day s~~ prior to the expected date of delivery of the Vessel. The Charterers shall pay for Bunkers and Lubricating oils together with 1st hire payment based on the expected/roughly calculated amount. The surplus or shortage, if any, shall be adjusted at 2nd hire payment.

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BARECON 2001 Standard Bareboat Charter

~~If the Vessel will be shifted to other delivery place from last discharging port, then the cost for Bunkers/Lubs consumed for the Vessel shifting to other delivery place to be equally shared fully paid by between the Owners and the Charterers from. The quantities of the bunker/lubs consumption to be ascertained based on the Vessel's figures, from DLOSP last discharging port to APS delivery port. last discharging port to be the delivery place, and additionally the Charterers will pay US\$5,000/d as liquidate damages from the date (a) the vessel is redelivered from previous charterers at last discharging port until the date that Owners can tender N/R at newly agreed delivery port if this is due to the Buyers/Charterers.~~

~~In case the vessel is redelivered from present Charterers at South Korea, PRC, Taiwan, Vietnam, Thailand and Philippines, the cost of bunkers consumed for the vessel shifting to nearest delivery port as aforementioned to be shared equally between the Sellers and the Buyers. The quantities of the bunker consumptions to be ascertained based on the vessel's figures, from DLOSP last discharging port to APS delivery port.~~

~~All plans/drawings/instruction manuals (excluding ISM manuals, SMS and SSP) which are onboard shall be delivered to the Charterers 'as they are' upon delivery of the Vessel without extra cost to Charterers.~~

~~All plans/drawings/instruction manuals (excluding ISM manuals, SMS and SSP) which are kept in the Owners' office shall be dispatched to the Charterers' designated place after delivery of the Vessel at the Charterers' account.~~

10. Maintenance and Operation

- (a) (i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, ~~except as provided for in Clause 14(i),~~ if applicable, at their own expense they shall at all times keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.
- (ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation ~~(including but not limited to Ballast Water Treatment System, New Panama, Sox and Nox) the cost and time of compliance shall be for Charterers account. If those new equipment needs to be removed when the Vessel will be redelivered, the cost and time of removal shall be for Charterers account. Notwithstanding the foregoing, Charterers are allowed to make improvements to the Vessel provided cost of same to be for Charterers account subject to the prior written consent of the Owners.)~~ ~~costing (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 per cent of the Vessel's insurance value as stated in Box 29,~~ then the ~~terms as stated in Clause 37~~ extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30.
- (iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.
- The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.
- (b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag state fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.

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BARECON 2001 Standard Bareboat Charter

Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.

- (c) The Charterers shall keep the Owners ~~and the mortgagee(s)~~ advised of the ~~intended employment~~, planned dry-docking and major repairs of the Vessel, as reasonably required.
- (d) Flag and Name of Vessel – See Clauses 33 and 34. During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time.
- (e) Changes to the Vessel – Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter.
- (f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment, ~~with Owners' prior consent not to be unreasonably withheld, at the Charterers' expense~~ at their expense and risk but the Charterers shall remove such equipment at the end of the period ~~unless Charterers purchase the Vessel upon redelivery if requested by the Owners~~. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations. See Clause 37. ~~Clause 40.~~
- (g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be ~~necessary, but not less than once during the period stated in Box 19 required by the Classification Society or flag state. or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag state.~~

11. Hire

- (a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.
- (b) The Charterers shall pay to the Owners for the hire of the Vessel ~~a lump sum~~ monthly in advance in the amount indicated in Box 22 which shall be payable ~~not later than every thirty (30) running days~~ monthly in advance, the first ~~lumpsum~~ lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period. If hire payment date is National holiday in Japan, New York, Cyprus and Greece Switzerland, hire to be paid one day prior to that date. Full amount of hire shall be available in Owner's nominated account on a monthly basis by the due date.
- (c) Payment of hire shall be made in cash without discount free of bank charges in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.
- (d) Final payment of hire, if for a period of less than ~~thirty (30) running days~~ one month, shall be calculated proportionally according to the number of days and hours remaining before redelivery or purchase and advance payment to be effected accordingly.

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- (e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.
- (f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. ~~If Box 24 has not been filled in, the three months Interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent, shall apply.~~
- (g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) ~~running~~ banking days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.
- (h) Notwithstanding anything to the contrary contained herein, the Charterers shall make all payments under this Charter without any set-off or counter claim whatsoever and free and clear of any withholding or deduction for, or on account of, any present or future income, freight, stamp or other taxes, levies, imposts, duties, fees, charges, restrictions or conditions of any nature except any loss caused by the Owners.

12. Mortgage (See Clause 36-33)

(only to apply if Box 28 has been appropriately filled in)

- (a) * ~~The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- (b) * ~~The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument.~~

~~The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s).~~ The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.

~~*(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).~~

13. Insurance and Repairs See Clause 3734 and 4239

- (a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) ~~in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld.~~ Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

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All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects ~~according to Clause 3(e) above,~~ including any deviation, shall be for the Charterers' account.

- (b) ~~If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~
- (c) ~~The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.~~
- (d) ~~Subject to the provisions of the Financial Instrument, if any, s~~ Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid ~~to the Owners who shall distribute and the moneys distributed~~ between the Owners and the Charterers ~~according to their respective interests in accordance with Clause 42.39.~~ The Charterers undertake to notify the Owners ~~and the mortgagee(s), if any,~~ of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this Clause.
- (e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.
- (f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29.

14. Insurance, Repairs and Classification

~~(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted)~~

- (a) ~~During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.~~
- (b) ~~During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.~~
- (c) ~~In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.~~
- (d) ~~The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a).~~

~~The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.~~

- (e) ~~The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.~~

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- (f) ~~All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.~~
- ~~The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.~~
- (g) ~~If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~
- (h) ~~Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.~~
- (i) ~~If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.~~
- (j) ~~The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.~~
- (k) ~~For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.~~
- (l) ~~Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.~~

15. Redelivery

At the expiration of the Charter Period unless the Charterers have exercised their purchase option the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners- Charterers may direct. The Charterers shall give the Owners not less than sixty (60), thirty (30), twenty (20), ten (10) and seven (7) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14), five (5), three (3) and one (1) running days' definite notice of expected date and port or place of redelivery.

Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.

The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period due to the fault of the Charterers, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.

Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17 if applicable.

Unless the Charterers exercise their option to purchase the Vessel, the Owners shall have the right at their expense but at the Charterers' time to arrange an underwater inspection by a diver approved by the Classification Society no earlier than 45 days and no later 30 days prior to redelivery of the Vessel. This inspection shall take

place at a convenient port at Charterers' option and shall be carried out without interference to the Vessel's normal operation. Should such underwater inspection reveal major condition that affect the Class of the Vessel and such Class items require immediate rectification in accordance with specific instruction from the Classification Society and the Class will not grant an extension, and whereby such repairs cannot be made to the Vessel without immediate dry-docking, then the Vessel shall be dry-docked as soon as possible by Charterers in order to repair such Class items. Any related to other repairs carried out during such drydocking by the Owners and which are not the responsibility of the Charterers under the Charter, shall be the Owners' account. This clause shall not apply if the Charterers exercise their purchase option as set out in Clause 36.

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16. Non-Lien

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:

“This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever.”

17. Indemnity

- (a) The Charterers shall indemnify the Owners, in each case as properly documented and evidenced, against any loss, damage or documented and reasonable expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

- (b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

In such circumstances the Owners shall indemnify the Charterers against any loss, damage or documented expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.

- (c) The Charterers shall indemnify the Owners, in each case as properly documented and evidenced; against any and all liabilities, obligations, taxes, imposed on, or suffered by the Owners and relating to the operation of the Vessel and this Charter (excluding the taxed levied on the Owners by the competent tax authorities in its state of residence in relation to the Charterhire and (tax imposed on the overall net income of the Owners), losses, damages, penalties, fees, claims, actions, suits and cost (excluding loss of profit or business interruption expenses) of whatsoever kind and nature which may be incurred by the Charterers (whether during or after the Charter Period) or incurred by the Owners during the Charter Period only and in consequence of or in any way relating to or arising out of this Charter, the ownership, documentation, delivery, possession, use, operation, chartering, sub-chartering, condition, maintenance, or repair of the Vessel including without limitation, claims or penalties arising from any violation of the laws of any foreign country or political subdivision thereof; any claim as a result of latent or other defects in the Vessel, whether or not discoverable by the Charterer or the Owners and any claims for patent, trademark or copyright infringement in connection to this Charter or the Vessel, and any claims for injury or damages caused by pollution, leaking or spillage of cargo carried by the Vessel; and any claims by owners of cargo or other third parties arising in connection with any of the matters aforesaid.

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(d) ~~If there arise any pollution event or incident by or on around the Vessel, in consequence of or in any way relating to or arising out of, including without limitation, any presence, emission, release or leak of any pollutant in Charterers shall promptly take all necessary actions and steps to prevent occurrence of any losses and/or damages to the Vessel and this parties lives and properties or occurrence of any violation of MARPOL or domestic law or regulation including OPA 90 or regulations adopting MARPOL as a result of which the Vessel is ordered not to leave by the coast guard or police or prosecutors or other judicial persons, and if any such losses and/or damages occur or any claim is made by any coast guard or police or prosecutors or other judicial persons for fine and other civil, criminal or administrative offence or made by any third party for liabilities against the Vessel or the Charterers or the Owners, then Charterers shall indemnify the Owners against the aforesaid loss or damages or claim by way of settlement with such third parties or payments to them in accordance with P&I insurers recommendation and approvals as far as with respect to such claims covered by P&I Insurance so that the Vessel, the Charterers and the Owners will entirely be discharged and released from such claim and remedied in respect of such losses, damages and claims.~~

(e) ~~The Charterers shall not be obliged to indemnify the Owners under this Charter to the extent any losses are caused by the gross negligence or wilful misconduct of the Owners.~~

18. Lien

The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.

19. Salvage

All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.

20. Wreck Removal

In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.

21. General Average

The Owners shall not contribute to General Average.

22. Assignment, Sub-Charter and Sale ~~See also Clause 35~~

(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve.

(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld ~~or delayed~~, and subject to the buyer accepting an assignment of this Charter.

23. Contracts of Carriage

(a) * The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the ~~Hague Rules or the~~ Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

~~(b)* The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~

~~*Delete as applicable.~~

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24. Bank Guarantee

~~(Optional, only to apply if Box 27 filled in)~~

~~The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter.~~

25. Requisition/Acquisition

- (a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the "Requisition for Hire" whichever be the shorter.
- (b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition". However, in that case, the Charterers and the Owners shall firstly discuss the situation and agree the alternative method mutually in good faith prior to such termination.

26. War

- (a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.
- (b) The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area.
- (c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.
- (d) If the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.

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(e) The Charterers shall have the liberty:

(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;

(ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;

(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.

(f) In the event of outbreak of war (whether there be a declaration of war or not)

(i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China,

(ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter subject to mutual agreement, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching or entering it at a near, open and safe port as directed by the ~~Owners-Charterers~~, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port ~~as directed by the Owners~~ decided by mutual consultation between the Owners and the Charterers. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery. However, neither party shall be entitled to terminate this Charter Party on account of minor and/or local war like operations or economic warfare anywhere, which will not interfere with the Vessel's trades.

27. Commission

~~The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.~~

~~If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission.~~

~~Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.~~

28. Termination

(a) Charterers' Default

The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:

(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual.

Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;

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(ii) the Charterers fail to comply with the requirements of:

- (1) Clause 6 (Trading Restrictions)
- (2) Clause 13(a) (Insurance and Repairs)

provided that the Owners ~~shall have the option~~, by written notice to the Charterers, ~~to~~ give the Charterers ~~a specified number of 21 banking~~ days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;

(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) ~~as soon as practically possible~~ within 21 banking days after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.

(b) Owners' Default

If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of twenty one (21) ~~fourteen (14) running banking~~ days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.

(c) Loss of Vessel See also Clause 39

This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

- (d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.
- (e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.

30. Dispute Resolution

- a)* This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

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The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

~~(b)* This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

~~(c)* —This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.~~

~~(d)~~ Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.

In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:

(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.

(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.

(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.

(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.

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(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.

(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.

(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

~~(e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.~~

*Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.

31. Notices

(a) Any notice to be given by either party to the other party shall be in writing and may be sent by ~~fax, telex, e-mail or~~ registered or recorded mail or by personal service.

(b) The address of the Parties for service of such communication shall be as follows : ~~stated in Boxes 3 and 4 respectively.~~

For Owners :

c/o Doun Kisen Co., Ltd.

1307-8 Koh Goh Namikata-cho, Imabari-city, Ehime-pref, Japan

Attention :

Tel.:

E-mail :

For Charterers :

c.o 154 Vouliagmenis Avenue, 166 74 Glyfada, Athens, Greece

Attention :

Email :

Tel.:

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PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(Optional, only to apply if expressly agreed and stated in Box 37)

1- Specifications and Building Contract

- (a) ~~The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter signed as approved by the Charterers.~~
- (b) ~~No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.~~
- (c) ~~The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.~~
- (d) ~~The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.~~

~~Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies.~~

~~However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.~~

~~Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties.~~

~~The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.~~

2- Time and Place of Delivery

- (a) ~~Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.~~
- (b) ~~If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.~~

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- (c) ~~If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon~~
- (i) ~~if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or~~
- (ii) ~~if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;~~
- (iii) ~~in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;~~
- (iv) ~~if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.~~
- (d) ~~Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.~~

3. Guarantee Works

~~If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.~~

4. Name of Vessel

~~The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.~~

5. Survey on Redelivery

~~The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of redelivery.~~

~~Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.~~

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PART V
HIRE/PURCHASE AGREEMENT

~~(Optional, only to apply if expressly agreed and stated in Box 42)~~

~~On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.~~

~~In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.~~

~~The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.~~

~~The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.~~

~~In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.~~

~~The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.~~

~~The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.~~

~~The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.~~

~~The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.~~

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PART V

PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

~~(Optional, only to apply if expressly agreed and stated in Box 43)~~

1. Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

~~"The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.~~

~~"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.~~

2. Mortgage

~~The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.~~

3. Termination of Charter by Default

~~If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.~~

~~In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.~~

32. Downpayment

As security for the correct fulfillment of this Charter, the Charterers shall make a downpayment of US\$7,000,000.- (United States Dollars Seven Million only) in cash (hereinafter called the "Deposit Downpayment"), of which US\$3,500,000.- (United States Dollars Three Million Five Hundred Thousand only) is to be paid upon signing of BBCP, and additional US\$3,500,000.- (United States Dollars Three Million Five Hundred Thousand only) is to be paid upon commencement of BBCP .

If this Charter terminates under sub-clause (b) of Clause 28 or in case of Clause 5, the Owners shall refund the Deposit Downpayment if already paid to the Charterers and the Charterers shall have the right to claim their further losses, if any.

If this Charter terminates under sub-clause (a) of Clause 28, the Owners shall not be liable to return the Deposit Downpayment to the Charterers and may have the right to claim their further losses, if any.

If the Charter terminates due to "Loss of Vessel" under sub-clause (c) of Clause 28, the Charterers shall recover the Deposit Downpayment from the insurance payments paid and the Owners shall not be liable to return the Deposit Downpayment to the Charterers.

33. Mortgage and Assignment

Excepting that the Owners shall be entitled to assign their rights, title and interest in and to this Charter by way of security to THE BANK OF FUKUOKA, LTD. (the Mortgagee), neither Party shall assign its right or obligations or any part thereof to any third parties without the written consent of the other.

The Owners have the right to register a first priority mortgage on the Vessel in favor of the Mortgagee securing a loan (not exceeding the amount referred to above) under the relevant loan agreement under standard mortgage and security documentation but on the basis that the Owners undertake to procure from the Mortgagee a letter of quiet enjoyment in a form and substance satisfactory to the Charterers (the Letter of Quiet Enjoyment).

The Charterers agree to sign an acknowledgement of the Owners' charter hire assignment (in form and substance satisfactory to the Charterers acting reasonably) or any other comparable document reasonably required by the Mortgagee, in favor of the Mortgagee (on the basis that this does not impose any greater liability to the Charterers than the liabilities they have under this Charter). During the course of the Charter the Owners have the right to register a substitute mortgage in favor of another bank provided such registration is effected in a similar amount to the loan amount outstanding with the Mortgagee at that time and a Letter of Quiet Enjoyment (in form and substance satisfactory to the Charterers and the Mortgagee) is provided in favor to the Charterers. Any costs incurred by the Charterers in respect of any of the above arrangements shall be for Owners' account.

34. Insurance

For Hull insurance purposes, the insured amount shall be an amount determined by the Charterers but shall on the Delivery Date not be less than 110% of USD 27,020,000.

In respect of partial losses, any payment by Underwriters not exceeding USD500,000 shall be paid directly to the Charterers who shall apply the same to effect the repairs in respect of which payment is made. Any moneys in excess of USD500,000 payable under such insurance other than Total Loss shall be paid to the Charterers subject to the prior written consent of the Owners or the Owners' bank but such consent shall not be unreasonably withheld or delayed. Such consent to be granted if the Owners are satisfied (acting reasonably) that all damage resulting from the partial loss will be made good and repaired and all liabilities in respect of repairing such damage will be discharged. If the Charterers or the Vessel's insurers request the Owners consent or authority to the insurers making payment to a ship repairer on account of repairs being made to the Vessel as a result of it suffering such a partial loss, then, the Owners shall not unreasonably withhold or delay giving such consent or authority. In the absence of such prior written consent the money shall be paid to the Owners or the Owners' bank. In case of repair work being expected exceeding USD300,000 the Charterers will inform the Owners of details in a timely manner.

- (a) Hull and Machinery insurance shall be taken out and maintained to be effective in the joint names of both the Charterers and the Owners as co-assured with the insurers against such fire and usual marine risks; and
- (b) P&I Club insurance shall be effected by an entry or entries of the Vessel with or in any P&I Club to protect and indemnify the Owners as co-assured and the Vessel against all P&I risks (including, but not limited to, pollution spillage and leakage risks).

35. Optional Periods

There are no options to extend the Charter.

36. Purchase of the Vessel by the Charterers

- (a) The Charterers (or their guaranteed nominee) may exercise their Purchase Option to purchase the Vessel from the Owners at the end of the Charter Period, for US\$17,100,000.- (United States Dollars Seventeen Million One Hundred Thousand only) (the "Purchase Option Price") to the Owners on a strictly "as is where is" basis. The Charterers shall pay such Purchase Option Price in cash to the Owners upon transfer of title to the Vessel pursuant to the Sale Contract under clause (b) below.
 - (b) A separate sale and purchase contract (the "Sale Contract") shall be executed between the Charterers (or the buyer nominated by the Charterers) and the Owners as seller on standard Norwegian Saleform 2012 terms, the form of which is appended as Exhibit A.
 - (c) Notwithstanding the provisions of Clause 36(b) any Sale Contract shall include the following provisions:
 - (i) the Owners guarantee that the Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages, maritime liens or other debts or liabilities whatsoever. Should any claims which have been incurred prior to the time of delivery be made against the Vessel, the Owners shall indemnify the buyer against all consequences of such claims;
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- (ii) the Owners shall furnish the buyer with documentation requested by the buyer including but not limited to:
 - a. evidence of the authorisation and capacity for the Owners to sell the Vessel and enter into all documentation in connection with such sale including but not limited to resolutions of the shareholders of the Owners, resolutions of the board of directors of the Owners and any power of attorney under which the Owners' representatives sign any of the delivery documents (in each case notarised and apostilled or legalised), original certificates of good standing in respect of the Owners and certified true copies of the certificate of incorporation and articles of association (or equivalent) of the Owner;
 - b. documentation validly transferring title to the Vessel to the buyer;
 - c. any documentation required for the registration of the Vessel on the buyer's chosen flag under the name of the buyer;
 - d. evidence that the Vessel is free from all registered encumbrances and has been (or will be shortly after delivery) deleted from its current Flag State registry;
 - e. evidence that the Vessel has class maintained status with the Classification Society;
 - f. documentation usually provided by a seller to a buyer in a second hand vessel sale and purchase transaction including but not limited to letters undertaking the vessel is not boycotted or blacklisted by any nation or organisation, undertakings to deliver deletion certificates and closed CSR forms within four (4) weeks of the delivery if not provided at delivery and commercial invoices for the Vessel and all other items purchased by the buyer at delivery; and
 - g. all classification, technical and other documents in the possession of the Owners in relation to the Vessel;
 - (iii) any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under buyer's flag shall be for buyer's account. Any taxes, consular and other charges and expenses connected with closing of the Vessels current flag, shall be for sellers' account; and
 - (iv) all spares on board and on order shall be included in the sale.
- (d) If following the expiry of the Charter Period, the Owners from its act or omission fails to transfer title to the Vessel to the Charterers, the Owners shall within 10 days of the Charterers' written demand:
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- (i) pay to the Charterers the amount by which the fair market value of the Vessel (as determined by a broker appointed by the Charterers) exceeds the Purchase Option Price; and
- (ii) keep the Charterers indemnified for all documented losses and expenses incurred by the Charterers due to the failure to transfer title.

37. Improvements and Additions

The Charterers shall maintain, equip and operate the Vessel so as to comply in all mutual respects with the provisions of all laws and regulations of the Vessels flag country and of any other country or jurisdiction within which the vessel may operate.

The Charterers shall have the right to fit additional equipment to the Vessel and to make one or more improvements and additions to the Vessel at their expense and risk.

The Charterers shall also have the right to make structural or non-severable improvements and additions to the Vessel at their own cost, expense and risk provided that such improvements and additions shall not, or be reasonably likely to, diminish the market value of the Vessel or prejudice its marketability, in either case, in a material way.

With reference to the above second and third paragraphs, in the event that the Charterers fit additional equipment and/or make improvement, the Charterers shall give notice to the Owners of its details before completion of such fitting and/or improvement.

In the event of any structural changes to the Vessel or installation of new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation, such as but not limited to Ballast Water Treatment System, the cost of measures needed for compliance shall be for the Charterers' account

38. Quiet Enjoyment

- (a) The Owners agree and undertake that during the period of the Charter they will not (and will procure that the Mortgagee will not) interfere in any way whatsoever with the quiet use, possession and enjoyment of the Vessel by the Charterers provided that (i) the Charterers perform their obligation under this Charter, (ii) there are no grounds entitling the Owners to terminate the chartering of the Vessel to the Charterers under this Charter and (iii) notice of the Owners intention to terminate the Charter has not been served on the Charterers.
 - (b) The Owners shall ensure that on entering into any Financial Instrument, the prospective Mortgagee of the Vessel provides the Charterers with a Letter of Quiet Enjoyment in accordance with the terms of Clause 33 and Clause 38(a) above. In addition to the provisions of Clause 36, the Written Consent will confirm that to the extent that the Charterers have paid to the Owners or the Mortgagee the any loan outstanding balance or, if applicable the relevant purchase option price (as the same is set out in Clause 39), payable on such date, the Mortgagee will immediately release the Financial Instrument.
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39. Total Loss Proceeds

Upon the occurrence of a total loss of the type referred to in clause 13(d) of this Charter all insurance proceeds in respect of that loss shall be paid to the Owners who shall apply such proceeds, as follows; (a) Firstly, in payment of all the Owners' and Charterers' reasonable, properly incurred and documented costs incidental to the collection of the total loss proceeds;

- (b) Secondly, in retention by the Owners of all amounts of outstanding hire and interest due and owing to the Owners by the Charterers under this Charter at such time;
- (c) Thirdly, in retention by the Owners of an amount equal to the Outstanding BBC Principal Balance of the Owners at the relevant time of receipt of the total loss proceeds; and
- (d) Fourthly, any balance shall be promptly paid by the Owners to the Charterers.

For the purpose of this clause, Outstanding BBC Principal Balance means, at any relevant date, the amount set out in appendix 1 attached to this Charter during the period in which the date of receipt of the total loss proceeds occurs.

40. Familiarization

In the event that the Charterers have not exercised their purchase option and Charter Period expires, the Owners shall have the right to place two representatives onboard the Vessel prior to redelivery once the Charterers have given their thirty (30) days preliminary notice.

The Owners shall have the right at their expense but at the Charterers time to arrange for an underwater inspection by a diver approved by the Classification Society no later than 2 weeks prior to the redelivery of the Vessel.

The inspection shall take place at a convenient port at the Charterers option and shall be carried out without interference to the Vessel's normal operation.

Should such underwater inspection reveal major concern of Class items requiring immediate rectification in accordance with specific instructions from the Classification Society whereby such repairs cannot be made to the Vessel without immediate dry-docking, then the Vessel shall be drydocked as soon as possible by the Charterers in order to repair such Class items to the Classification Societies satisfaction at the Charterers reasonable expense and time.

Any expenses related to other repairs carried out dry-docking by the Owners, and which are not the responsibility of the Charterers under the Charter, shall be for the Owners' account.

41. Extra Payments

In addition to above payments, the following costs are payable by the Charterers:

- (a) Any fees and expenses for flag registration of the Vessel in Charterers nominated flag state and deletion of the flag registration of the Vessel in Charterers nominated flag state. The flag of Panama will be maintained during the charter period. The Owners and the Charterers shall settle the flag annual tax for the year 2023 per Pro Rata Calculation.
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- (b) Annual flag maintenance fees including tonnage tax of Panama are the Charterers account.
- (c) All other documentation and works required due to flag and ownership change, including change of DOC/SMC/ISSC/MLC/CLC, class certificates, change of country name on hull, change of radio and navigational aids registration, Annual Tonnage Tax of the flag country throughout the Charter period shall be for the Charterers' time and cost including agent fees. In case of a change of Ownership after delivery under this Charter for Owners matter or reason, these costs to be for Owners' account.

42. Representations and Warranties

Each Party represents and warrants to the other Party that:

- (a) it is duly incorporated and validly existing and in good standing under the laws of its place of incorporation;
- (b) it has the corporate capacity, and has taken all corporate action and obtained all consents necessary for it, to execute and to comply with this Charter;
- (c) all the consents referred to in paragraph (b) above remain in force and nothing has occurred which makes any of them liable to revocation;
- (d) this Charter constitutes legal, valid and binding obligations enforceable against it in accordance with its terms;
- (e) The execution by it of this Charter and its compliance with this Charter will not involve or lead to a contravention of:
 - (i) any law or regulation;
 - (ii) its constitutional documents; or
 - (iii) any material contractual or other material obligation or material restriction which is binding on it or any of its assets.

43. General

- (a) The terms and conditions of this Charter shall not be varied otherwise than by an instrument in writing executed by or on behalf of the Owners and the Charterers.
 - (b) If, at any time, any provision of this Charter is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.
 - (c) This Charter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Charter.
 - (d) This Charter constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
-

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

44. Charterers' representatives

After this Agreement has been signed by the Parties and the first part of the Deposit Downpayment has been lodged, the Charterers have the right to place two (2) representatives on board the Vessel at their sole risk and expense.

These representatives are on board for the purpose of familiarization and in the capacity of observers only, and they shall not interfere in any respect with the operation of the Vessel. The Charterers and the Charterers' representatives shall sign the Owners' P&I Club's standard letter of Indemnity prior to their embarkation.

*** End ***



BARECON 2001

STANDARD BAREBOAT CHARTER

PART I

1. Shipbroker	2. Place and date 15 November 2023	
3. Owners/Place of business (Cl. 1) GIANT 4 HOLDING LIMITED, a company incorporated under the laws of the Hong Kong whose registered office is at 6/F., Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong, registered as Foreign Maritime Entity in the Republic of the Marshall Islands with registration number 914440 (the "Owners" which expression includes its successors and assigns)	4. Bareboat Charterers/Place of business (Cl. 1) TRADERS MARITIME CO., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960	
5. Vessel's name, call sign and flag (Cl. 1 and 3) m.v. "Tradership Call Sign: V7A4664" The Republic of the Marshall Islands		
6. Type of Vessel Bulk Carrier (Capesize)	7. GT/NT 89728/58897	
8. When/Where built 2006 Namura Shipbuilding Co., Ltd.	9. Total DWT (abt.) in metric tons on summer freeboard 176,925	
10. Classification Society (Cl. 3) DNV	11. Date of last special survey by the Vessel's classification society N/A	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) N/A		
13. Port or Place of delivery (Cl. 3) Back to back delivery under the MOA	14. Time for delivery (Cl. 4) SEE CLAUSE 34 (Delivery of Vessel)	15. Cancelling date (Cl. 5) SEE CLAUSE 33 (Cancellation)
16. Port or Place of redelivery (Cl. 15) SEE CLAUSE 40.5	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) SEE CLAUSE 40.5	
18. Running days' notice if other than stated in Cl. 4 N/A	19. Frequency of dry-docking (Cl. 10(g)) SEE CLAUSE 10(g)	
20. Trading limits (Cl. 6) Worldwide within International Navigating Limits, please also see clauses 46.1(t), 46.1(v), 46.1 (ee), 46.1(ff) (Charterers' Undertakings)		
21. Charter period (Cl. 2) SEE CLAUSE 32 (Charter Period)	22. Charter hire (Cl. 11) SEE CLAUSE 36 (Charterhire)	
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii)) SEE CLAUSE 38 (Insurance)		

24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV SEE CLAUSE 36 (Charterhire)	25. Currency and method of payment (Cl. 11) USD/BANK TRANSFER
26. Place of payment; also state beneficiary and bank account (Cl. 11) Such account as the Owners may notify the Charterers from time to time	27. ~~Bank~~ <u>Corporate</u> guarantee ~~#bond (sum and place)~~ (Cl. 24) (optional) SEE CLAUSE 24 (Corporate Guarantee)
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) SEE CLAUSES 12(b) and 58 (Changes to the Parties)	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) SEE CLAUSE 38 (Insurance)- CLAUSE 14 DOES NOT APPLY
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) SEE CLAUSE 38 (Insurance)	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) SEE CLAUSE 38 (Insurance)
32. Latent defects (only to be filled in if period other than stated in Cl. 3) N/A	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) N/A	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) <u>SEE CLAUSE 30 (Dispute Resolution)</u>
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) No, Part III does not apply	38. Name and place of Builders (only to be filled in if PART III applies) N/A
39. Vessel's Yard Building No. (only to be filled in if PART III applies)	40. Date of Building Contract (only to be filled in if PART III applies) N/A
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) N/A b) c)	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) NO, PART IV DOES NOT APPLY	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) NO, PART V DOES NOT APPLY
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) N/A	45. Country of the Underlying Registry (only to be filled in if PART V applies) N/A
46. Number of additional clauses covering special provisions, if agreed CLAUSE 32 (Charter Period) TO CLAUSE 61 (Definitions) AND SCHEDULE 1 TO SCHEDULE 3	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

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Signature (Owners)	Signature (Charterers)
/s/ Cao Jiong Cao Jiong Attorney-in-Fact	/s/ Stavros Gyftakis Stavros Gyftakis Attorney-in-Fact

PART II
BARECON 2001 Standard Bareboat Charter

1 1. Definitions

2 In this Charter capitalised terms not otherwise defined herein have the meaning given to them in the Additional
3 Clauses and, the following terms shall have the meanings hereby assigned to them:

4 "Additional Clauses" means Clause 32 (Charter Period) to Clause 610 (Definitions) appended to this Charter;

5 "The Owners" shall mean the party identified in Box 3.

6 "The Charterers" shall mean the party identified in Box 4.

7 "The Vessel" shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

8 "Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as
9 annexed to this Charter and stated in Box 28.

10 2. Charter Period

11 In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to
12 hire the Vessel for the period stated in Box 21 ("The Charter Period"). See also Clause 32 (Charter Period).

13 3. Delivery

14 (not applicable when Part III applies, as indicated in Box 37)

15 ~~(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in~~
16 ~~every respect ready in hull, machinery and equipment for service under this Charter.~~

17 The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in
18 Box 13 ~~in such ready safe berth as the Charterers may direct.~~

19 (b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in
20 Box 5 and the requirements of the classification society stated in Box 10. ~~The Vessel upon delivery shall have her~~
21 ~~survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box~~
22 ~~12.~~

23 (c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a
24 full performance by the Owners of all the Owners' obligations under this Clause 3, and thereafter the Charterers
25 shall not be entitled to make or assert any claim against the Owners on account of any conditions,
26 representations or warranties expressed or implied with respect to the Vessel ~~but the Owners shall be liable for~~
27 ~~the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or~~
28 ~~appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested~~
29 ~~themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

30 4. Time for Delivery (See Clause 34) (Delivery of Vessel)

31 ~~(not applicable when Part III applies, as indicated in Box 37)~~

32 ~~The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers' consent and the~~
33 ~~Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.~~

34 ~~Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days'~~
35 ~~preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is~~
36 ~~expected to be ready for delivery. The Owners shall keep the Charterers closely advised of possible changes in~~
37 ~~the Vessel's position.~~

38 5. Cancelling (See Clause 33) (Cancellation)

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PART II
BARECON 2001 Standard Bareboat Charter

- 39 ~~{not applicable when Part III applies, as indicated in Box 37}~~
- 40 ~~(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the~~
41 ~~option of cancelling this Charter by giving the Owners notice of cancellation within thirty six (36) running hours~~
42 ~~after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~
- 43 ~~(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in~~
44 ~~a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to~~
45 ~~the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared~~
46 ~~within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within~~
47 ~~thirty six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then~~
48 ~~exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be~~
49 ~~substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~
- 50 ~~(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on~~
51 ~~the Owners under this Charter.~~
- 52 **6. Trading Restrictions**
- 53 The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise operation within
54 the trading limits indicated in Box 20.
- 55 The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in
56 conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein)
57 without first obtaining the consent of the insurers to such employment and complying with such requirements
58 as to extra premium or otherwise as the insurers may prescribe.
- 59 The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which
60 is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or
61 prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction,
62 seizure or confiscation.
- 63 Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive
64 products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter.
65 This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial,
66 agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading
67 thereof.
- 68 **7. Surveys on ~~Delivery and Redelivery~~**
- 69 ~~{not applicable when Part III applies, as indicated in Box 37}~~
- 70 The Owners ~~and Charterers shall be entitled to each~~ appoint surveyors ~~or the Charterers shall be entitled to~~
71 ~~appoint surveyors (subject to such appointment being accepted in writing by the Owners) for the purpose of~~
72 ~~determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery pursuant~~
73 ~~to Clause 40 (with the relevant costs paid by the Charterers) hereunder. The Owners shall bear all expenses of~~
74 ~~the On hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off hire Survey~~
75 ~~including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.~~
- 76 **8. Inspection (See Clause 46(A)) (Inspection of Vessel)**
- 77 The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect or survey
78 the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf:
- 79 ~~(a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and~~
80 ~~maintained. The Charterers shall pay for the costs and fees for such inspection or survey up to once every~~
81 ~~calendar year. For such inspection or survey carried out for the second or subsequent time within a calendar~~
82 ~~year, without prejudice to paragraphs (b) to (d) below in this Clause, the costs and fees incurred shall be paid~~
83 ~~by the Owners unless the Vessel is found to require repairs or maintenance in order to achieve the condition so~~

PART II
BARECON 2001 Standard Bareboat Charter

- 84 ~~provided (in which case the Charterers shall pay the costs and fees of such inspection or survey);~~
- 85 ~~(b) in dry dock if the Charterers have not dry docked Her in accordance with Clause 10(g). The costs and fees for~~
86 ~~such inspection or survey shall be paid by the Charterers; and~~
- 87 ~~(c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the~~
88 ~~commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the~~
89 ~~Owners;~~
- 90 ~~(d) at any time following the occurrence of a Potential Termination Event or Termination Event (and in such case~~
91 ~~the costs and fees for such inspection or survey shall be paid by the Charterers).~~
- 92 All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter
93 Period.
- 94 The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever
95 required by the Owners furnish them with full information regarding any casualties or other accidents or damage
96 to the Vessel.
- 97 9. Inventories, Oil and Stores
- 98 A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all
99 consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on
100 delivery and again on redelivery (if applicable) of the Vessel. The Charterers and the Owners, respectively, shall
101 at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroadcast provisions,
102 paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market
103 prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed
104 in the inventory and used during the Charter Period are replaced at their expense prior to redelivery (if applicable)
105 of the Vessel.
- 106 10. Maintenance and Operation
- 107 (a) (i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the
108 absolute disposal for all purposes of the Charterers and under their complete control in every respect. The
109 Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of
110 repair, in efficient operating condition and in accordance with good commercial maintenance practice and,
111 except as provided for in Clause 14(i), if applicable, at their own expense they shall at all times keep the Vessel's
112 Class classification fully up to date with the Classification Society indicated in Box 10 and maintain all other
113 necessary certificates in force at all times.
- 114 (ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new
115 equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements
116 by compulsory legislation, the Charterers shall ensure that the same are complied with and the time and cost of
117 compliance shall be on the Charterers' account. class requirements or by compulsory legislation costing
118 (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5
119 per cent of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall
120 be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order
121 to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia,
122 to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the
123 dispute resolution method agreed in Clause 30.
- 124 (iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party
125 liabilities as required by any government, including federal, state or municipal or other division or authority
126 thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place,
127 territorial or contiguous waters of any country, state or municipality in performance of this Charter without any
128 delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such
129 government or division or authority thereof.

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BARECON 2001 Standard Bareboat Charter

- 130 The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy
131 such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all
132 consequences whatsoever (including loss of time) for any failure or inability to do so.
- 133 (b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual,
134 navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they
135 shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of
136 the Vessel under this Charter, including annual Flag State fees and any foreign general municipality and/or state
137 taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes
138 whatsoever, even if for any reason appointed by the Owners.
- 139 Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's
140 flag or any other applicable law.
- 141 (c) The Charterers shall keep the Owners and ~~the any~~ mortgagee(s) advised of the intended employment, planned
142 dry-docking and major repairs of the Vessel, as reasonably required.
- 143 (d) Flag and Name of Vessel – During the Charter Period, the Charterers shall have the liberty to paint the Vessel in
144 their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also
145 have the liberty, with the Owners' consent, ~~which shall not be unreasonably withheld~~ and which, subject to
146 Clause 41.4, shall be granted in the case of a Flag State, to change the flag and/or the name of the Vessel
147 during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-
148 registration, ~~if required by the Owners~~, shall be at the Charterers' expense and time. The Charterers shall also
149 have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the
150 classification society (to be a member of International Association of Classification Societies) during the Charter
151 Period and such expense shall be for Charterer's account.
- 152 (e) Changes to the Vessel – Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel
153 or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing
154 the Owners' approval thereof. ~~if the Owners so agree, the~~ Charterers shall, if the Owners so require, restore
155 the Vessel to its former condition ~~before the termination of this Charter.~~
- 156 (f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment,
157 and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent
158 shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary
159 wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of
160 equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs
161 to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards
162 workmanship and quality of materials) as not to diminish the value of the Vessel. Title of any equipment so
163 replaced shall, unless agreed between the Owners and the Charterers, remain with the Owners. The Charterers
164 have the right to fit additional equipment at their expense and risk (provided that no permanent structural
165 damage is caused to the Vessel by reason of such installation) and ~~but~~ the Charterers shall at their expenses
166 remove such equipment and make good any damage caused by the fitting or removal of such additional
167 equipment at the end of the period if requested by the Owners at the time of redelivery of the Vessel. Any
168 equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by
169 the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease
170 contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection
171 therewith, also for any new equipment required in order to comply with radio regulations.
- 172 (g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts
173 whenever the same may be necessary in accordance with Classification Society of Flag State requirements, but
174 not less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar
175 months after delivery or such other period as may be required by the Classification Society or flag state.
- 176 11. Hire (See Clause 36) (Charterhire)
- 177 ~~(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect~~
178 ~~of which time shall be of the essence.~~

PART II
BARECON 2001 Standard Bareboat Charter

- 179 ~~(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22~~
180 ~~which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable~~
181 ~~on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the~~
182 ~~Charter Period.~~
- 183 ~~(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25~~
184 ~~and at the place mentioned in Box 26.~~
- 185 ~~(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally~~
186 ~~according to the number of days and hours remaining before redelivery and advance payment to be effected~~
187 ~~accordingly.~~
- 188 ~~(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of.~~
189 ~~The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last~~
190 ~~reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to~~
191 ~~be adjusted accordingly.~~
- 192 ~~(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If~~
193 ~~Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) for the~~
194 ~~currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due,~~
195 ~~increased by 2 per cent, shall apply.~~
- 196 ~~(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the~~
197 ~~Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire~~
198 ~~payment date.~~
- 199 **12. Mortgage**
- 200 ~~(only to apply if Box 28 has been appropriately filled in)~~
- 201 ~~(a)* The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any~~
202 ~~mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- 203 ~~(b)* The Vessel chartered under this Charter may be financed by a mortgage(s) according to the Financial~~
204 ~~Instruments.~~
- 205 The Charterers undertake to comply, and provide such information and documents to enable the Owners to
206 comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and
207 maintenance of the Vessel as laid down in the Financial Instruments or as may be directed from time to time
208 during the currency of the Charter by the mortgagee(s) in conformity with each the Financial Instrument (if any)
209 as long as the requested information and documents are reasonably required. The Charterers confirm that, for
210 this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial
211 Instrument and agree to acknowledge each Financial Instrument (if any) this in writing in any form that may be
212 reasonably required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other
213 than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28
214 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably
215 withheld.
- 216 ~~*(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).~~
- 217 **13. Insurance and Repairs (See also Clause 38)**
- 218 (a) Without prejudice to Clause 38 (Insurance), during the Charter Period the Vessel shall be kept insured by the
219 Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks
220 against which it is compulsory to insure for the operation of the Vessel, including but not limited to maintaining
221 financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve,
222 which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to
223 protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers

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BARECON 2001 Standard Bareboat Charter

- 224 shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance
225 policies shall cover the Owners and the Charterers according to their respective interests.
- 226 Subject to the provisions of ~~the Financial Instrument, if~~ the agreed loss payable clauses, any, and the approval of
227 the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and
228 reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses
229 and liabilities to the extent of coverage under the insurances herein provided for.
- 230 The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred
231 thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible
232 franchise(s) or deductibles provided for in the insurances.
- 233 All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to
234 Clause 3(c) above, including any deviation, shall be for the Charterers' account.
- 235 ~~(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall~~
236 ~~be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers~~
237 ~~as the case may be shall immediately~~ timely furnish the Owners other party with particulars of any additional
238 insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any
239 such required insurance in any case where the consent of such insurers is necessary.
- 240 (c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents
241 as may be required to enable the Owners to comply with the insurance provisions of each ~~the~~ Financial
242 Instrument (if any).
- 243 ~~(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive,~~
244 ~~compromised or agreed a~~ Total ~~Loss~~ under the insurances required under sub-clause 13(a), all insurance
245 payments for such loss shall be paid to the Owners (or if applicable, its financiers) in accordance with the agreed
246 loss payable clauses, who shall distribute the moneys between the Owners and the Charterers according to their
247 respective interests, who shall distribute the moneys between the Owners and the Charterers according to this
248 Charter. The Charterers undertake to notify the Owners and the mortgagee(s), ~~if any~~, of any occurrences in
249 consequence of which the Vessel is likely to become a Total ~~Loss as defined in this Clause~~.
- 250 ~~(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to~~
251 ~~enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.~~
- 252 (f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-
253 clause 13(a), the value of the Vessel is the sum indicated in Clause 38 (Insurance) ~~Box 29~~.
- 254 14. Insurance, Repairs and Classification
- 255 ~~{Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted}.~~
- 256 ~~(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and~~
257 ~~machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall~~
258 ~~not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the~~
259 ~~Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to~~
260 ~~discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies~~
261 ~~shall cover the Owners and the Charterers according to their respective interests.~~
- 262 ~~(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection~~
263 ~~and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel,~~
264 ~~including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall~~
265 ~~in writing approve which approval shall not be unreasonably withheld.~~
- 266 ~~(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the~~
267 ~~Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which~~
268 ~~would otherwise have been covered by such insurance.~~

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- ~~(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a).~~
- ~~The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.~~
- ~~(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.~~
- ~~(f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.~~
- ~~The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.~~
- ~~(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~
- ~~(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.~~
- ~~(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.~~
- ~~(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.~~
- ~~(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.~~
- ~~(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.~~
15. **Redelivery - See Clause 40 (Termination, Redelivery, and Total Loss)**
- ~~At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in Box 16, in such ready-safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery.~~
- ~~Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.~~
- ~~The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.~~

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- 313 Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good
314 structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class
315 excepted.
- 316 The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at
317 least the number of months agreed in Box 17.
- 318 16. Non-Lien
- 319 The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their
320 agents, which might have priority over the title and interest of the Owners in the Vessel (except for Permitted
321 Security Interests). The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so
322 fastened during the Charter Period a notice reading as follows:
- 323 "This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of
324 the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or
325 permit to be imposed on the Vessel any lien whatsoever or a notice in such form as may be required by any
326 mortgagee."
- 327 17. Indemnity (See Clause 50)(Indemnities)
- 328 ~~(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising~~
329 ~~out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature~~
330 ~~arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by~~
331 ~~reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their~~
332 ~~own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including~~
333 ~~the provision of bail.~~
- 334 ~~Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all~~
335 ~~consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.~~
- 336 ~~(b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners~~
337 ~~shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released,~~
338 ~~including the provision of bail.~~
- 339 ~~In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred~~
340 ~~by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.~~
- 341 18. Lien
- 342 The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any
343 sub-charterers and any Bill of Lading freight for all claims under this Charter, ~~and the Charterers to have a lien on~~
344 ~~the Vessel for all moneys paid in advance and not earned.~~
- 345 19. Salvage
- 346 All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing
347 damage occasioned thereby shall be borne by the Charterers.
- 348 20. Wreck Removal
- 349 In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the
350 Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence
351 of the Vessel becoming a wreck or obstruction to navigation.
- 352 21. General Average
- 353 The Owners shall not contribute to General Average.

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- 354 22. Assignment, Sub-Charter and Sale (See Clause 58) (Changes to the Parties))
- 355 ~~(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior~~
356 ~~consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and~~
357 ~~conditions as the Owners shall approve.~~
- 358 ~~(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of~~
359 ~~the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of~~
360 ~~this Charter.~~
- 361 23. Contracts of Carriage
- 362 (a)* The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and
363 conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation
364 relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the
365 documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and
366 the Both-to-Blame Collision Clause.
- 367 ~~(b)* The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of~~
368 ~~passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation~~
369 ~~relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such~~
370 ~~legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of~~
371 ~~Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~
- 372 *Delete as applicable.
- 373 24. ~~Bank~~Corporate Guarantee
- 374 ~~(Optional, only to apply if Box 27 filled in)~~
- 375 The Charterers undertake to furnish, on or about the date of this Charter before delivery of the Vessel, a first
376 class bank corporate guarantees from the Guarantors or bond in the sum and at the place as indicated in Box 27
377 as guarantee and the other Security Documents at Delivery (except for the Account Security which can be signed
378 before delivery of the Vessel) for full performance of their obligations under this Charter.
- 379 25. Requisition/Acquisition
- 380 (a) Subject to the provisions of the Financial Instruments (if any), in the event of the Requisition for Hire of the
381 Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire")
382 irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the
383 length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether
384 it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby
385 or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated
386 hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to
387 any of the provisions hereof always provided however that if all hire has been paid by the Charterers hereunder
388 then in the event of "Requisition for Hire" any Requisition Hire or compensation is received or receivable by the
389 Owners, the same shall be payable to the Charterers during the remainder of the Charter Period or the period of
390 the "Requisition for Hire" whichever be the shorter.
- 391 ~~(b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the~~
392 ~~Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as~~
393 ~~"Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory~~
394 ~~Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition".~~
395 ~~In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory~~
396 ~~Acquisition".~~
- 397 26. War

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- 398 (a) Subject to the provisions of the Financial Instruments (if any), ~~For~~ the purpose of this ~~Clause~~ clause, the words
399 "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution,
400 rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy,
401 acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or
402 imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise
403 howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which
404 may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on
405 board the Vessel.
- 406 (b) The Vessel, unless the written consent of the Owners be first obtained and adequate insurances are obtained
407 (such adequacy to be determined by the Owners (acting reasonably)), shall not continue to or go through any
408 port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that
409 the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners,
410 may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid,
411 which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners
412 shall have the right to require the Vessel to leave such area.
- 413 (c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed
414 on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or
415 against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject,
416 or is likely to be subject to a belligerent's right of search and/or confiscation.
- 417 ~~(d) If the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums~~
418 ~~and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within,~~
419 ~~any area or areas which are specified by such insurers as being subject to additional premiums because of War~~
420 ~~Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as~~
421 ~~the next payment of hire is due.~~
- 422 (e) The Charterers shall have the liberty:
- 423 (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in
424 convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which
425 are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or
426 group whatsoever acting with the power to compel compliance with their orders or directions;
- 427 (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the
428 authority to give the same under the terms of the war risks insurance;
- 429 (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of
430 the European Community, the effective orders of any other Supranational body which has the right to issue and
431 give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey
432 the orders and directions of those who are charged with their enforcement.
- 433 (f) In the event of outbreak of war ~~(whether there be a declaration of war or not)~~
- 434 ~~(i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom;~~
435 ~~France; and the People's Republic of China;~~
- 436 ~~(ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right~~
437 ~~to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with~~
438 ~~Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarré under this Clause~~
439 ~~from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo~~
440 ~~on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the~~
441 ~~Owners. In all cases hire shall continue to be paid in accordance with Clause 11 (Hire) and except as aforesaid all~~
442 ~~other provisions of this Charter shall apply until redelivery.~~
- 443 27. — Commission

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444 The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid
445 under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the
446 actual expenses of the Brokers and a reasonable fee for their work.

447 If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall
448 indemnify the Brokers against their loss of commission.

449 Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of
450 commission but in such case the commission shall not exceed the brokerage on one year's hire.

451 **28. Termination** (See Clauses 40 (Termination, Redelivery and Total Loss) and 44 (Termination Events))

452 (a) ~~Charterers' Default~~

453 The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter
454 with immediate effect by written notice to the Charterers if:

455 (i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual
456 payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers,
457 the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as
458 recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such
459 number of days following the Owners' notice, the payment shall stand as regular and punctual.

460 Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners'
461 notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and
462 terminate the Charter without further notice;

463 (ii) the Charterers fail to comply with the requirements of:

464 (1) ~~Clause 6 (Trading Restrictions)~~

465 (2) ~~Clause 13(a) (Insurance and Repairs)~~

466 provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a
467 specified number of days grace within which to rectify the failure without prejudice to the Owners' right to
468 withdraw and terminate under this Clause if the Charterers fail to comply with such notice;

469 (iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance
470 and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any
471 event so that the Vessel's insurance cover is not prejudiced.

472 (b) ~~Owners' Default~~

473 If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that
474 the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14)
475 running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall
476 be entitled to terminate this Charter with immediate effect by written notice to the Owners.

477 (c) ~~Loss of Vessel~~

478 This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive
479 or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be
480 lost unless she has either become an actual total loss or agreement has been reached with her underwriters in
481 respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is
482 not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

483 (d) ~~Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party~~
484 ~~in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or~~
485 ~~bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver~~

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486 ~~is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or~~
487 ~~composition with its creditors.~~

488 ~~(c) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to~~
489 ~~the date of termination and to any claim that either party might have.~~

490 29. Repossession

491 Subject to Clause 40.4, in the event of the termination of this Charter in accordance with the applicable provisions
492 of Clause 44 (Termination Events)~~Clause 28~~, the Owners shall have the right to repossess the Vessel from the
493 Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or
494 interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in
495 accordance with this Clause 29 (Repossession), the Charterers shall hold the Vessel as gratuitous bailee only to
496 the Owners and the Charterers shall procure that the master and crew follow the orders and directions of the
497 Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably
498 practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the
499 Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements
500 and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master,
501 officers and crew shall be the sole responsibility of the Charterers.

502 30. Dispute Resolution

503 a)* This Contract and any non-contractual obligations arising under or in connection with it, shall be governed by
504 and construed in accordance with English law and.

505 b) Any dispute arising out of or in connection with this ~~c~~Contract shall be referred to and finally resolved by
506 arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-
507 enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

508 c) The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA)
509 Terms current at the time when the arbitration proceedings are commenced.

510 d) The reference shall be to three (3) arbitrators. A party wishing to refer a dispute to arbitration shall appoint its
511 arbitrator and send notice of such appointment in writing to the other party requiring the other party to
512 appoint its own arbitrator within fourteen (14) calendar days of the date that the notice is delivered to the
513 other party and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its
514 own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party
515 does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified,
516 the party referring a dispute to arbitration may, without the requirement of any further prior notice to the
517 other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a
518 sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

519 e) Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the
520 appointment of a sole arbitrator.

521 f) Where the reference is to three (3) arbitrators the procedure for making appointments shall be in accordance
522 with the procedure for full arbitration stated above.

524 g) In cases where neither the claim nor any counterclaim exceeds the sum of US\$~~5~~100,000 (or such other sum as
525 the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure
526 current at the time when the arbitration proceedings are commenced.

527 h) The language of the arbitration shall be English.

529 ~~(b)* This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the~~
530 ~~Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be~~
531 ~~referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the~~

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532 two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any
533 award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall
534 be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.

535 In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the
536 parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure
537 of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.

538 ~~(c)* This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by~~
539 ~~the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a~~
540 ~~mutually agreed place, subject to the procedures applicable there.~~

541 ~~(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference~~
542 ~~and/or dispute arising out of or in connection with this Contract.~~

543 In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following
544 shall apply:

545 (i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by
546 service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to
547 mediation.

548 (ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree
549 to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days,
550 failing which on the application of either party a mediator will be appointed promptly by the Arbitration
551 Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be
552 conducted in such place and in accordance with such procedure and on such terms as the parties may agree or,
553 in the event of disagreement, as may be set by the mediator.

554 (iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be
555 taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

556 (iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers
557 necessary to protect its interest.

558 (v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue
559 during the conduct of the mediation but the Tribunal may take the mediation timetable into account when
560 setting the timetable for steps in the arbitration.

561 (vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the
562 mediation and the parties shall share equally the mediator's costs and expenses.

563 (vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed
564 during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and
565 procedure governing the arbitration.

566 (Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

567 (e) ~~If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall~~
568 ~~apply in all cases.~~

569 *Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.

570 31. **Notices (see Clause 43 (Notices))**

571 (a) ~~Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex,~~
572 ~~registered or recorded mail or by personal service.~~

573 (b) ~~The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.~~

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(Optional, only to apply if expressly agreed and stated in Box 37)

1. ~~Specifications and Building Contract~~

- (a) ~~The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter-signed as approved by the Charterers.~~
- (b) ~~No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.~~
- (c) ~~The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.~~
- (d) ~~The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.~~

~~Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies.~~

~~However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.~~

~~Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties.~~

~~The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.~~

2. ~~Time and Place of Delivery~~

- (a) ~~Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.~~
- (b) ~~If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers~~

and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

- ~~(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon~~
- ~~(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or~~
- ~~(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;~~
- ~~(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;~~
- ~~(iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.~~
- ~~(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.~~

~~3. Guarantee Works~~

~~If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.~~

~~4. Name of Vessel~~

~~The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.~~

~~5. Survey on Redelivery~~

~~The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of redelivery.~~

~~Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.~~

PART IV
HIRE/PURCHASE AGREEMENT
(Optional, only to apply if expressly agreed and stated in Box 42)

~~On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.~~

~~In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.~~

~~The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.~~

~~The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.~~

~~In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.~~

~~The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.~~

~~The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.~~

~~The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.~~

~~The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.~~

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY
(Optional, only to apply if expressly agreed and stated in Box 43)

1. ~~Definitions~~

~~For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:~~

~~"The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.~~

~~"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.~~

2. ~~Mortgage~~

~~The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.~~

3. ~~Termination of Charter by Default~~

~~If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.~~

~~In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.~~

EXECUTION VERSION

ADDITIONAL CLAUSES TO STANDARD BAREBOAT CHARTER

CLAUSE 32 – CHARTER PERIOD

32.1 For the avoidance of doubt, notwithstanding the fact that the Charter Period shall commence on the Commencement Date, this Charter shall be:

- (a) in full force and effect; and
- (b) valid, binding and enforceable against the parties hereto,

with effect from the date hereof until the end of the Charter Period (subject to the terms of this Charter).

32.2 The Charter Period shall, subject to the terms of this Charter, continue for a period of thirty- six (36) months from the Commencement Date.

CLAUSE 33 – CANCELLATION

If the MOA expires, is cancelled, terminated, rescinded or suspended or otherwise ceases to remain in full force and effect for any reason, then this Charter shall immediately terminate and be cancelled (with the exception of Clause 50 (*Indemnities*) and other provisions hereof expressed to survive such termination or cancellation) without the need for either of the Owners or the Charterers to take any action whatsoever provided however that, in consideration of the Owners entering into the MOA and this Charter as at the date hereof, the Owners shall be entitled to retain all indemnified expenses and/or fees paid by the Charterers under the MOA, this Charter and the other Leasing Documents, and such payment shall not be construed as a penalty but shall represent an agreed estimate of the loss and damage suffered by the Owners in entering into this Charter upon the terms and conditions contained herein and shall therefore be paid as compensation by the Charterers.

CLAUSE 34 – DELIVERY OF VESSEL

34.1 This Charter is part of a transaction involving the sale, purchase and charter back of the Vessel and constitutes one of the Leasing Documents.

34.2 The obligation of the Owners to charter the Vessel to the Charterers hereunder is subject to and conditional upon:

- (a) the delivery of the Vessel to the Owners (as buyers under the MOA) by the Charterers (as sellers under the MOA) pursuant to the MOA;
 - (b) no Potential Termination Event or Termination Event having occurred from the date of this Charter to the last day of the Charter Period;
 - (c) the representations and warranties contained in Clause 45 (*Representations and Warranties*) being true and correct on the date hereof and each day thereafter until and including the last day of the Charter Period;
 - (d) Delivery occurring on or before the Cancelling Date;
-

- (e) the Initial Sub-charter remains in full force and effect on Delivery and evidence satisfactory to the Owners that the Vessel shall continue to be subject to the Initial Sub-charter, and it is delivered to and employed by the Initial Sub-charterer thereunder, on the Commencement Date;
- (f) the Owners (by themselves or by their legal counsels) having received from the Charterers:
 - (i) on or before the date falling five (5) Business Days (or such other period as the Owners may agree in their sole discretion or as otherwise specified in Part A of Schedule 2) prior to the Prepositioning Date, the documents or evidence set out in Part A of Schedule 2 in form and substance satisfactory to them;
 - (ii) on the Commencement Date and prior to or simultaneously with the Owners executing a dated and timed copy of the protocol of delivery and acceptance evidencing delivery of the Vessel under the MOA, the documents or evidence set out in Part B of Schedule 2 in form and substance satisfactory to them; and
 - (iii) after Delivery, the documents and evidence set out in Part C of Schedule 2 in form and substance satisfactory to them within the time periods set out thereunder.

and if any of the documents listed in sub-clauses (i) and (ii) above are not in the English language then they shall be accompanied by an English translation.

- 34.3 The conditions precedent and conditions subsequent specified in Clause 34.2(e) (*Delivery of Vessel*) are inserted for the sole benefit of the Owners and may be waived or deferred in whole or in part and with or without conditions by the Owners. Upon the requirements of Clause 34.2 (*Delivery of Vessel*) being fulfilled or waived to the satisfaction of the Owners, the Owners shall give notice thereof in writing to the Charterers.
- 34.4 On delivery to and acceptance by the Owners (as buyers under the MOA) of the Vessel under the MOA from the Charterers (as sellers under the MOA) and subject to the provisions of this Clause, the Vessel shall be deemed to have been delivered to, and accepted without reservation by, the Charterers under this Charter on an "as is where is" basis and in such condition as the Vessel was delivered to the Owners (as buyers under the MOA) under the MOA with, for the avoidance of doubt, any faults, deficiencies, defect and errors of description and the Charterers shall become and be entitled to the possession and use of the Vessel on and subject to the terms and conditions of this Charter.
- 34.5 On Delivery, as evidence of the commencement of the Charter Period, the Charterers shall sign and deliver to the Owners, the Acceptance Certificate. Without prejudice to this Clause, the Charterers shall be deemed to have accepted the Vessel under this Charter and the commencement of the Charter Period having started, on Delivery even if for whatever reason, the Acceptance Certificate is not signed.
- 34.6 Without prejudice to and notwithstanding the provisions of this Clause, the Charterers shall not be entitled for any reason whatsoever to refuse to accept delivery of the Vessel under this Charter once the Vessel has been delivered to and accepted by the Owners (as buyers under the MOA) under the MOA from the Charterers (as sellers under the MOA), and the Owners shall not be liable for any losses, costs or expenses whatsoever or howsoever arising including without limitation, any loss of profit or any loss or otherwise:

- (a) resulting directly or indirectly from any defect or alleged defect in the Vessel or any failure of the Vessel; or
 - (b) arising from any delay in the commencement of the Charter Period or any failure of the Charter Period to commence.
- 34.7 Without prejudice to Clause 9 (*Inventories, Oil and Stores*), the Owners shall not be obliged to deliver the Vessel to the Charterers with any bunkers and unused lubricating oils and greases in storage tanks and unopened drums of the Vessel except for such items which are already on the Vessel on Delivery. The Owners shall not be responsible for the fitness, quality or quantity of any such bunkers and unused lubricating oils and hydraulic oils and greases and the Charterers shall make no claim against the Owners in respect of the same.

CLAUSE 35 – QUIET ENJOYMENT

Provided that the Charterers do not breach the terms of any Assignable Sub-charter and that no Termination Event or Total Loss has occurred at any relevant time, the Owners hereby irrevocably agree not to disturb or interfere with the Charterers' lawful use, possession and quiet enjoyment of the Vessel during the Charter Period in any way whatsoever. The Owners shall, on or prior to any assignment, transfer or sale of the Vessel and/or the Leasing Documents by the Owners as permitted under Clause 58.2 (*Assignment or transfer by the Owners*), use reasonable endeavours to procure that the Owners' Financier (if any) enters into a quiet enjoyment agreement with the Charterers on such terms as may be acceptable to the Charterers.

CLAUSE 36 – CHARTERHIRE

- 36.1 In consideration of the Owners agreeing to charter the Vessel to the Charterers under this Charter at the request of the Charterers, the Charterers hereby irrevocably and unconditionally agree to pay to the Owners the Charterhire and the Advance Charterhire in respect of the chartering of the Vessel.
- 36.2 The Charterers shall pay to the Owners an amount equivalent to the Advance Charterhire (on a non-refundable basis) on the Commencement Date, which payment shall be deemed to have been effected on the Commencement Date by setting off the Charterers' obligation to pay the Advance Charterhire against the Owners' obligation as buyers to pay that part of the Purchase Price in an amount equal to the Advance Charterhire, to the Charterers (as sellers under the MOA) on the Commencement Date pursuant to clause 18(b)(i) of the MOA.
- 36.3 Following Delivery, the Charterers shall pay, on each Payment Date, a monthly instalment of Charterhire to the Owners monthly in arrears and each instalment of Charterhire shall consist of:
- (a) a fixed component (the "**Fixed Charterhire**"), being an amount equal to:
 - (i) in relation to the first (1st) to the thirty-fifth (35th) Payment Date (both inclusive), US\$138,888.89; and
 - (ii) in relation to the thirty-sixth (36th) Payment Date, US\$138,888.85; and
 - (b) the Variable Charterhire in respect of the relevant Term.

- 36.4 The Vessel shall not at any time be deemed off-hire and the Charterers' obligation to pay all Charterhire and any other amounts payable under this Charter shall be paid in Dollars and shall be absolutely and unconditionally payable under any and all circumstances and shall not be affected by any circumstances of any nature whatsoever including but not limited to:
- (a) (except in the case of the Advance Charterhire and/or the Upfront Fee, as the case may require) any set off, counterclaim, recoupment, defence, claim or other right which the Charterers may at any time have against the Owners or any other person for any reason whatsoever including, without limitation, any act, omission or breach on the part of the Owners under this Charter or any other agreement at any time existing between the Owners and the Charterers;
 - (b) any change, extension, indulgence or other act or omission in respect of any indebtedness or obligation of the Charterers, or any sale, exchange, release or surrender of, or other dealing in, any security for any such indebtedness or obligation;
 - (c) any unavailability of the Vessel, including, any title defect or encumbrance or any dispossession of the Vessel by title paramount or otherwise;
 - (d) any defect in the seaworthiness, condition, value, design, merchantability, operation or fitness for use of the Vessel or the ineligibility of the Vessel for any particular trade, or for registration or documentation under the laws of any relevant jurisdiction;
 - (e) the Total Loss or any damage to or forfeiture or court marshal's or other sale of the Vessel;
 - (f) any libel, attachment, levy, detention, sequestration or taking into custody of the Vessel or any restriction or prevention of or interference with or interruption or cessation in, the use or possession thereof by the Charterers;
 - (g) any insolvency, bankruptcy, reorganization, arrangement, readjustment, dissolution, liquidation or similar proceedings by or against the Charterers or any other Obligors;
 - (h) any invalidity, unenforceability, lack of due authorization or other defects, or any failure or delay in performing or complying with any of the terms and provisions of this Charter or any of the Leasing Documents or any Assignable Sub-charter by any party to this Charter or any other person;
 - (i) any enforcement or attempted enforcement by the Owners of their rights under this Charter or any of the Leasing Documents or any Assignable Sub-charter executed or to be executed pursuant to this Charter;
 - (j) any loss of use of the Vessel due to deficiency or default or strike of officers or crew, fire, breakdown, damage, accident, defective cargo or any other cause which would or might but for this provision have the effect of terminating or in any way affecting any obligation of the Charterers under this Charter; or
 - (k) any prevention, delay, deviation or disruption in the use of the Vessel resulting from the wide outbreak of any viruses or any other highly infectious or contagious diseases (including the 2019 novel coronavirus), including but not limited to those caused by:
 - (i) closure of ports;

- (ii) prohibitions or restrictions against the Vessel calling at or passing through certain ports;
- (iii) restriction in the movement of personnel and/or shortage of labour affecting the operation of the Vessel or the operation of the ports (including stevedoring operations);
- (iv) quarantine regulations affecting the Vessel, its cargo, the crew members or relevant port personnel;
- (v) fumigation or cleaning of the Vessel; or
- (vi) any claims raised by any Sub-charterer or manager of the Vessel that a force majeure event or termination event (or any other analogous event, howsoever called) has occurred under the relevant charter agreement or management agreement (as the case may be) of the Vessel as a result of the outbreak of such virus or disease.

- 36.5 All payments of the Charterhire, the Advance Charterhire, the Upfront Fee and any other moneys payable hereunder shall be made in Dollars.
- 36.6 Time of payment of the Charterhire, the Advance Charterhire, the Upfront Fee and any other payments by the Charterers shall be of the essence of this Charter and shall be received by the Owners in same day available funds and not later than 5.00 pm (Shanghai time) on the due date of such payment.
- 36.7 All Charterhire, Advance Charterhire, Upfront Fee and any moneys payable hereunder shall be payable by the Charterers to the Owners to such account as the Owners may notify the Charterers in writing from time to time.
- 36.8 Payment of the Charterhire, the Advance Charterhire, the Upfront Fee and any other amounts payable by the Charterers to the Owners under the Leasing Documents shall be at the Charterers' risk until receipt by the Owners.
- 36.9 All stamp duty, value added tax, withholding or other taxes and import and export duties and all other similar types of charges which may be levied or assessed on or in connection with:
- (a) the operation of this Charter in respect of the hire and all other payments to be made pursuant to this Charter and the remittance thereof to the Owners; and
 - (b) the import, export, purchase, delivery and re-delivery of the Vessel,

shall be borne by the Charterers (for the avoidance of doubt, the above excludes any income tax or any tax arising from the Owners' shares by competent tax authorities in their domicile, which shall be borne by the Owners). The Charterers shall pay, if applicable, value added tax and other similar tax levied on any Charterhire, Advance Charterhire, and Upfront Fee and other payments payable under this Charter by addition to, and at the time of payment of, such amounts.

- 36.10 If the Charterers fail to make any payment due under this Charter on the due date, they shall pay interest on such late payment at the default rate of ten per cent. (10%) per annum and accruing from the date on which such payment became due until the date of receipt of payment thereof.

- 36.11 All Variable Charterhire, interest and any other payments under this Charter which are of an annual or periodic nature shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 360-day year.
- 36.12 Any payment which is due to be made on a day which is not a Business Day, shall be made on the preceding Business Day in the same calendar month.
- 36.13 For the purposes of determining the Variable Charterhire:
- (a) if no Term SOFR is available for any relevant Term the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to for that Term;
 - (b) If no Term SOFR is available for any relevant Term and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR;
 - (c) if paragraph (b) above applies but no Historic Term SOFR is available for any relevant Term, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to that Term; and
 - (d) if paragraph (c) above applies but it is not possible to calculate the Interpolated Historic Term SOFR, there shall be no Reference Rate for that Term and Clause 36.17 shall apply.
- 36.14 The Owners shall notify the Charterers of the rate of interest in respect of a Term as soon as reasonably practicable after such rate of interest is determined by the Owners on the Quotation Day.
- 36.15 If, before the Reporting Time, the Owners determine (which determination shall be conclusive and binding) that their cost of funds relating to the then prevailing Outstanding Finance Amount or any part thereof would be in excess of the Reference Rate, the Owners shall promptly notify the Charterers accordingly and Clause 36.17 below shall apply to the prevailing Outstanding Finance Amount or any part thereof for that Term.
- 36.16 Immediately following the notification referred to in Clause 36.15 above, if the Owners and the Charterers so require, the Owners and the Charterers, shall negotiate in good faith (for a period not more than thirty (30) days) with a view to agreeing upon a substitute basis for determining an applicable Interest Rate for that Term. Subject to Clause 36.18, any substitute or alternative basis agreed pursuant to this Clause shall, with the prior written consent of the Parties, be binding on the Parties.
- 36.17 If:
- (a) this Clause 36.17 applies pursuant to Clause 36.13 or 36.15 above;
 - (b) a substitute basis is not so requested and/or agreed pursuant to Clause 36.16 above; or
 - (c) the amendment or waiver to the terms of the Leasing Documents is not so agreed pursuant to Clause 36.18, the applicable Interest Rate shall be the percentage rate per annum which is the sum of:
 - (i) the Margin, and

- (ii) the cost notified by the Owners (expressed as an annual rate of interest) of funding the Outstanding Finance Amount during such Term as reasonably determined by the Owners,

provided that if the rate pursuant to (ii) above is less than zero, the relevant rate shall be deemed to be zero.

If this Clause 36.17 applies pursuant to Clause 36.16 above and the Owners do not notify a Funding Rate to the Charterers by the Reporting Time, the Owners' cost of funds relating to that portion of the Outstanding Finance Amount for that Term shall be deemed, for the purposes of sub-clause(ii) above, to be the Reference Rate.

36.18 If a Published Rate Replacement Event has occurred in relation to any Published Rate for Dollars, the Owners, after consultation with the Charterer, are entitled to request any amendment or waiver (and such costs incurred in relation to such amendment or waiver shall be borne by the Charterers), which relates to:

(a) providing for the use of a Replacement Reference Rate in the place of (or in addition to) that Published Rate; and

(b)

- (i) aligning any provision of any Leasing Document to the use of that Replacement Reference Rate;
- (ii) enabling that Replacement Reference Rate to be used for the calculation of interest under this Charter (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Charter);
- (iii) implementing market conventions applicable to that Replacement Reference Rate;
- (iv) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
- (v) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

and pending any such amendment or waiver and the Replacement Reference Rate being utilised under the Leasing Documents to calculate the Interest Rate, Clause 36.17 shall apply to the calculation of the Interest Rate.

CLAUSE 37 – POSSESSION OF VESSEL

37.1 The Charterers shall not, without the prior written consent of the Owners, assign, mortgage or pledge the Vessel, its Earnings, Insurances, Requisition Compensation or any other interest therein and/or any of its rights and interest under any Sub-charter or any other interest therein and shall not permit the creation or existence of any Security Interest thereon (including for any monies paid in advance and not earned, and for any claims for damages arising from any breach by the Owners of this Charter and other amounts due to the Charterers under this Charter) other than Permitted Security Interests.

- 37.2 The Charterers shall promptly notify in writing any party (as the Owners may request), including any Sub-charterer, that the Vessel is the property of the Owners and the Charterers shall provide the Owners with a copy of such written notification and satisfactory evidence that such party has received such written notification.
- 37.3 If the Vessel is arrested, seized, impounded, forfeited, detained or taken out of their possession or control (whether or not pursuant to any distress, execution or other legal process), the Charterers shall procure the immediate release of the Vessel (whether by providing bail or procuring the provision of security or otherwise do such lawful things as the circumstances may require) and shall immediately notify the Owners of such event.
- 37.4 The Charterers shall pay and discharge or cause any Sub-charterer of the Vessel to pay and discharge all obligations and liabilities whatsoever which have given or may give rise to liens on or claims enforceable against the Vessel and take (and shall procure that any such Sub-charterer shall take) all steps to prevent an arrest (threatened or otherwise) of the Vessel.
- 37.5 Without prejudice to Clause 10(a)(ii) (*New Class and Other Safety Requirements*), any time and costs associated with the re-designing, installation, inspection or docking of the Vessel for the purposes of complying with the requirements of any applicable regulations or conventions which come into force after the date of this Charter, including without limitation to, the International Convention for the Control and Management of Ships' Ballast Water and Sediments, shall be for the account of the Charterers.

CLAUSE 38 – INSURANCE

- 38.1 The Charterers shall procure that insurances are effected in form and substance satisfactory to the Owners and the Owners' Financier (if any) at all times during the Charter Period and that such insurances are:
- (a) in Dollars;
 - (b) in the case of fire and usual marine risks (including hull and machinery) and war risks (including blocking and trapping), on an agreed value basis of at least the higher of (i) one hundred per cent (100%) of the then applicable Market Value of the Vessel or (ii) one hundred and twenty per cent (120%) of the then prevailing Outstanding Finance Amount at the relevant time;
 - (c) in the case of oil pollution liability risks for the Vessel, for an aggregate amount equal to the highest level of cover from time to time available under protection and indemnity club entry and in the international marine insurance market and for an amount of not less than \$1,000,000,000;
 - (d) in relation to protection and indemnity risks (including freight, demurrage and defence cover), in respect of the full tonnage of the Vessel and with a member of the International Group of P&I Clubs, and reputable protection and indemnity club member (in each case, which is acceptable to the Owners and the Owners' Financier (if any));
 - (e) on terms acceptable to the Owners and the Owners' Financier (if any);

- (f) through approved brokers and with first class international insurers and/or underwriters notified to the Owners (having a Standard & Poor's rating of BBB+ or above, a Moody's rating of A or above or an AM Best rating of A- or above) or, in the case of war risks and protection and indemnity risks, in a war risks and protection and indemnity risks associations as notified to the Owners and the Owners' Financier (if any) (including being a member of the International Group of P&I Clubs); and
- (g) on no less favourable terms as may be required under the terms of any Sub-charter.
- 38.2 In addition to the terms set out in Clause 13(a), the Charterers shall procure that the obligatory insurances shall:
- (a) subject always to paragraph (b), name the Owners, the Approved Manager(s) and the Charterers as the only named assureds unless the interest of every other named assured or co-assured is limited:
- (i) in respect of any obligatory insurances for hull and machinery and war risks;
- (1) to any provable out-of-pocket expenses that they have incurred and which form part of any recoverable claim on underwriters; and
- (2) to any third-party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against them); and
- (ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries they are entitled to make by way of reimbursement following discharge of any third-party liability claims made specifically against them,

and every other named assured or co-assured has undertaken in writing to the Owners or the Owners' Financier if any (in such form as they require) that any deductible shall be apportioned between the Charterers and every other named assured or co-assured in proportion to the gross claims made by or paid to each of them and that they shall do all things necessary and provide all documents, evidence and information to enable the Owners and the Owners' Financier (if any) in accordance with the terms of the loss payable clause, to collect or recover any moneys which at any time become payable in respect of the obligatory insurances;

- (b) whenever the Owners or the Owners' Financier (if any) requires:
- (i) in respect of fire and other usual marine risks and war risks, name (or be amended to name) the same as additional named assured for their rights and interests, warranted no operational interest and with full waiver of rights of subrogation against such financiers, but without such financiers thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;
- (ii) in relation to protection and indemnity risks, name (or be amended to name) the same as additional insured or co-assured for their rights and interests to the extent permissible under the relevant protection and indemnity club rules; and
- (iii) name the Owners' Financier (as applicable) and the Owners (as applicable) as respectively the first ranking loss payee and the second ranking loss payee (and in the absence of any financiers, name the Owners as the first ranking loss payee) in accordance with the terms of the relevant loss payable clauses approved by the Owners' Financier and the Owners with such directions for payment in accordance with the terms of such relevant loss payable clause, as the Owners and the Owners' Financier (if any) may specify;

- (c) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Owners and/or the Owners' Financier (as applicable) shall be made without set-off, counterclaim or deductions or condition whatsoever;
- (d) provide that such obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Owners and/or the Owners' Financier (if any);
- (e) provide that the Owners and/or the Owners' Financier (if any) may make proof of loss if the Charterers fail to do so; and
- (f) provide that if any obligatory insurance is cancelled, or if any change is made in the coverage which adversely affects the interest of the Owners and/or the Owners' Financier (if any), or if any obligatory insurance is allowed to lapse for non-payment of premium, such cancellation, change or lapse shall not be effective with respect to the Owners and/or the Owners' Financier (if any) for thirty (30) days after receipt by the Owners and/or the Owners' Financier (if any) of prior written notice from the insurers of such cancellation, change or lapse.

38.3 The Charterers shall:

- (a) at least fourteen (14) days prior to Delivery (or such lesser period agreed by the parties), notify in writing the Owners (copied to the Owners' Financier (if any)) of the terms and conditions of all Insurances;
- (b) at least seven (7) days (or such lesser period agreed by the parties) before the expiry of any obligatory insurance or otherwise before the appointment of any new brokers (or other insurers) and any protection and indemnity or war risks association through which obligatory insurances are taken from time to time pursuant to this Clause 38 (*Insurance*), notify the Owners of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom the Charterers propose to renew that obligatory insurance and of the proposed terms of renewal and obtain the Owners' approval to such matters;
- (c) at least seven (7) days (or such lesser period agreed by the parties) before the expiry of any obligatory insurance, procure that such obligatory insurance is renewed or to be renewed on its expiry date in accordance with the provisions of this Charter;
- (d) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal or the effective date of the new insurance and protection and indemnity cover notify the Owners in writing of the terms and conditions of the renewal; and
- (e) as soon as practicable after the expiry of any obligatory insurance, deliver to the Owners a letter of undertaking as required by this Charter in respect of such Insurances for the Vessel as renewed pursuant to Clause 38.3(c) together with copies of the relevant policies or cover notes or entry certificates duly endorsed with the interest of the Owners and/or the Owners' Financier (if any).

- 38.4 The Charterers shall ensure that all insurance companies and/or underwriters, and/or (if any) insurance brokers provide the Owners with copies of all policies, cover notes and certificates of entry relating to the obligatory insurances which they are to effect or renew and of a letter or letters or undertaking in a form required by the Owners and/or the Owners' Financier (if any) and including undertakings by the insurance companies and/or underwriters that:
- (a) they will have endorsed on each policy, immediately upon issuance, a loss payable clause and a notice of assignment complying with the provisions of this Charter and the Financial Instruments;
 - (b) they will hold the benefit of such policies and such insurances, to the order of the Owners and/or the Owners' Financier (if any) and/or such other party in accordance with the said loss payable clause;
 - (c) they will advise the Owners and the Owners' Financier (if any) promptly of any material change to the terms of the obligatory insurances of which they are aware;
 - (d) following a written application from the Owners and/or the Owners' Financier (if any) not later than one (1) month before the expiry of the obligatory insurances, they will notify the Owners and the Owners' Financier (if any) not less than seven (7) days (or such lesser period agreed by the parties) before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from the Charterers and, in the event of their receiving instructions to renew, they will promptly notify the Owners and the Owners' Financier (if any) of the terms of the instructions; and
 - (e) if any of the obligatory insurances form part of any fleet cover, the Charterers shall procure that the insurance broker(s), or leading insurer, as the case may be, undertakes to the Owners and the Owners' Financier (if any) that such insurance broker or insurer will not set off against any sum recoverable in respect of a claim relating to the Vessel under such obligatory insurances any premiums due in respect of any other vessel under any fleet cover of which the Vessel forms a part or any premium due for other insurances, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of the Vessel forthwith upon being so requested by the Owners and/or the Owners' Financier (if any) and where practicable.
- 38.5 The Charterers shall ensure that any protection and indemnity and/or war risks associations in which the Vessel is entered provides the Owners and the Owners' Financier (if any) with:
- (a) a copy of the certificate of entry for the Vessel as soon as such certificate of entry is issued;
 - (b) a letter or letters of undertaking in such form as may be required by the Owners and/or the Owners' Financier (if any) or in such association's standard form; and
 - (c) a copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to the Vessel.
- 38.6 The Charterers shall ensure that all policies relating to the obligatory insurances are deposited with the approved brokers through which the insurances are effected or renewed.

- 38.7 The Charterers shall procure that all premiums or other sums payable in respect of the obligatory insurances are punctually paid and produce all relevant receipts when so required by the Owners.
- 38.8 The Charterers shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.
- 38.9 The Charterers shall neither do nor omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular:
- (a) the Charterers shall procure that all necessary action is taken and all requirements are complied with which may from time to time be applicable to the obligatory insurances, and (without limiting the obligations contained in this clause) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Owners have not given their prior approval (unless such exclusions or qualifications are made in accordance with the rules of a protection and indemnity association which is a member of the International Group of protection and indemnity associations);
 - (b) the Charterers shall not make or permit any changes relating to the classification or classification society or manager or operator of the Vessel unless such changes have, if required, first been approved by the underwriters of the obligatory insurances or the Owners; and
 - (c) the Charterers shall procure that all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Vessel is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation) are made and the Charterers shall promptly provide the Owners with copies of such declarations and a copy of the certificate of financial responsibility; and
 - (d) the Charterers shall not employ the Vessel, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.
- 38.10 The Charterers shall not make or agree to any alteration to the terms of any obligatory insurance nor waive any right relating to any obligatory insurance without the prior written consent of the Owners and/or the Owners' Financier (if any), not to be unreasonably withheld.
- 38.11 The Charterers shall not 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 Owners to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.
- 38.12 The Charterers shall provide the Owners upon written request, copies of:
- (a) all communications between the Charterers and:
 - (i) the approved brokers; and

- (ii) the approved protection and indemnity and/or war risks associations; and
 - (iii) the first-class international insurers and/or underwriters, which relate directly or indirectly to:
 - (1) the Charterers' obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
 - (2) any credit arrangements made between the Charterers and any of the persons referred to in paragraphs (i) or (ii) relating wholly or partly to the effecting or maintenance of the obligatory insurances; and
 - (b) any communication with all parties involved in case of a claim under any of the Vessel's insurances.
- 38.13 The Charterers shall promptly provide the Owners (or any persons which they may designate) with:
- (a) any information which the Owners or the Owners' Financier (or any such designated person) request for the purpose of:
 - (i) 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
 - (ii) effecting, maintaining or renewing any such insurances as are referred to in Clause 13(a) or dealing with or considering any matters relating to any such insurances; and
 - (b) after the occurrence of a Termination Event which is continuing, copies of all communications between all parties in case of a claim under any of the Vessel's insurances.
- 38.14 If one or more of the obligatory insurances are not effected and maintained with first class international insurers or are effected with an insurance or captive subsidiary of the Owners or the Charterers, then the Charterers shall procure, at their own expense, that the relevant insurers maintain in full force and effect facultative reinsurances with reinsurers and through brokers, in each case, of recognised standing and acceptable in all respects to the Owners. Any reinsurance policy shall include, if and when permitted by law, a cut-through clause in a form acceptable to the Owners. The Charterers shall procure that underwriters of the primary insurances assign each reinsurance to the relevant financiers in full, if required.
- 38.15 The Charterers shall be solely responsible for all premiums and other documented costs or expenses which are reasonably incurred by (i) the Owners in connection with or with a view to effecting, maintaining or renewing a lessors' or innocent owners' interest insurance and a lessors' or innocent owners' additional perils insurance or any similar protective shipowner insurance that is taken out in respect of the Vessel, and/or (ii) the Owners or the Owners' Financier (if any) in connection with or with a view to effecting, maintaining or renewing a mortgagee's interest insurance and a mortgagee's additional perils insurance that is taken out in respect of the Vessel. In each case, the amount of the insurances referred to in this Clause shall be equal to at least one hundred and twenty per cent. (120%) of the higher of (i) the prevailing Market Value of the Vessel at the relevant time or (ii) the Outstanding Finance Amount at the relevant time on such terms and conditions as the Owners may from time to time impose.

- 38.16 The Charterers shall be solely responsible for all loss or damage to the Vessel (insofar as the Owners shall not be reimbursed by the proceeds of any insurance in respect thereof) however caused occurring at any time or times before physical possession thereof is retaken by the Owners, reasonable wear and tear to the Vessel only excepted
- 38.17 The Charterers shall:
- (a) at the expense of the Charterers, furnish the Owners once a year (or, after a Termination Event has occurred and is continuing, as many times per year as the Owners may require) with a detailed report signed by an independent firm of marine insurance brokers or consultants appointed by the Owners dealing with the Insurances and stating the opinion of such firm as to the adequacy of the Insurances;
 - (b) reimburse the Owners any documented expenses reasonably incurred by the Owners in obtaining the reports described in Clause 38.17(a); and
 - (c) procure that there is delivered to the insurance brokers or consultants described in 38.17(a) such information in relation to the Insurances as such brokers or consultants may reasonably require.
- 38.18 The Charterers shall keep the Vessel insured at their time, costs and expenses against such other risks and/or insurances which the Owners or the Owners' Financier consider reasonable for a prudent shipowner or operator to insure against at the relevant time (as notified by the Owners) and which are, at that time, generally insured against by owners or operators of vessels similar to the Vessel (including but not limited to kidnap and ransom insurances, which the Charterers acknowledge shall fall within the scope of this clause).
- 38.19 The Charterers shall, in the event that any Approved Manager or any co-assured makes a claim under any obligatory insurances taken out in connection with Clause 38 but is unable to or otherwise fails to pay in full any deductible in connection with such claim (in an amount as apportioned between the Charterers and every other assured in proportion to the gross claims made by or paid to each of them), pay such shortfall in deductible payable on behalf of such Approved Manager or co-assured.

CLAUSE 39 – WARRANTIES RELATING TO VESSEL

- 39.1 It is expressly agreed and acknowledged that the Owners are not the manufacturer or original supplier of the Vessel which has been purchased by the Owners (as buyers under the MOA) from the Charterers (as sellers under the MOA) pursuant to the MOA for the purpose of then chartering the Vessel to the Charterers hereunder and that no condition, term, warranty or representation of any kind is or has been given to the Charterers by or on behalf of the Owners in respect of the Vessel (or any part thereof).
- 39.2 All conditions, terms or warranties express or implied by the law relating to the specifications, quality, description, merchantability or fitness for any purpose of the Vessel (or any part thereof) or otherwise are hereby expressly excluded.
- 39.3 The Charterers agree and acknowledge that the Owners shall not be liable for any claim, loss, damage, expense, injury, death, delay or other liability of any kind or nature caused directly or indirectly by the Vessel, whether onboard the Vessel or elsewhere, or by any inadequacy thereof or the use or performance thereof or any repairs thereto or servicing thereof and irrespective of whether such claim, loss, damage, expense, injury, death, delay or other liability shall arise from the unseaworthiness of the Vessel, and the Charterers shall not by reason thereof be released from any liability to pay any Charterhire or Advance Charterhire or other payment due under this Charter or any of the other Leasing Documents.

CLAUSE 40 – TERMINATION, REDELIVERY AND TOTAL LOSS

- 40.1 If the Termination Sum becomes payable in accordance with Clause 44.2, it is agreed by the Parties that payment of the Termination Sum is deemed to be proportionate as to amount, having regard to the legitimate interests of the Owners, in protecting against the Owners' risk of the Charterers failing to perform its obligations under this Charter.
- 40.2 Upon the Termination Notice Date, the Charterers' right to possess and operate the Vessel shall immediately cease (without in any way affecting the Charterers' obligation to pay the Termination Sum).
- 40.3 Upon irrevocable receipt of the Termination Sum pursuant to Clause 44.2 or the Special Termination Sum pursuant to Clause 44(A).1 or 44(A).3 (as the case may be) by the Owners in full:
- (a) this Charter shall terminate (provided that any provision hereof expressed to survive such termination shall do so in accordance with its terms); and
 - (b) the Owners shall, at the cost of the Charterers, transfer the legal and beneficial ownership of the Vessel on an "as is where is" basis to the Charterers (or their nominees approved by the Owners) free from all mortgages, encumbrances, liens, debts or any claims whatsoever or any Port State or other administrative detentions, incurred or permitted by the Owners (save for those mortgages, liens, encumbrances and debts created under the Leasing Documents or incurred by the Charterers or arising out of or in connection with this Charter) and shall execute a bill of sale and a protocol of delivery and acceptance evidencing the same, with such transfer otherwise made in accordance with Clauses 49.1(a) and 49.1(b).
- 40.4 If the Charterers fail to make any payment of the Termination Sum on the due date thereof:
- (a) interest on such outstanding amount shall accrue in accordance with Clauses 36.10 and 36.11; and
 - (b) the Charterers shall:
 - (i) upon the Owners' prior written request (at the Owners' sole discretion), be obliged to (and at the Charterers' own cost) redeliver the Vessel to the Owners at such ready and nearest safe port as the Owners may require; further and for the avoidance of doubt, the Owners shall be entitled (at the Owners' sole discretion) to operate the Vessel as they may require and may create whatsoever interests thereon, including without limitation charterparties or any other form of employment contracts. The Earnings of the Vessel during such period less its operational expenses (including, without limitation, any maintenance costs of, and costs for fuel, bunkering, lubricants or oils for the Vessel) (the "**Net Trading Proceeds**") shall be applied against the Termination Sum and any other amounts payable under the Leasing Documents pursuant to Clause 54 (*General Application of Proceeds*) and if such use of the Vessel results in the Owners suffering a loss then such losses shall, for the avoidance of doubt, be included in the indemnities contained in Clause 50 (*Indemnities*) and be added to the Termination Sum. Upon redelivery of the Vessel this Charter shall terminate save for the provisions set out in Clause 30 (*Dispute Resolution*), Clause 36.10, this Clause 40 (*Termination, Redelivery and Total Loss*) and Clause 50 (*Indemnities*) and any other provisions expressed to survive termination or that are cross referred to in the survived clauses or are required to survive to enable proper construction of the survived terms; and/or

- (ii) the Owners shall at any point following such redelivery be entitled (at the Owners' sole discretion) to sell the Vessel on terms they deem fit (an "**Owners' Sale**") in which case the sale proceeds (after deducting all fees, taxes, disbursements, any maintenance costs of, and costs for fuel, bunkering or oils for, the Vessel and any other costs and expenses incurred by the Owners in connection with such sale) (the "**Net Sales Proceeds**") derived from such sale shall be applied against the Termination Sum pursuant to Clause 54 (*General Application of Proceeds*) and any other amounts payable under Clause 50 (*Indemnities*) in any manner the Owners deem fit and any excess of such amount after such application shall be paid to the Charterers. If the Net Sales Proceeds are not in an amount sufficient to discharge in full the Termination Sum and any other amounts payable under Clause 50 (*Indemnities*), the Charterers shall continue to be liable for the shortfall and interest shall continue to accrue on such shortfall in accordance with Clause 36.11. Upon completion of such Owners' Sale this Charter shall terminate save for Clause 30 (*Dispute Resolution*), Clause 36.10, this Clause 40 (*Termination, Redelivery and Total Loss*), Clause 50 (*Indemnities*) and any other provisions expressed to survive termination or that are cross referred to in the survived clauses or are required to survive to enable proper construction of the survived terms; or
- (c) the Charterers shall, upon the Owners' prior written request (at the Owners' sole discretion) be obliged to (and at the Charterers' own cost) redeliver the Vessel to the Owners at such ready and nearest safe port as the Owners may require; and as from such redelivery the Owners shall maintain ownership of such Vessel and own, operate or sell or otherwise use it in any manner they deem fit and apply the then current Market Value of the Vessel (less an amount determined by the Owners as being an amount equal to the amount of the usual and reasonable expenses which would be reasonably likely to be incurred in connection with a sale of the Vessel or other vessel) (the "**Adjusted Market Value**"), against the Termination Sum and all other amounts payable to the Owners under this Charter in which case if:
 - (i) the amount of the relevant Adjusted Market Value is in excess of the aggregate amounts due to the Owners under this Charter, such excess will be paid to the Charterers subject to no other actual or contingent liabilities existing at the relevant time; or
 - (ii) in case the amount of the relevant Adjusted Market Value is not sufficient to discharge in full the aggregate amounts due to the Owners under this Charter following such application the Charterers shall continue to be liable for the shortfall and interest shall continue to accrue on such shortfall in accordance with Clauses 36.10 and 36.11.

Any terms expressly provided to survive post-termination of this Charter shall continue to be in full force and effect at all times thereafter.

- 40.5 If the Charterers are required to redeliver the Vessel to the Owners pursuant to Clause 40.4, the Charterers shall (i) keep the Owners informed of the Vessel's itinerary for the voyage and expected geographical range of redelivery, leading up to redelivery and shall serve the Owners with notices of the approximate/definite number of days the Vessel's redelivery. The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel in accordance with the notices given; and (ii) ensure that the Vessel shall, at the time of redelivery to the Owners (at the Charterers' cost and expense):
- (a) be in compliance with its Insurances;
 - (b) be in an equivalent class as she was as at the Commencement Date without any overdue recommendation or condition, and with valid, unextended certificates for not less than three (1) months and free of average damage affecting the Vessel's classification and in the same or as good structure, state, condition and classification as that in which she was deemed on the Commencement Date, fair wear and tear not affecting the Vessel's classification excepted;
 - (c) have passed her 5-year and if applicable, 10-year special surveys, and any subsequent second intermediate surveys and drydock at the Charterers' time and expense without any overdue condition and to the satisfaction of the Classification Society;
 - (d) if the Classification Society or the Flag State require or will require the Vessel to undergo dry- docking within three (3) months of the date of redelivery, be redelivered after the satisfactory completion of such dry-docking at the cost and time of the Charterers;
 - (e) with all the Vessel's classification, trading, national and international certificates that the Vessel had when she was delivered under this Charter and the log book and other certificates and documents necessary for the operation of the Vessel, valid and without overdue conditions or recommendation falling due;
 - (f) have her survey cycles up to date and trading and class certificate valid for at least the number of months agreed in Box 17;
 - (g) be redelivered to the Owners together with all spare parts and spare equipment or replacement items as were on board at the time of Delivery (but only to the extent they have not already been used in the operation of the Vessel), and any such spare parts and spare equipment on board at the time of re-delivery shall be taken over by the Owners free of charge;
 - (h) be free of any cargo (unless otherwise agreed by the Owners) and Security Interest (save for Permitted Security Interests);
 - (i) be free of any charter and other employment unless the Owners wish to retain the continuance of any then existing charter or as otherwise agreed by the Owners in their absolute discretion;
 - (j) be free of officers and crew (unless otherwise agreed by the Owners);
 - (k) have had her underwater parts treated with anti-fouling to last for the ensuing period up to the next scheduled dry docking of the Vessel;

- (l) be redelivered to the Owners together with all material information generated during the Charter Period in respect of the use, possession, operation, navigation, utilization of lubricating oil and the physical condition of the Vessel, whether or not such information is contained in the Charterers' equipment, computer or property; and
 - (m) having such volume of bunkers on board the Vessel as would be sufficient to enable the Vessel to sail to the nearest bunkering port.
- 40.6 The Owners shall have the right to appoint (at the Charterers' cost and expense) surveyor(s) for the purpose of determining the condition of the Vessel at redelivery. The findings of the surveyor appointed by the Owners (the "**Owners' Surveyor**") shall be conclusive. The Charterers shall provide the Owners' Surveyor with all such facilities and access to the Vessel as may be required to enable such Owners' Surveyor to conduct its survey of the Vessel and shall take all such actions as may be recommended by the Owners' Surveyor to ensure that the Vessel shall be redelivered to the Owners in accordance with Clause 41.6.
- 40.7 The Owners have no obligation to accept redelivery of the Vessel until they are satisfied that the Vessel has been put into the redelivery conditions as set out in Clause 40.5 and other relevant conditions of this Charter. Moreover, the Owners reserve all rights to recover from the Charterers any costs, expenses and/or liabilities incurred or suffered by them (including, without limitation, the costs of any docking and/or repairs which may be required to restore the Vessel to the structure, state, condition and class as that in which the Vessel was delivered (fair wear and tear not affecting class excepted, but without any recommendations or conditions as to class)) as a result of the Vessel not being redelivered in accordance with the terms of this Charter.
- 40.8 The Owners shall, at the time of the redelivery of the Vessel, take over all bunkers, lubricating oil, unbroke provisions, paints, ropes and other consumable stores (excluding spare parts) in the Vessel at no cost to the Owners.
- 40.9 Throughout the Charter Period, the Charterers shall bear the full risk of any Total Loss of or any other damage to the Vessel however arising. If the Vessel, for any reason, becomes a Total Loss after Delivery, the Charterers shall pay the Special Termination Sum to the Owners on the earlier of (the "**Total Loss Payment Date**"):
- (a) the date falling sixty (60) days after such Total Loss has occurred; and
 - (b) the date of receipt by the Owners and/or the Owners' Financier (if any) of the Total Loss Proceeds.
- 40.10 Upon such receipt by the Owners of the Special Termination Sum, this Charter shall terminate (without prejudice to any provision of this Charter expressed to survive termination) but until such receipt, the Charterers shall remain liable to make all payments of Charterhire and all other amounts to the Owners under this Charter, notwithstanding that the Vessel has become a Total Loss.
- 40.11 Any Total Loss Proceeds unconditionally received by the Owners (or the Owners' Financiers in accordance with the terms of the relevant loss payable clause) shall be applied in accordance with Clause 54 (*General Application of Proceeds*) and shall satisfy the obligation of the Charterers to pay the Special Termination Sum to the extent received by the Owners and/or the Owners' Financiers in accordance with the terms of the relevant loss payable clause. The obligation of the Charterers to pay the Special Termination Sum shall remain unaffected and exist regardless of whether any of the insurers have agreed or refused to meet or has disputed in good faith, the claim for Total Loss.

40.12 If the Total Loss Proceeds unconditionally received by the Owners and/or the Owners' Financiers in accordance with the terms of the relevant loss payable clause are less than the Special Termination Sum, the Charterers shall pay such shortfall to the Owner on the Total Loss Payment Date.

40.13 The Owners shall have no obligation to supply to the Charterers with a replacement vessel following the occurrence of a Total Loss.

CLAUSE 41 – FEES AND EXPENSES

41.1 In consideration of the Owners entering into this Charter, the Charterers shall pay to the Owners or their nominee a non-refundable upfront fee (the "**Upfront Fee**") at such time and in such amount to be set out in the Fee Letter.

41.2 Each Party shall be responsible for their own costs and expenses to review and negotiate the term sheet relating to this Charter. All documented costs and expenses incidental to and incurred by the Owners in the preparation, negotiation, execution and delivery of the Charter and other Leasing Documents including, but not limited to, all documented costs and expenses reasonably incurred by the Owners and all documented legal costs, expenses and other disbursements reasonably incurred by the Owners' legal counsels in connection with the same, shall be for the account of the Charterers.

41.3 If:

(a) the Charterers request an amendment, waiver or consent (including an amendment or a waiver to the terms of the Leasing Documents is required pursuant to Clause 36.18 to address the fact that a Published Rate Replacement Event has occurred); or

(b) the Charterers make a request to re-register the Vessel in another Flag State, the Charterers shall, on demand, reimburse the Owners for the amount of all documented costs and expenses (including, without limitation, any legal fees) reasonably incurred by the Owners in responding to, evaluating, negotiating or complying with that request or requirement (including, for the avoidance of doubt, any amounts the Owners have to pay under the terms of the Financial Instruments).

41.4 All documented costs and expenses reasonably incurred by the Owners in relation to the acquisition, financing (including, without limitation, any Breakfunding Costs payable by the Owners to the Owners' Financiers (if any)) and registration of the Vessel and this Charter by the Owners in the Owners' name in the Flag State together with any and all fees (including, but not limited to, any vessel registration and tonnage fees and the Owners' initial and ongoing annual registration and maintenance costs if required to be registered as a foreign maritime entity or the appointment of resident agents under the laws of the Flag State) payable by the Owners to such Flag State to maintain and/or renew such registration shall be for the account of the Charterers. Without prejudice to the foregoing, if the Flag State requires the Owners to establish a physical presence or office in the jurisdiction of such Flag State, all fees, costs and expenses payable by the Owners to establish and maintain such physical presence or office shall be for the account of the Charterers. The Charterers shall promptly provide the Owners with evidence of payment of the annual register/tonnage tax amounts payable to the Flag State or any other aforesaid costs, expenses and/or taxes when the same fall due.

- 41.5 All documented costs and expenses (including, without limitation, any legal fees) reasonably incurred by the Owners in relation to the transfer of title of the Vessel by the Owners to the Charterers and the re-delivery of the Vessel by the Charterers to the Owners pursuant to Clause 40 (*Termination, Redelivery and Total Loss*) shall be for the account of the Charterers.
- 41.6 The Charterers shall on demand pay or reimburse the Owners for the amount of all documented costs and expenses (including legal fees) incurred by the Owners in connection with the enforcement of, or the preservation of any rights under, any Leasing Document, any Assignable Sub-charter or any Security Interest created thereunder and with any proceedings instituted by or against the Owners as a consequence of entering into any Leasing Document or any Assignable Sub-charter, taking or holding any Security Interests created thereunder or enforcing those rights, including, without limitation, any documented losses, costs and expenses which the Owners may from time to time sustain, incur or become liable by reason of the Owners being the registered owner of the Vessel and/or being deemed by any court or authority to be an operator or controller, or in any way concerned in the operation or control, of a Vessel.

CLAUSE 42 - NO WAIVER OF RIGHTS

- 42.1 No neglect, omission, delay or indulgence on the part of either Party in enforcing the terms and conditions of this Charter shall prejudice the strict rights of that party or be construed as a waiver thereof nor shall any single or partial exercise of any right of either party preclude any other or further exercise thereof.
- 42.2 No right or remedy conferred upon either party by this Charter shall be exclusive of any other right or remedy provided for herein or by law and all such rights and remedies shall be cumulative.

CLAUSE 43 – NOTICES

- 43.1 Any notice, certificate, demand or other communication to be served, given, made or sent under or in relation to this Charter shall be in English and in writing and (without prejudice to any other valid method of giving, making or sending the same) shall be deemed sufficiently given or made or sent if sent by registered post or by email to the following respective addresses:

(A) to the Owners: China Huarong Shipping Financial Leasing Company Limited Room 6006, 6th Floor, No. 15 Second East Zhongshan Road, Shanghai, China, 200002
Attention: Jones Cao/Annie Tao/ Sun Linzi
Tel:
Email:

(B) to the Charterers: Traders Maritime Co.
c/o United Management Corp.
154 Vouliagmenis Avenue, 166 74 Glyfada, Athens, Greece
Attention: Mr. Stavros Gyftakis
Tel:
Email:

or, if a party hereto changes its address or email address, to such other address or email address as that party may notify to the other.

- 43.2 Any such communication shall be deemed to have reached the party to whom it was addressed (a) when delivered (in case of a registered letter), or (b) when actually received in readable form (in case of an email). A notice or other such communication received on a non- working day or after 5.00 p.m. in the place of receipt shall be deemed to be served on the next following working day in such place.

CLAUSE 44 – TERMINATION EVENTS

- 44.1 The Owners and the Charterers hereby agree that any of the following events shall constitute a Termination Event:
- (a) any Obligor (other than a Third Party Approved Manager) fails to make any payment on the due date or on demand in accordance with the terms of any Leasing Document to which it is a party unless such failure to pay is caused by a force majeure or technical error and payment is made within ten (10) Business Days of its due date;
 - (b) the Charterers breach or omit to observe or perform any of their undertakings in Clause 46.1(j), (l), (n), (p), (r), (s), (t), (u), (v), (y), (dd), (ee) or (ff) or the Guarantor breaches or omits to observe or perform any of its undertakings contained in the Guarantee, provided that no Termination Event under this Clause 44.1(b) will be triggered if the breach or omission to observe or perform relates solely and directly to any Sanctions imposed by the law or regulation of the People's Republic of China which deviates from those imposed by the United Nations, in which case the Charterers shall be entitled to terminate this Charter pursuant to Clause 44(A).3;
 - (c) the Charterers fail to obtain and/or maintain the Insurances required under Clause 38 (Insurance) in accordance with the provisions thereof or any insurer in respect of such Insurances cancels the Insurances or disclaims liability with respect thereto;
 - (d) any Obligor (other than a Third Party Approved Manager) commits any other breach of, or omits to observe or perform, any of their other obligations or undertakings in this Charter or any other Leasing Document (other than a breach referred to in paragraphs (a), (b) or (c) above) unless such breach or omission is in the reasonable opinion of the Owners, remediable and such Obligor remedies such breach or omission to the reasonable satisfaction of the Owners within ten (10) Business Days of the occurrence thereof;
 - (e) any representation or warranty made or deemed to be made by any Obligor (other than a Third Party Approved Manager) in or pursuant to any Leasing Document to which it is a party or if applicable, in the case of the Charterers only, the Acceptance Certificate, proves to be untrue or misleading in a material way when it is made;
 - (f) any of the following occurs in relation to any Financial Indebtedness of an Obligor (other than a Third Party Approved Manager):
 - (i) any Financial Indebtedness of such entity is not paid when due or, if so payable, on demand after any applicable grace period has expired;

- (ii) any Financial Indebtedness of such entity becomes due and payable, prior to its stated maturity date as a consequence of any event of default and not as a consequence of the exercise of any voluntary right of prepayment;
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by any of its creditors as a result of an event of default (however described);
- (iv) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of such entity ceases to be available or becomes capable of being terminated or declared due and payable or cash cover is required or becomes capable of being required, as a result of any termination event or event of default (howsoever defined);

provided that no Termination Event will occur under this paragraph (f) in respect of the Guarantor if the aggregate amount of Financial Indebtedness falling within sub-paragraphs (i) to (iv) above is less than US\$5,000,000 (or its equivalent in any other currency or currencies);

- (g) any of the following occurs in relation to any Obligor (other than a Third Party Approved Manager):
 - (i) such entity becomes unable to pay its debts as they fall due; or
 - (ii) the value of the assets of such entity is less than its liabilities (taking into account contingent and prospective liabilities); or
 - (iii) any of the assets of such entity (with a value amounting in aggregate to \$500,000) are subject to any form of expropriation, execution, attachment, arrest, sequestration or distress (or any analogous process in any jurisdiction) which is not discharged within thirty (30) days; or
 - (iv) any administrative or other receiver is appointed over all or a part of the assets of such entity unless as part of a solvent reorganisation which has been approved by the Owners; or
 - (v) such entity makes any formal declaration of bankruptcy or any formal statement to the effect that it is insolvent or likely to become insolvent, or a winding up or administration order is made in relation to it, or its shareholders or directors pass a resolution to the effect that it should be wound up, placed in administration or cease to carry on business; or
 - (vi) a petition is presented in any Relevant Jurisdiction for the winding up or administration, or the appointment of a provisional liquidator of such entity unless the relevant petition is frivolous or vexatious and is being contested in good faith and on substantial grounds and is dismissed or withdrawn within twenty-one (21) days of the presentation of the petition; or
 - (vii) such entity petitions a court, or presents any proposal for, any form of judicial or non-judicial suspension or deferral of payments, reorganisation of its debt (or certain of its debt) or arrangement with all or any of its creditors or of any class of them or any such suspension or deferral of payments, reorganisation or arrangement is effected by court order, contract or otherwise; or

- (viii) any meeting of the shareholders or directors of such entity is summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraph (iii) to (vii) above; or
- (ix) in any jurisdiction, any event occurs or any procedure is commenced which, in the opinion of the Owners, is similar to any of the foregoing referred to in paragraphs (iii) to (vii) above inclusive; or
- (h) there is a Change of Control, without the prior written consent of the Owners;
- (i) an Obligor (other than a Third Party Approved Manager) suspends or ceases or threatens to suspend or cease carrying on all or a material part of its business;
- (j) any consent, approval, authorisation, license or permit necessary to enable the Charterers to operate or charter the Vessel or to enable any of them to comply with any provision of this Charter, or the other Leasing Documents to which it is a party or to ensure that the obligations of the Charterers are legal, valid, binding or enforceable is not granted, expires without being renewed, is revoked or becomes liable to revocation or any condition of such a consent, approval, authorisation, license or permit is not fulfilled;
- (k) any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect;
- (l) the Vessel is subject to any form of expropriation, execution, attachment, arrest, sequestration or distress (or any analogous process in any jurisdiction) which is not discharged within forty-five (45) days (or such longer period as the Owners may agree in writing);
- (m) this Charter or any other Leasing Document and/or any Security Interest created by a Leasing Document:
 - (i) in the case of any such Security Interest, proves to have ranked after, or loses its priority to, another Security Interest or any other third-party claim or interest;
 - (ii) is cancelled, terminated, rescinded or suspended or otherwise ceases to remain in full force and effect for any reason or no longer constitutes valid, binding and enforceable obligations of any party to that document for any reason whatsoever;
 - (iii) is amended or varied without the prior written consent of the Owners, except for any amendment or variation which is expressly permitted by this Charter or any other Leasing Document; or
 - (iv) is in any way imperilled or in jeopardy;
- (n) an Obligor (other than a Third Party Approved Manager) rescinds, repudiates or terminates a Leasing Document, or an Approved Management Agreement;
- (o) it is or has become:

- (i) unlawful or prohibited, whether as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or
- (ii) contrary to, or inconsistent with, any regulation,

for any Obligor (other than a Third Party Approved Manager) to maintain or give effect to any of its obligations under this Charter or any of the other Leasing Documents to which it is a party in the manner it is contemplated under such Leasing Document or any of the obligations of any Obligor under any Leasing Document to which it is a party or the Initial Sub-charter are not or cease to be legal, valid, binding and enforceable;

- (p) the Security Interest constituted by any Leasing Document is in any way imperilled or in jeopardy;
 - (q) any Termination Event (as defined in any Other Charter) occurs under such Other Charter;
 - (r) there is a merger, amalgamation, demerger or corporation reconstruction of an Obligor (other than a Third Party Approved Manager) without the Owners' prior written consent;
 - (s) the Guarantor is de-listed from the Nasdaq Capital Market (or any other stock exchange acceptable to the Owners); or
 - (t) any lease, hire purchase agreement, charter or any other financing arrangement in respect of any Associated Vessel (other than the Vessel and the Other Vessel) is terminated, cancelled or repudiated by the relevant lessor or owner or financier as a consequence of any termination event or event of default (howsoever defined therein).
- 44.2 Notwithstanding and without prejudice to Clause 33 (*Cancellation*), upon the occurrence of a Termination Event which is continuing, the Owners may issue a written notice to the Charterers terminating this leasing of the Vessel under this Charter and demanding payment of the Termination Sum, whereupon the Charterers shall be obliged to pay the Termination Sum to the Owners on the date specified by the Owners in their sole discretion in such notice (the "**Termination Notice Date**" but which shall be no earlier than the date falling ten (10) Business Days after the date of such notice).
- 44.3 For the avoidance of doubt, notwithstanding any action taken by the Owners following a Termination Event, the Charterers shall remain liable for the outstanding obligations on their part to be performed under this Charter.
- 44.4 Without limiting the generality of the foregoing or any other rights of the Owners, upon the occurrence of a Termination Event which is continuing, the Owners shall have the sole and exclusive right and power to (i) settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to or pertaining to the Vessel and this Charter and (ii) make proof of loss, appear in and prosecute any action arising from any policy or policies of insurance maintained pursuant to this Charter, and settle, adjust or compromise any claims for loss, damage or destruction under, or take any other action in respect of, any such policy or policies and (iii) change or appoint a new manager for the Vessel other than an Approved Manager and the appointment of any Approved Manager may be terminated immediately without any recourse to the Owners.

- 44.5 Each Termination Event shall either be a breach of condition by the Charterers where it involves a breach of this Charter or any of the other Leasing Document by the Charterers or shall otherwise be an agreed terminating event, the occurrence of which gives rise to a right of the Owners to terminate the leasing of the Vessel under this Charter and to exercise its rights under this Charter, and in each case which is not remedied within the applicable grace period (if any).

CLAUSE 44(A) – MANDATORY SALE

- 44(A).1 Subject to Clause 44(A).2, if it becomes unlawful in any applicable jurisdiction for the Owners to perform any of their obligations as contemplated by this Charter or the MOA or any other Leasing Documents or for the Owners' Financiers (if any) to perform their obligations under the Financial Instruments, the Owners shall notify the Charterers of this event and the Charterers shall be required to pay the Special Termination Sum to the Owners on the next Payment Date following such notice by the Owners or, if earlier, the date specified by the Owners in the notice delivered to the Charterers (being no earlier than the last day of any applicable grace period permitted by law), and this Charter shall terminate in accordance with the procedures set out in Clause 40 (*Termination, Redelivery and Total Loss*).
- 44(A).2 If the Special Termination Sum becomes payable under or pursuant to Clause 44(A).1, the Owners shall, in consultation with the Charterers for a period not less sixty (60) days from the occurrence of the circumstances resulting in the Special Termination Sum becoming payable under or pursuant to Clause 44(A).1, take all reasonable steps to mitigate any such circumstances, provided that (i) this Clause 44(A).2 does not in any way limit the obligations of any Obligor under any Leasing Documents; and (ii) the Owners are not obliged to take any steps under this Clause 44(A).2 if, in the opinion of the Owners, to do so might be prejudicial to the Owners.
- 44(A).3 If any Sanctions imposed by the law or regulation of the People's Republic of China deviates from those imposed by the United Nations and the compliance with such Sanctions is or has become:
- (i) Illegal / unlawful; or
 - (ii) unduly onerous (including, without limitation, a scenario where Charterers are not able to perform their global operation and trading, directly because of such Sanctions) or wholly impractical,

for the Charterers or the Guarantor to maintain or give effect to any of its obligations under this Charter or any of the other Leasing Documents to which each is a party in the manner it is contemplated under such Leasing Document or any of the obligations of the Charterers or the Guarantor under any Leasing Document to which it is a party are not or cease to be legal, valid, binding and enforceable, the Charterers shall be entitled to pay the Special Termination Sum to the Owners on the next Payment Date following such occurrence or, if earlier, a date specified by the Owners (being no earlier than the last day of any applicable grace period permitted by law), and this Charter shall terminate in accordance with the procedures set out in Clause 40 (*Termination, Redelivery and Total Loss*).

CLAUSE 45 – REPRESENTATIONS AND WARRANTIES

45.1 The Charterers represent and warrant to the Owners as of the date hereof, and on each day henceforth until the last day of the Charter Period, as follows:

- (a) there has been no Change of Control;
- (b) each Obligor is duly incorporated and validly existing under the laws of its jurisdiction of its incorporation;
- (c) each Obligor has the capacity, and has taken all actions and obtained all consents, approvals, authorisations, licenses or permits necessary for it:
 - (i) to execute each of the Leasing Documents, any Sub-charter and any Approved Management Agreement to which it is a party; and
 - (ii) to comply with and perform its obligations under each of the Leasing Documents, any Sub-charter and any Approved Management Agreement to which it is a party;
- (d) the entry into and performance by any Obligor by it of, and the transactions contemplated by, each Leasing Document, any Sub-charter and any Approved Management Agreement to which it is a party do not and will not conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or constitute a default or termination event (however described) under any such agreement or instrument.
- (e) all the consents, approvals, authorisations, licenses or permits referred to in Clause 45.1(c) (*Representations and Warranties*) remain in force and nothing has occurred which makes any of them liable to revocation;
- (f) each of the Leasing Documents or any Assignable Sub-charter to which an Obligor is a party constitutes such Obligor's legal, valid and binding obligations enforceable against such party in accordance with its respective terms and any relevant insolvency laws affecting creditors' rights generally;
- (g) no third party has any Security Interest, other than the Permitted Security Interests, or any other interest, right or claim over, in or in relation to the Vessel, this Charter or any moneys payable hereunder and/or any of the other Leasing Documents or any Assignable Sub-charter;
- (h) all payments which an Obligor is liable to make under any Leasing Document or any Assignable Sub-charter to which such Obligor is a party may be made by such party without deduction or withholding for or on account of any tax payable under the laws of the jurisdiction of incorporation;
- (i) no legal or administrative action involving an Obligor involving claim(s) amounting to more than US\$5,000,000 has been commenced or taken;

- (j) each Obligor has paid all taxes applicable to, or imposed on or in relation to it, its business or if applicable, the Vessel, except for those being contested in good faith with adequate reserves;
- (k) the choice of governing law as stated in each Leasing Document or any Assignable Sub-charter to which an Obligor is party to and the agreement by such party to refer disputes to the relevant courts or tribunals as stated in such Leasing Document or any Assignable Sub-charter are valid and binding against such Obligor;
- (l) the obligations of each Obligor under each Leasing Document to which it is a party, are the direct, general and unconditional obligations of such Obligor and rank at least pari passu with all other present and future unsecured and unsubordinated creditors of such Obligor save for any obligation which is mandatorily preferred by law and not by virtue of any contract;
- (m) each Security Document creates (or once entered into, will create) the Security Interest which it is expressed to create with the ranking and priority it is expressed to have;
- (n) no Obligor is a US Tax Obligor, and none of them have established a place of business in the United States of America;
- (o) no Obligor, nor any of their respective Affiliates, members, (other than in the case of the Guarantor) shareholders, directors, officers, employees or agents, nor (to the best of its knowledge) any Sub-charterer:
 - (i) is a Restricted Person;
 - (ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Restricted Person;
 - (iii) owns or controls a Restricted Person; or
 - (iv) has a Restricted Person serving as a director, officer or, to the best of its knowledge, employee;
- (p) each Obligor, and their respective directors, officers, (other than in the case of the Guarantor) shareholders, employees and agents and (to the best of its knowledge) any Sub-charterer is in compliance with all Sanctions laws, and none of them have been or are currently being investigated on compliance with Sanctions, they have not received notice or are aware of any claim, action, suit or proceeding against any of them with respect to Sanctions and they have not taken any action to evade the application of Sanctions;
- (q) the Vessel is not employed, operated or managed in any manner which (i) is contrary to any Sanctions and in particular, the Vessel is not used by or to benefit any party which is a target of Sanctions or trade to any area or country where trading the Vessel to such area or country would constitute a breach of any Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom or the People's Republic of China; or (ii) would trigger the operation of any sanctions limitation or exclusion clause in any insurance documentation;
- (r) each Obligor and (to the best of its knowledge) any Sub-charterer is not in breach of any laws or regulations relating to the Vessel and its ownership, employment, operation, management and registration, including, without limitation, the ISM Code, the ISPS Code, all Environmental Laws, the laws of the Vessel's registry and in particular, all Anti-Money Laundering Laws, Anti- Terrorism Financing Laws and/or Business Ethics Laws and each of the Obligors and (to the best of its knowledge) Sub-charterer has instituted and maintained systems, controls, policies and procedures designed to:

- (i) prevent and detect incidences of bribery and corruption, money laundering and terrorism financing; and
 - (ii) promote and achieve compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
- (s) that in relation to the Initial Sub-charter or any other Sub-charter:
- (i) as at the date of this Charter or otherwise as at the date of such Sub-charter and/or at the time of delivery of such Sub-charter to the Owner (as the case may be), the copy of the Initial Sub-charter or such Sub-charter provided to the Owners is a true and complete copy and there have been no amendments, supplements or variations thereto; and
 - (ii) the Initial Sub-charterer or any other Sub-charterer is fully aware of the transactions contemplated under this Charter;
- (t) none of the Obligors nor any of their assets, in each case, has any right to immunity from set off, legal proceedings, attachment prior to judgment or other attachment or execution of judgement on the grounds of sovereign immunity or otherwise;
- (u) none of the Obligors is insolvent or in liquidation or administration or subject to any other formal or informal insolvency procedure, and no receiver, administrative receiver, administrator, liquidator, trustee or analogous officer has been appointed in respect of any Obligor or all or material part of their assets;
- (v) no Termination Event or Potential Termination Event is continuing or might reasonably be expected to result from the entry into and performance of this Charter or any other Leasing Document or any Assignable Sub-charter;
- (w) as at the date of this Charter, the Vessel is commercially, technically or otherwise managed under each Approved Management Agreement which remains in full force and effect;
- (x) as at the date of this Charter, the Charterers have not entered into any other investments, any sale or leaseback agreements, any off-balance sheet transaction or incurred any other liability or obligation (including, without limitation, any Financial Indebtedness of any obligations under a guarantee) except:
- (i) liabilities and obligations under the Leasing Documents to which they are or, as the case may be, will be a party; or
 - (ii) liabilities or obligations incurred in the normal course of its business of trading, operating and chartering, maintaining and repairing the Vessel;
- (y) in relation to any information provided by any Obligor (or on its behalf) to the Owners for the purposes of this Charter and the other Leasing Documents:

- (i) such information was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated;
- (ii) any financial projections contained in such information have been prepared on the basis of recent historical information and on the basis of reasonable assumptions, and
- (z) nothing has occurred or been omitted from any such information and no information has been given or withheld that results in any such information being untrue or misleading; and
- (aa) the entry by each Obligor into any Leasing Document or any Assignable Sub-charter does not in any way cause any breach, and is in all respects permitted, under the terms of any document which it is entered into.

CLAUSE 46 – CHARTERERS' UNDERTAKINGS

46.1 The Charterers undertake that they shall comply or procure compliance with the following undertakings commencing from the date hereof and up to the last day of the Charter Period:

- (a) there shall be sent to the Owners:
 - (i) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Charterers, the unaudited annual financial reports of the Charterers in each case certified as to their correctness by a director of the Charterers;
 - (ii) as soon as possible, but in no event later than ninety (90) days after the end of each half-year, the unaudited half-yearly accounts of the Charterers in each case certified as to their correctness by a director of the Charterers;
 - (iii) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Guarantor, the audited consolidated annual financial reports of the Guarantor; and
 - (iv) as soon as possible, but in no event later than ninety (90) days after the end of each half-year, the unaudited consolidated half-yearly accounts the Guarantor certified as to their correctness by a director of the Guarantor,

in each case, the Charterers shall procure that each set of financial statements and reports delivered pursuant to Clause 46.1(a) gives, and shall procure a director of the relevant company to certify the same as giving, a true and fair view (if audited) or fairly representing (if unaudited) its financial condition and operations as at the date as at which those financial statements and reports were drawn up;

- (b) following the occurrence of a Termination Event which is continuing, they will provide or procure the provision to the Owners, at the same time as they are dispatched, copies of all notices and minutes relating to any of their extraordinary shareholders' meeting which are dispatched to their shareholders or creditors or any class of them;
- (c) they will provide or will procure that each Obligor provides the Owners with details of any legal or administrative action involving such Obligor or the Vessel as soon as such action is instituted or it becomes apparent to such Obligor that it is likely to be instituted and is likely to have a Material Adverse Effect;

- (d) they will, and will procure that each other Obligor will, obtain and promptly renew or procure the obtainment or renewal of and provide copies of, from time to time, any necessary consents, approvals, authorisations, licenses or permits of any regulatory body or authority for the transactions contemplated under each Leasing Document or any Assignable Sub- charter to which it is a party (including, without limitation, to sell, charter and operate the Vessel);
- (e) they will not, and will procure that each other Obligor will not, create, assume or permit to exist any Security Interest of any kind upon any Leasing Document or any Assignable Sub- charter to which such Obligor is a party, and if applicable, the Vessel, in each case other than the Permitted Security Interests;
- (f) they will, and will procure that each other Obligor, will ensure that the Vessel shall be free of encumbrances except for any encumbrances permitted in writing by the Owners;
- (g) they will at their own cost, and will procure that each other Obligor will:
 - (i) do all that such Obligor to ensures that any Leasing Document or any Assignable Sub- charter to which such Obligor is a party validly creates the obligations and the Security Interests which such Obligor purports to create; and
 - (ii) without limiting the generality of paragraph (i), promptly register, file, record or enrol any Leasing Document or any Assignable Sub-charter to which such Obligor is a party with any court or authority in all Relevant Jurisdictions, pay any stamp duty, registration or similar tax in all Relevant Jurisdictions in respect of any Leasing Document or any Assignable Sub-charter to which such Obligor is a party, give any notice or take any other step which, is or has become necessary or desirable for any such Leasing Document or any Assignable Sub-charter to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which such Obligor creates;
- (h) they will, and will procure that each other Obligors will, notify the Owners promptly upon becoming aware of:
 - (i) any default by any Sub-charterer or the Charterers of the terms of any Assignable Sub- charter;
 - (ii) an event of default or termination event howsoever called under the terms of any Assignable Sub-charter entitling either (x) the Charterers to terminate such Assignable Sub-charter or (y) the relevant Sub-charterer to terminate such Assignable Sub- charter which has not been unconditionally waived by such Sub-charterer;
 - (iii) any pollution accident, major accident and/or incident to the Vessel by any reason whatsoever;
 - (iv)** any damage caused to or alteration of the Vessel by any reason whatsoever which exceed US\$1,000,000;
 - (v) any alteration or modification made to the Vessel of whatever nature;
 - (vi) any safety incidents taking place on board the Vessel;

- (vii) any casualty or occurrence as a result of which the Vessel has become or is, by the passing of time or otherwise, likely to become, a Major Casualty or a Total Loss;
 - (viii) any requirement or recommendation made in relation to the Vessel by any insurer or Classification Society or by any competent authority which is not immediately complied with;
 - (ix) any intended dry docking of the Vessel;
 - (x) any Environmental Claim which is made against the Charterers, any Sub-charterer or any Approved Manager in connection with the Vessel or any Environmental Incident involving claim(s) exceeding US\$1,000,000;
 - (xi) any claim for breach of the ISM Code or the ISPS Code being made against the Charterers, any Approved Manager or otherwise in connection with the Vessel;
 - (xii) 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;
 - (xiii) any requisition of the Vessel for hire;
 - (xiv) any arrest or detention of the Vessel, any exercise of any lien on that Vessel or its Earnings; and
 - (xv) any notice, or the Charterers becoming aware, of any claim, action, suit, proceeding or investigation against any Obligor, any of its subsidiaries or any of their respective directors, officers, employees or agents with respect to Sanctions;
 - (xvi) any circumstances which could give rise to a breach of any representation or undertaking in this Charter, or any Termination Event, relating to Sanctions;
 - (xvii) any Termination Event, and will keep the Owners fully up-to-date with all developments and the Charterers will, if so requested by the Owners, provide any such certificate signed by its director(s), confirming in which that there exists no Potential Termination Event or Termination Event;
- (i) they will, and will procure that each other Obligor will, as soon as practicable after receiving the request, provide the Owners with any additional financial or other information relating:
- (i) to themselves and/or the Vessel (including, but not limited to the condition and location of the Vessel);
 - (ii) details of the Vessel's employment status including the Vessel's employment status, operating accounts, projected employment (if the Vessel is not employed at such time) every twelve (12) months throughout the Charter Period or as soon as practicable after receiving the Owner's request; or
 - (iii) to any other matter relevant to, or to any provision of any Leasing Document or any Assignable Sub-charter to which it is a party, which may be requested by the Owners (or the Owners' Financier (if any)) at any time;

- (j) they will comply, or procure compliance, and will procure that each other Obligor will comply or procure compliance, with all laws or regulations relating to its business, the Vessel and its ownership, employment, operation, management and registration, including, without limitation, the ISM Code, the ISPS Code, all Environmental Laws and the laws of the Vessel's registry provided that any non-compliance shall not materially adversely affect the obligations of a Obligor under each Leasing Document or any Assignable Sub-charter to which it is a party;
- (k) the Vessel shall be registered under the Flag State at all times;
- (l) the Vessel shall be maintained with the highest class required for the purpose of the trade of the Vessel with the Classification Society at all times and shall be free of all overdue recommendations and requirements;
- (m) upon request, they will provide or they will procure to be provided to the Owners the report(s) of the survey(s) conducted pursuant to Clause 7 (*Surveys on Redelivery*) of this Charter in form and substance satisfactory to the Owners;
- (n) they shall not permit the sub-chartering of the Vessel (1) on a bareboat basis (irrespective of duration) or (2) on a time charter basis exceeding thirteen (13) months (including any optional extensions thereto), other than under an Assignable Sub-charter and provided that the Charterers shall:
 - (i) assign all their rights and interests under such Assignable Sub-charter and shall use reasonable commercial efforts to procure that the Sub-charterer of such Assignable Sub-charter gives a written acknowledgment of such assignment in form and substance acceptable to the Owners and provide such documents as the Owners may require regarding the due execution of such Assignable Sub-charter; and
 - (ii) in case Assignable Sub-charter being a bareboat charter (irrespective of duration), procure the Sub-charterer of such Assignable Sub-charter to execute a general assignment to assign their rights under the Insurances, Earnings and Requisition Compensation in respect of the Vessel, in favour of the Owners, in each case, in a manner and in a form acceptable to the Owners;
- (o) intentionally deleted;
- (p) except with the Owners' prior written consent, they shall not deactivate or lay up the Vessel;
- (q) they shall not make or pay any dividend or other distribution (in cash or in kind) in respect of its share capital following the occurrence of a Termination Event which is continuing or which would result in a Termination Event;
- (r) they shall comply and shall procure that each of the other Obligors (including, in each case, procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) or (on a best effort basis) any Sub-charterer complies with all laws and regulations in respect of Sanctions.
- (s) without limiting Clause 46.1(r), they will procure that:
 - (i) the Vessel shall not be operated, employed, managed, used by or for the benefit of a Restricted Person;

- (ii) the Vessel shall not be employed in trading with any Restricted Person or in any manner contrary to Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom;
- (iii) notwithstanding any other provision of this Charter, the Vessel shall not be permitted to call at any port in any Restricted Country or any area or country where trading in such area or country would constitute or would be reasonably expected to constitute a breach of Sanctions;
- (iv) the Vessel shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances or in any manner which would result in any Obligor, any Sub-charterer or the Owners becoming a Restricted Person; and
- (v) that each charterparty in respect of the Vessel shall contain, for the benefit of the Owners, language which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions and which prohibits trading to any Restricted Country;
- (t) they shall, and shall procure that each other Obligor shall (including procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) or (on a best efforts basis) any Sub-charterer shall:
 - (i) comply with all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
 - (ii) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws; and
 - (iii) in respect of the Charterers, not use, or permit or authorize any person to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (u) in respect of the Charterers, not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti- Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (v) they shall, and shall procure that each other Obligor shall promptly notify the Owners of any non-compliance, by any Obligor or their respective officers, directors, employees, consultants, agents or intermediaries or (on a best efforts basis) any Sub-charterer with all laws and regulations relating to Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws (including, but not limited, to notifying the Owners in writing immediately upon being aware that any Obligor or its shareholders, directors, officers or employees, or any Sub-charterer is a Restricted Person or has otherwise become a target of Sanctions) as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws;
- (w) in respect of the management of the Vessel:

- (i) they shall ensure that the Vessel be commercially and/or technically managed under an Approved Management Agreement;
 - (ii) they shall not appoint or permit to be appointed any commercial, technical and/or crew manager of the Vessel unless it is an Approved Manager and such new manager enters into a Manager's Undertaking;
 - (iii) save with the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed), they shall not agree or enter into any transaction, arrangement, document or do or omit to do anything which will have the effect of materially varying, amending or supplementing the terms of an Approved Management Agreement; and
 - (iv) they shall ensure that, upon the occurrence of a Termination Event, the Owners shall have the right to change any of the managers of the Vessel following a fifteen (15) days' notice to the Charterers;
- (x) save with the prior written consent of the Owners, they shall not agree or enter into any transaction, arrangement, document or do or omit to do anything which will have the effect of varying, amending or supplement either the material terms of any Assignable Sub-charter (and for the purpose of this paragraph, a material term means, without limitation, any term which would adversely affect the interest of the Owners and/or the Owners' Financier (if any));
- (y) they shall ensure that all Earnings and any other amounts received by them in connection with the Vessel are paid into the Earnings Account;
- (z) they will not:
- (i) enter into any borrowing except for loans or advances from other members of the Group or affiliates which are unsecured and fully subordinated to the rights of the Owners under the Leasing Documents (in a manner acceptable to the Owners);
 - (ii) incur any liabilities or obligations to any party except for those incurred in the ordinary course of operating, chartering, repairing and maintaining the Vessel;
 - (iii) be the creditor or guarantor in respect of any loan or any form of credit to any person;
 - (iv) give or allow any to be outstanding, any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which they assume any liability of any other person other than any guarantee or indemnity given under the Leasing Documents;
 - (v) enter into any investments, any sale or leaseback agreements, any off-balance sheet transaction, other agreement or incur any other liability or obligation (including, without limitation, any Financial Indebtedness of any obligations under a guarantee) other than the Leasing Documents or any other agreement expressly allowed under the terms of the Leasing Documents;
 - (vi) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset (including, without limitation, the Vessel, its Earnings or its Insurances); and without prejudice to the above sub-paragraphs (z) to (vi), enter into any transaction (whether with another member of the Group or otherwise) which are, in any respect, less favourable than those which they could obtain in a bargain made at arms' length;

- (aa) any transaction entered into with their Affiliates shall be on arm's length basis and in good faith;
- (bb) they will ensure and procure that:
 - (i) the Market Value of the Vessel shall be ascertained from time to time in the following circumstances:
 - (1) upon the occurrence of a Termination Event which is continuing, at any time at the request of the Owners; and
 - (2) in the absence of a Termination Event which is continuing:
 - (i) from the first anniversary of the Commencement Date, at least once every calendar year during the Charter Period, with such report to be dated no more than thirty (30) calendar days prior to every anniversary of the Commencement Date occurring within the Charter Period or on such other date as the Owners may request; and
 - (ii) the amount of the fees and expenses incurred by the Owners in connection with any matter arising out of this paragraph (bb) shall be reimbursed to the Owners;
- (cc) intentionally deleted; and
- (dd) they shall not make, nor permit to be made, any modification or repairs to, or replacement, renewal or installation of, the Vessel or equipment installed on it or alter the structure, type or performance characteristics of the Vessel unless such modifications, repairs, replacement, renewal, installation or alteration:
 - (i) is required by the Classification Society for the purposes of maintaining the Vessel's classification or is required by any applicable laws and regulations relating to the Vessel;
 - (ii) relates to the installation of exhaust gas cleaning systems (scrubbers);
 - (iii) would not:
 - (1) have an adverse effect on the Vessel's fitness for purpose;
 - (2) alter the structure, type or performance characteristics of the Vessel; and/or
 - (3) diminish the value of the Vessel or have an adverse effect on the safety or performance of the Vessel,

and if such modification, repair, replacement, renewal installation or alternation is approved or satisfies the requirements of this clause, once effected, shall form part of the Vessel and the title of any equipment or parts replaced due to such modification, repair, replacement, renewal, installation or alternation shall vest in and remain with the Owners;

- (ee) the Vessel will not be permitted to trade in any zone which is declared a war zone by any government or the Vessel's war risks insurers, unless the Charterers have (i) obtained the written consent of the Owners (such consent not to be unreasonably withheld or delayed) prior to engaging in any such trading and (ii) (at the Charterers' expense) effected all necessary special, additional or modified insurance cover for trading in such war zone and have complied with the terms of Clause 38 (*Insurances*) any requirement as may be prescribed by the insurers; and
- (ff) the Charterers shall comply, and will procure that each other Obligor, each other member of the Group and (on best effort basis) any Sub-charterer will comply, with all Sanctions and all laws and regulations relating to such person, the Vessel and its construction, ownership, employment, operation, management and registration, including the ISM Code, the ISPS Code (including, but not limited to, the maintenance of an ISSC), all Environmental Laws, all Anti- Money Laundering Laws, Business Ethics Laws and the laws of the Vessel's registry, and in particular, they shall effect and maintain a sanctions compliance policy which, inter alia, implements the recommendations of the Sanctions Advisory, to ensure compliance with all such laws and regulations implemented from time to time, including, without limitation, they will, and will procure that each other Obligor:
 - (i) conduct their activities in a manner consistent with Sanctions;
 - (ii) have sufficient resources in place to ensure execution of and compliance with their own Sanctions policies by their personnel, e.g., direct hires, contractors, and staff;
 - (iii) ensure subsidiaries comply with the relevant policies, as applicable;
 - (iv) have relevant controls in place to monitor automatic identification system (AIS) transponders;
 - (v) have controls in place to screen and assess onboarding or offloading cargo in areas they determine to present a high risk;
 - (vi) have controls to assess authenticity of bills of lading, as necessary; and
 - (vii) have controls in place consistent with the Sanctions Advisory.

CLAUSE 46(A) – INSPECTION OF VESSEL

46(A).1 The Owners shall be entitled to inspect or survey the Vessel, its logs and records or instruct a duly authorised surveyor to carry out such survey on their behalf:

- (a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained;
- (b) in dry-dock if the Charterers have not dry-docked the Vessel in accordance with Clause 10(g);
- (c) for any purpose that the Owners deem appropriate in their absolute discretion (acting reasonably),

- (d) and the Charterers shall (at the Charterers' cost and expense) arrange for all transport, accommodation and on-site support required for such inspections or surveys.

46(A).2 The Owners shall be entitled to exercise its rights of inspection or survey as described under Clause 46(A):

- (a) if no Termination Event or Potential Termination Event has occurred and is continuing, once a year without interference or delay to the operation and trading of the Vessel with thirty (30) days prior notice to the Charterers and the Charterers shall bear the costs and expenses incurred in connection with such inspections and/or surveys (including, but not limited to, the fees, costs and expenses of any surveyor appointed by the Owners); or
- (b) if a Termination Event or Potential Termination Event has occurred and is continuing, at any time with prior written notice and for as many times as the Owners deem necessary, and the Charterers shall bear the costs incurred in connection with such inspections and/or surveys (including, but not limited to, the fees, costs and expenses of any surveyor appointed by the Owners).

CLAUSE 47 – PURCHASE OPTION

- 47.1 Provided no Termination Event has occurred and is continuing, the Charterers shall have the option to purchase the Vessel on any date falling six (6) months after the Commencement Date (the "**Purchase Option Date**"), subject always to giving the Owners no less than sixty (60) days' (or such lesser period as agreed by the Owners) prior written notice (the "**Purchase Option Notice**").
- 47.2 A Purchase Option Notice shall be signed by a duly authorised officer or attorney of the Charterers and, once delivered to the Owners, is irrevocable and the Charterers shall be bound to pay to the Owners the Purchase Option Price on the Purchase Option Date.
- 47.3 Only one Purchase Option Notice may be served throughout the duration of the Charter Period.
- 47.4 Upon the Owners' receipt in full of the Purchase Option Price, the Owners shall transfer the legal and beneficial ownership of the Vessel on an "as is where is" basis (and otherwise in accordance with the terms and conditions set out at Clauses 49.1(a) and 49.1(b)) to the Charterers or their nominees and shall execute a bill of sale and a protocol of delivery and acceptance evidencing the same and any other document strictly necessary to transfer the title of the Vessel to the Charterers (and to the extent required for such purposes the Vessel shall be deemed first to have been redelivered to the Owners).

CLAUSE 48 – PURCHASE OBLIGATION

Provided all moneys owing and payable under this Charter have been fully and irrevocably paid to the Owners, the Charterers shall be obliged to purchase from the Owners all of the Owners' beneficial and legal right, title and interest in the Vessel and all belonging to her and the Owners and the Charterers shall perform their obligations referred to in Clause 49 (*Sale of the Vessel by Purchase Option or Purchase Obligation*) and the Charterer shall pay the Purchase Obligation Price on the Maturity Date in relation thereto (unless the Owners agree otherwise in writing and upon such terms and conditions as the Owners may deem fit in their absolute discretion).

CLAUSE 49 – SALE OF THE VESSEL BY PURCHASE OPTION OR PURCHASE OBLIGATION

- 49.1 All legal and beneficial interest and title in the Vessel shall be transferred to the Charterers by the Owners upon receipt by the Owners of the Purchase Option Price or the Purchase Obligation Price or the Termination Sum pursuant to Clause 40.3 (as the case may be) on an "as is where is" basis and on the following terms and conditions:
- (a) the Charterers expressly agree and acknowledge that no condition, warranty or representation of any kind is or has been given by or on behalf of the Owners in respect of the Vessel or any part thereof, and accordingly the Charterers confirm that they have not, in entering into this Charter, relied on any condition, warranty or representation by the Owners or any person on the Owners' behalf, express or implied, whether arising by law or otherwise in relation to the Vessel or any part thereof, including, without limitation, warranties or representations as to the description, suitability, quality, merchantability, fitness for any purpose, value, state, condition, appearance, safety, durability, design or operation of any kind or nature of the Vessel or any part thereof, and the benefit of any such condition, warranty or representation by the Owners is hereby irrevocably and unconditionally waived by the Charterers to the extent permissible under applicable law, the Charterers hereby also waive any rights which they may have in tort in respect of any of the matters referred to under this clause and irrevocably agree that (i) the Owners shall have no greater liability in tort in respect of any such matter than they would have in contract after taking account of all of the foregoing exclusions; (ii) no third party making any representation or warranty relating to the Vessel or any part thereof is the agent of the Owners nor has any such third party authority to bind the Owners thereby and (iii) notwithstanding anything contained above, nothing contained herein is intended to obviate, remove or waive any rights or warranties or other claims relating thereto which the Charterers (or their nominee acceptable to the Owners) or the Owners may have against the manufacturer or supplier of the Vessel or any third party;
 - (b) the Vessel shall be free from all mortgages or any other liens, encumbrances, claims or debts whatsoever, created or permitted to exist by the Owners (save for those mortgages, liens, encumbrances or debts created under the Leasing Documents or incurred by the Charterers or arising out of or in connection with this Charter);
 - (c) the Purchase Option Price or the Purchase Obligation Price (as the case may be) shall be paid by (or on behalf of) the Charterers to the Owners on respectively the Purchase Option Date or the Maturity Date, together with unpaid amounts of Charterhire and other moneys owing by or accrued or due from the Charterers under this Charter on or prior to the Purchase Option Date or Maturity Date (as the case may be) which remain unpaid; and
 - (d) upon the Purchase Option Price or the Purchase Obligation Price (as the case may be) and all other moneys payable under this Charter being fully and irrevocably paid to the Owners on, and in accordance with, the terms set forth in this Charter (except in the case of Total Loss) the Owners agree (at the cost of the Charterers) to enter into (i) a bill of sale and (ii) a protocol of delivery and acceptance, and the Vessel shall accordingly be deemed delivered to the Charterers on the date and time set out in such protocol of delivery and acceptance (and to the extent required for such purposes the Vessel shall be deemed first to have been redelivered to the Owners).
 - (e) The Owners shall not be obliged to do anything pursuant to this Clause 49 (*Sale of the Vessel by Purchase Option or Purchase Obligation*) or other terms of this Charter which would (in the Owners' opinion (acting reasonably)) constitute a breach of any quiet enjoyment agreement to which they are a party.

CLAUSE 50 – INDEMNITIES

- 50.1 The Charterers shall upon the Owners' demand, fully indemnify the Owners against, and keep the Owners harmless from, all documented claims, expenses, liabilities, losses, taxes, fees (including, but not limited to, any tax applied to any such amounts, any interest or penalties applied to such amounts and any vessel registration and tonnage fees) suffered or incurred by or imposed on the Owners arising from this Charter and any Leasing Document or Assignable Sub-charter, whether prior to, during or after termination of this Charter and whether or not the Vessel is in the possession or the control of the Charterers, including, without limitation:
- (a) as a result of incorporating the Owners in the relevant jurisdiction selected by the Charterers or required for the purpose of flying the flag of the Vessel in a particular jurisdiction;
 - (b) in connection with delivery, possession, performance, control, registration, repair, survey, insurance, maintenance, manufacture, purchase, financing, re-financing, ownership and operation of the Vessel by the Owners;
 - (c) in connection with the prevention or release of liens or detention of or requisition, use, operation or redelivery, sale or disposal of the Vessel or any part of it;
 - (d) in connection with putting the Vessel in a re-deliverable condition in accordance with this Charter;
 - (e) as a consequence of any non-compliance or breach by any Obligor of any applicable tax laws or regulations or any losses caused to the Owners by any failure of the Charterers to comply with their obligations under Clause 51 (*No Set-off or Tax Deduction*) of this Charter (including where any such failure is occasioned by the applicable law preventing the Charterers from paying without deduction and/or from grossing up);
 - (f) all premia and other documented expenses which are reasonably incurred by (i) the Owners in connection with or with a view to effecting, maintaining or renewing lessors' or innocent owners' interest insurance and lessors' or innocent owners' additional perils (pollution) insurance or any similar protective shipowner insurance that is taken out in respect of the Vessel on such terms and conditions as the Owners may from time to time impose, and/or (ii) the Owners or the Owners' Financier (if any) in connection with or with a view to effecting, maintaining or renewing a mortgagee's interest insurance and a mortgagee's additional perils (pollution) insurance that is taken out in respect of the Vessel on such terms and conditions as the Owners or the Owners' Financier (if any) may from time to time impose. In each case, the amount of the insurances referred to in this clause shall be equal to at least one hundred and twenty per cent. (120%) of the higher of (i) the prevailing Market Value of the Vessel at the relevant time, or (ii) the Outstanding Finance Amount at the relevant time;
 - (g) all premia and documented expenses reasonably incurred by the Owners and/or the Owners' Financier (if any) in respect of any other insurances which the Owners and/or the Owners' Financier (if any) deem necessary and take out in respect of the Vessel, including, but without limitation to, any freight, demurrage and defence cover on such terms and conditions as the Owners may from time to time effect pursuant to Clause 38 (*Insurance*);

- (h) all other premia and documented expenses reasonably incurred by the Owners and/or the Owners' Financier (if any) in respect of the Insurances of the Vessel pursuant to Clause 38 (*Insurance*);
- (i) all loss or damage to the Vessel (insofar as the Owners shall not be reimbursed by the proceeds of any insurance in respect thereof) however caused occurring at any time or times before physical possession thereof is retaken by the Owners, reasonable wear and tear to the Vessel only excepted;
- (j) all losses, documented costs or charges reasonably incurred by the Owners by reason thereof in re-taking possession or otherwise in re-acquiring the Vessel pursuant to Clause 37 (*Possession of Vessel*);
- (k) all documented losses, costs, charges and expenses incurred by the Owners in collecting any Charterhire, Advance Charterhire or other payments not paid on the due date under this Charter and in remedying any other failure of the Charterers to observe the terms and conditions of this Charter;
- (l) any claims made by any person arising after the date of the letter of indemnity as referred to in the above Clause 49.1(d) in connection with the Vessel;
- (m) all losses, documented costs and expenses reasonably incurred by the Owners as a result of steps taken by the Owners under Clause 44(A).2;
- (n) all losses, documented costs and expenses reasonably incurred by the Owners in connection with any proposed modifications, repairs, replacement, installation or alteration of the Vessel pursuant to Clause 46.1(dd);
- (o) any such losses, liabilities, documented costs or expenses the Owners determine (acting reasonably) will be or has been suffered for or on account of any tax by them in respect of any Leasing Document, together with any interest, penalties, costs and expenses payable or incurred;
- (p) in connection with or following the occurrence of a Termination Event or any breach of any terms of any Leasing Document; and
- (q) all documented costs and expenses (including legal fees) incurred by the Owners in connection with the enforcement of, or the preservation of any rights under, any Leasing Document or any Security Interest created thereunder and with any proceedings instituted by or against the Owners as a consequence of entering into any Leasing Document, taking or holding any Security Interests created thereunder or enforcing those rights, including, without limitation, any losses, costs and expenses which the Owners may from time to time sustain, incur or become liable by reason of the Owners being the registered owner of the Vessel and/or being deemed by any court or authority to be an operator or controller, or in any way concerned in the operation or control, of a Vessel.

Without prejudice to its generality, this clause covers any claims, expenses, liabilities and losses which arise, or are asserted, under or in connection with any law relating to safety at sea, the ISM Code, the ISPS Code, the MARPOL Protocol, any Environmental Law or any Sanctions or in connection with any Environmental Claim.

- 50.2 Without prejudice to the above Clause 50.1, if any sum (a "**Sum**") due from an Obligor under the Leasing Documents, or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
- (a) making or filing a claim or proof against that Obligor; or
 - (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings, the Charterers shall, as an independent obligation, on demand, indemnify the Owners against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- 50.3 The obligations of the Charterers under Clause 50 (*Indemnities*) and in respect of any Security Interest created pursuant to the Security Documents will not be affected or discharged by an act, omission, matter or thing which would reduce, release or prejudice any of its obligations under Clause 50 (*Indemnities*) or in respect of any Security Interest created pursuant to the Security Documents (without limitation and whether or not known to it or any Obligor) including:
- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
 - (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of the Obligor or any of its Affiliates;
 - (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, or refusal or neglect to take up or enforce, or delay in taking or enforcing any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
 - (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Leasing Document or any other document or security;
 - (f) any unenforceability, illegality or invalidity of any obligation of any person under any Security Document or any other document or security; or
 - (g) any insolvency or similar proceedings.
- 50.4 In consideration of the Charterers requesting each Other Owner to charter the relevant Other Vessel to the relevant Other Charterers under the relevant Other Charter, the Charterers hereby irrevocably and unconditionally undertake to pay immediately on demand, and on full indemnity basis, from any such Other Owner such amounts in respect of all claims, expenses, liabilities, losses, fees of every kind and nature and all other moneys due, owing and/or payable to such Other Owner under or in connection with the relevant Other Charter, and to indemnify and hold such Other Owner harmless against all such moneys, costs, fees and expenses.

- 50.5 Notwithstanding anything to the contrary herein (but subject and without prejudice to Clause 33 (*Cancellation*)) and without prejudice to any right to damages or other claim which the Charterers may have at any time against the Owners under this Charter, the indemnities provided by the Charterers in favour of the Owners shall continue in full force and effect notwithstanding any breach of the terms of this Charter or termination of this Charter pursuant to the terms hereof or termination of this Charter by the Owners.
- 50.6 All rights which the Charterers have at any time (whether in respect of this Charter or any other transaction) against the other Obligors or any of them shall be fully subordinated to the rights of the Owners under the Leasing Documents and the Leasing Documents (as defined in each Other Charter) (collectively, for the purposes of this Clause 50.6, "**Project Leasing Documents**") and until the end of this Charter and unless the Owners otherwise direct, the Charterers shall not exercise any rights which it may have (whether in respect of this Charter or any other transaction) by reason of performance by it of its obligations under the Project Leasing Documents or by reason of any amount becoming payable, or liability arising, under this clause:
- (a) to be indemnified by the Other Charterers or the Guarantor or any of them;
 - (b) to claim any contribution from any third-party providing security for, or any other guarantor of, the Other Charterers' or the Guarantor's obligations under the Project Leasing Documents;
 - (c) to take any benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Other Charterers or the Guarantor or any of them under the Project Leasing Documents or of any other guarantee or security taken pursuant to, or in connection with, the Project Leasing Documents by any of the aforesaid parties;
 - (d) to bring legal or other proceedings for an order requiring any of the Other Charterers or the Guarantor or any of them to make any payment, or perform any obligation, in respect of any Project Leasing Document;
 - (e) to exercise any right of set-off against any of the Other Charterers or the Guarantor or any of them; and/or
 - (f) to claim or prove as a creditor of any of the Other Charterers or the Guarantor or any of them, and if the Charterers receive any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Owners or the Other Owners by the Other Charterers or the Guarantor or any of them under or in connection with the relevant Project Leasing Documents to be repaid in full on trust for the Owners or the Other Owners and shall promptly pay or transfer the same to the Owners or the Other Owners as may be directed by the Owners.
- 50.7 The Charterers hereby irrevocably agree to indemnify and hold harmless the Owners against any claim, expense, liability or loss incurred by the Owners (and which is notified to the Charterers) in liquidating or employing deposits from the Owners' Financier or third parties to fund the acquisition of the Vessel pursuant to the MOA, on or prior to the Commencement Date.

- 50.8 Notwithstanding anything to the contrary herein (but subject and without prejudice to Clause 33 (*Cancellation*)) and without prejudice to any right to damages or other claim which the Charterers may have at any time against the Owners under this Charter, the indemnities provided by the Charterers in favour of the Owners shall continue in full force and effect notwithstanding any breach of the terms of this Charter or termination of this Charter pursuant to the terms hereof or termination of this Charter by the Owners.

CLAUSE 51 – NO SET-OFF OR TAX DEDUCTION

- 51.1 All payments of the Charterhire, the Advance Charterhire, the Purchase Obligation Price, the Purchase Option Price, the Upfront Fee or and any other payment made from the Charterers to enable the Owners to pay all amounts under a Leasing Document shall be paid punctually:
- (a) without any form of set-off (other than as agreed under the MOA and this Charter), cross- claim or condition and in the case of the Charterhire, the Advance Charterhire or the Upfront Fee, without previous demand unless otherwise agreed with the Owners;
 - (b) free and clear of all present and future taxes, levies, duties or deduction of any nature whatsoever, whether levied now or in the future; and
 - (c) free and clear of any tax deduction or withholding unless required by law.
- 51.2 Without prejudice to Clause 51.1, if the Owners are required by law to make a tax deduction from any payment:
- (a) the Owners shall notify the Charterers as soon as they become aware of the requirement; and
 - (b) the amount due in respect of the payment shall be increased by the amount necessary to ensure that the Owners receive and retain (free from any liability relating to the tax deduction) a net amount which, after the tax deduction, is equal to the full amount which they would otherwise have received.
- 51.3 In this Clause "**tax deduction**" means any deduction or withholding for or on account of any present or future tax, other than a FATCA Deduction.

CLAUSE 52 – INCREASED COSTS

- 52.1 This Clause 52 (*Increased Costs*) applies if the Owners notify the Charterers that they consider that as a result of:
- (a) the introduction or alteration after the date of this Charter of a law or an alteration after the date of this Charter in the manner in which a law is interpreted or applied (disregarding any effect which relates to the application to payments under this Charter of a tax on the Owners' overall net income); or
 - (b) complying with any regulation (including any which relates to capital adequacy or liquidity controls or which affects the manner in which the Owners allocates capital resources to their obligations under this Charter) which is introduced, or altered, or the interpretation or application of which is altered, after the date of this Charter, the Owners (or a parent company of them) or the Owners' Financier has incurred or will incur an "**increased cost**".

52.2 In this Clause 52, "**increased cost**" means, in relation to the Owners or the Owners' Financier:

- (a) An additional or increased cost incurred as a result of, or in connection with, as the case may be, (i) the Owners having entered into, or being a party to, this Charter, of funding the acquisition of the Vessel pursuant to the MOA or performing their obligations under this Charter or (ii) the Owner's Financier entering into the funding arrangements described under Clause 58.2(a);
- (b) a reduction in the amount of any payment to the Owners under this Charter or in the effective return which such a payment represents to the Owners on their capital;
- (c) an additional or increased cost of funding the acquisition of the Vessel pursuant to the MOA; or
- (d) a liability to make a payment, or a return foregone, which is calculated by reference to any amounts received or receivable by the Owners under this Charter,

and for the purposes of this Clause 52.2 the Owners may in good faith allocate or spread costs and/or losses among their assets and liabilities (or any class of their assets and liabilities) on such basis as they consider appropriate.

52.3 Subject to the terms of Clause 52.1, the Charterers shall pay to the Owners, on the Owners' demand, the amounts which the Owners from time to time notify the Charterers to be necessary to compensate the Owners for the increased cost.

CLAUSE 53 – FATCA

53.1 Defined terms

For the purposes of this Clause 53 (*FATCA*), the following terms shall have the following meanings:

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**FATCA**" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (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 IRS, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Deduction**" means a deduction or withholding from a payment under this Charter or the Leasing Documents required by or under FATCA.

"**FATCA Exempt Party**" means a Relevant Party that is entitled under FATCA to receive payments free from any FATCA Deduction.

"FATCA Non-Exempt Party" means any Relevant Party who is not a FATCA Exempt Party.

"Relevant Party" means any of the parties to this Charter and the Leasing Documents.

"IRS" means the United States Internal Revenue Service or any successor taxing authority or agency of the United States government.

53.2 FATCA Information

- (a) Subject to paragraph (c) below, each Relevant Party shall within ten (10) Business Days of a reasonable request by another Relevant Party:
 - (i) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party; and
 - (ii) supply to the requesting party (with a copy to all other Relevant Parties) such other form or forms (including IRS Form W-8 or Form W-9 or any successor or substitute form, as applicable) and any other documentation and other information relating to its status under FATCA (including its applicable "pass thru percentage" or other information required under FATCA or other official guidance including intergovernmental agreements) as the requesting party reasonably requests for the purpose of the requesting party's compliance with FATCA.
- (b) If a Relevant Party confirms to any other Relevant Party that it is a FATCA Exempt Party or provides an IRS Form W-8 or W-9 showing that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall so notify all other Relevant Parties reasonably promptly.
- (c) Nothing in this clause shall oblige any Relevant Party to do anything which would or, in its reasonable opinion, might constitute a breach of any law or regulation, any policy of that party, any fiduciary duty or any duty of confidentiality, or to disclose any confidential information (including, without limitation, its tax returns and calculations); provided, however, that nothing in this paragraph shall excuse any Relevant Party from providing a true, complete and correct IRS Form W-8 or W-9 (or any successor or substitute form where applicable). Any information provided on such IRS Form W-8 or W-9 (or any successor or substitute forms) shall not be treated as confidential information of such party for purposes of this paragraph.
- (d) If a Relevant Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with the provisions of this Charter or the provided information is insufficient under FATCA, then:
 - (i) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of this Charter, the other Leasing Documents as if it is a FATCA Non-Exempt Party; and
 - (ii) if that party failed to confirm its applicable passthrough percentage then such party shall be treated for the purposes of this Charter, the other Leasing Documents (and payments made thereunder) as if its applicable passthrough percentage is 100%, until (in each case) such time as the party in question provides sufficient confirmation, forms, documentation or other information to establish the relevant facts.

53.3 FATCA Deduction and gross-up by Relevant Party

- (a) If the representation made by the Charterers under Clause 45.1(n) (*Representations and Warranties*) proves to be untrue or misleading such that the Charterers are required to make a FATCA Deduction, the Charterers shall make the FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (b) If the Charterers are required to make a FATCA Deduction then the Charterers shall increase the payment due from them to the Owners to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (c) The Charterers shall promptly upon becoming aware that they must make a FATCA Deduction (or that there is any change in the rate or basis of a FATCA Deduction) notify the Owners accordingly. Within thirty (30) days of the Charterers making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Charterers shall deliver to the Owners evidence satisfactory to the Owners that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

53.4 FATCA Deduction by Owners

The Owners may make any FATCA Deduction they are required by FATCA to make, and any payment required in connection with that FATCA Deduction, and the Owners shall not be required to increase any payment in respect of which they make such a FATCA Deduction or otherwise compensate the recipient for that FATCA Deduction.

53.5 FATCA Mitigation

Notwithstanding any other provision to this Charter, if a FATCA Deduction is or will be required to be made by any party under Clause 53.3 in respect of a payment to the Owners as a result of the Owners not being a FATCA Exempt Party, the Owners shall have the right to transfer their interest in the Vessel (and this Charter) to any person nominated by the Owners and all costs in relation to such transfer shall be for the account of the Charterers.

CLAUSE 54 – GENERAL APPLICATION OF PROCEEDS

- 54.1 Any Net Trading Proceeds, Net Sales Proceeds, Total Loss Proceeds, any proceeds realized or received by the Owners in connection with the enforcement of the Security Documents (unless otherwise specified in the Security Documents), any amounts received by the Owners from the Other Charterer pursuant to Clause 50.4 of any of the Other Charters and any proceeds received by the Owners from any Other Owner (as trustee for the Owners) shall be applied in the following order of application against amounts payable under the Leasing Documents:
- (a) firstly, in or towards any amounts outstanding under the Leasing Documents other than the Termination Sum or the Special Termination Sum (as the case may be) (including, but not limited to, any costs and expenses incurred in the enforcement of the Security Documents, to the extent these are not covered under the Termination Sum or the Special Termination Sum (as the case may be));

- (b) secondly, in or towards satisfaction of the Charterers' obligation to pay the Termination Sum or the Special Termination Sum (as the case may be) (or such portion of it that then remains unpaid) in any order of application in the amounts comprising the Termination Sum or the Special Termination Sum (as the case may be) as the Owners may determine; and
- (c) thirdly, upon satisfaction in full of all amounts payable to the Owners under the Leasing Documents, in payment of any surplus to the Charterers, but subject always to the terms of the General Assignment and subject to no actual or contingent liabilities existing at the relevant time.

CLAUSE 55 – CONFIDENTIALITY

- 55.1 The Parties agree to keep the terms and conditions of this Charter and any other Leasing Documents (the "**Confidential Information**") strictly confidential, provided that a Party may disclose Confidential Information in the following cases:
- (a) it is already known to the public or becomes available to the public other than through the act or omission of the disclosing Party;
 - (b) it is required to be disclosed under the applicable laws of any Relevant Jurisdiction, by a governmental order, decree, regulation or rule, by an order of a court, tribunal or listing exchange of the Relevant Jurisdiction, provided that the disclosing Party shall give written notice of such required disclosure to the other Party prior to the disclosure;
 - (c) it is required to be disclosed by any stock exchange and/or securities and exchange commission rules (including, but not limited to, the US Securities and Exchange Commission Rule or the Nasdaq Rules);
 - (d) in filings with a court or arbitral body in proceedings in which the Confidential Information is relevant and in discovery arising out of such proceedings;
 - (e) to (or through) whom a Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Leasing Document (as permitted by the terms thereof), provided that such person receiving Confidential Information shall undertake that it would not disclose Confidential Information to any other party save for circumstances arising which are similar to those described under this clause or such other circumstances as may be permitted by all Parties;
 - (f) to any of the following persons on a need to know basis:
 - (i) a shareholder or an Affiliate of either Party or a party referred to in either paragraph (e) or (f) (including the employees, officers and directors thereof);
 - (ii) professional advisers retained by a disclosing party; or
 - (iii) persons advising on, providing or considering the provision of financing to the disclosing party or an Affiliate, provided that the disclosing party shall exercise due diligence to ensure that no such person shall disclose Confidential Information to any other party save for circumstances arising which are similar to those described under this clause or such other circumstances as may be permitted by all Parties; or

- (g) with the prior written consent of all Parties.

CLAUSE 56 – PARTIAL INVALIDITY

If, at any time, any provision of a Leasing Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

CLAUSE 57 – SETTLEMENT OR DISCHARGE CONDITIONAL

- 57.1 Any settlement or discharge under any Leasing Document between the Owners and any Obligor or any other person shall be conditional upon no security or payment to the Owners by any Obligor or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.
- 57.2 If the Owners consider (acting reasonably) that an amount paid or discharged by, or on behalf of, an Obligor in purported payment or discharge of an obligation of that Obligor to the Owners under the Leasing Documents is capable of being avoided or otherwise set aside on the liquidation or administration of that Obligor or otherwise, then that amount shall not be considered to have been unconditionally and irrevocably paid or discharged for the purposes of the Leasing Documents.

CLAUSE 58 – CHANGES TO THE PARTIES

58.1 Assignment or transfer by the Charterers

The Charterers shall not assign their rights or transfer by novation any of their rights and obligations under the Leasing Documents except with the prior consent in writing of the Owners.

58.2 Assignment or transfer by the Owners

Subject to Clause 35 (*Quiet Enjoyment*) above, the Charterers acknowledge that, at any time during the Charter Period:

- (a) the Owners are entitled to enter into certain funding arrangements with their financier(s), (the "**Owners' Financier**"), in order to finance in part or in full of the Purchase Price, which funding arrangements may be secured, *inter alia*, by the relevant Financial Instruments;
- (b) the Owners may do any of the following as security for the funding arrangements referred to in paragraph (a) above, in each case, without the prior consent of the Charterers:
- (i) execute a ship mortgage over the Vessel or any other Financial Instrument in favour of an Owners' Financier;
 - (ii) assign their rights and interests to, in or in connection with this Charter and any other Leasing Document in favour of that Owners' Financier;

- (iii) assign their rights and interests to, in or in connection with the Insurances, the Earnings and the Requisition Compensation of the Vessel in favour of that Owners' Financier;
 - (iv) any other Financial Instrument in favour of the Owners' Financier; and
 - (v) enter into any other document or arrangement which is necessary to give effect to such financing arrangements; and
- (c) the Charterers undertake to comply and shall procure that the other Obligors shall comply, and provide such information and documents reasonably required to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in any Financial Instrument or as may be directed from time to time during the currency of this Charter by the Owners' Financier in conformity with any Financial Instrument. The Charterers further agree and acknowledge all relevant terms, conditions and provisions of each Financial Instrument (if any) and agree that they and any other Obligor shall acknowledge any such assignments and other security in writing in any form that may be required by the Owners' Financier.
- (d) the Owners may assign or transfer by novation (or otherwise) any of its rights and obligations under the Leasing Documents and/or sell the Vessel at any time:
- (i) to an Affiliate of the Owners or an Owners' Financier without any consent of the Charterers;
 - (ii) to another lessor or financial institution or trust, fund, leasing company or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (for the avoidance of doubt, expressly excluding any hedge fund, private equity fund or any equity owned or controlled by a competitor of the Charterers),
 - (A) with the prior written consent of the Charterers (such consent not to be unreasonably withheld or delayed) if there is no Termination Event on the date when the consent is sought; or
 - (B) without any consent of the Charterers following the occurrence of a Termination Event which is continuing; and
 - (iii) in accordance with the Charterers' exercise of the Purchase Option under Clause 47 or of the Purchase Obligation under Clause 48.
- (e) Following any change in the registered ownership of the Vessel permitted pursuant to Clause 58.2, this Charter would continue on identical terms (save for logical, consequential or mutually agreed amendments), and the Charterers hereby agree that they shall be liable to the aforesaid new owner of the Vessel for its performance of all obligations pursuant to this Charter after change of the registered ownership of the Vessel from the Owners to such new owner and shall procure that:
- (i) any other Obligor which is a party to a Leasing Document:
 - (A) remains liable to the new owner of the Vessel for its performance of all obligations pursuant to such Leasing Document; and

(B) enters into all necessary documents or takes any necessary actions required for such Leasing Document and any Security Interest created thereunder remaining in full force and effect as from the completion of the relevant sale; and

(ii) the Guarantor shall each execute a guarantee in favour of the new owners for the *inter alia*, obligations of the Charterers under this Charter, in substantially in the same form as the Guarantee (or such other form as the Guarantor and the new owners may agree).

58.3 The Charterers agree and undertake to (and will procure the other Obligor to) enter into any such usual documents as the Owners shall require to complete or perfect the assignment or transfer of the Vessel (with the benefit and burden of this Charter and other Leasing Documents) and the Owner's rights and obligations under the Leasing Documents pursuant to Clause 58.2.

58.4 Unless otherwise expressly stated in this Charter, each of the Owners and the Charterers shall bear their own costs arising from any assignment, transfer or sale of the Vessel by the Owners as permitted under this Clause 58.2.

CLAUSE 59 – MISCELLANEOUS

59.1 The Charterers waive any rights of sovereign immunity which they or any of their assets may enjoy in any jurisdiction and subjects itself to civil and commercial law with respect to their obligations under this Charter.

59.2 No term of this Charter is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to this Charter, save that the Other Owners may rely on the rights conferred on them under Clause 50.2.

59.3 This Charter and each Leasing Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Charter or that Leasing Document, as the case may be.

59.4 These additional clauses shall be read together with the Standard Bareboat Charter, and shall constitute a single instrument. In the case of any conflict between the provisions of these additional terms and the Standard Bareboat Charter, these additional terms shall prevail.

59.5 This Charter contains all the understandings and agreements of whatsoever kind and nature existing between the parties in respect of this Charter, the rights, interests, undertakings agreements and obligations of the parties to this Charter and shall supersede all previous and contemporaneous negotiations and agreements.

59.6 The termination of this Charter for any cause whatsoever shall not affect the right of the Owners to recover from the Charterers any money due to the Owners on or before the termination in consequence thereof and all other rights of the Owners (including, but not limited to, any rights, benefits or indemnities which are expressly provided to continue after the termination of this Charter) are reserved hereunder.

59.7 Nothing in this Charter creates, constitutes or evidences any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and neither party may make, or allow to be made any representation that any such relationship exists between the parties. Neither party shall have the authority to act for, or incur any obligation on behalf of, the other party, except as expressly provided in this Charter.

- 59.8 The rights, powers and remedies provided in this Charter are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.
- 59.9 The Owners may set off any matured and/or contingent obligation due from any Obligor under the Leasing Documents (to the extent beneficially owned by the Owners) against any obligation (whether matured or not) owed by the Owners to that or any other Obligor, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, the Owners may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. Other than as explicitly set out in the Leasing Documents, no member of the Group may set off any matured and/or contingent obligation due from the Owners under the Leasing Documents (to the extent beneficially owned by any Obligor) against any obligation (whether matured or not) owed by any member of the Group to the Owners, regardless of the place of payment or currency of either obligation.

CLAUSE 60 - RECORDATION OF FINANCING CHARTER

- 60.1 Without prejudice and in addition to the Owners' rights under this Charter:
- (a) for all purposes under Section 302A of the Republic of the Marshall Islands Maritime Act 1990, as amended (the "**Maritime Act**"), the Owners and the Charterers acknowledge and agree that (i) this Charter shall be construed as a "financing charter", as such term is defined in Section 112(7) (*Definitions*) of the Maritime Act, and (ii) this Charter is intended to be deemed under the Maritime Act as a preferred mortgage over the Vessel granted by the Charterers, as owner, in favour of the Owners, as mortgagee;
- (b) in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Charterers hereby grant, convey, mortgage, pledge, confirm, assign, transfer and set over the whole of the Vessel to the Owners, as mortgagee, as security for the performance and observance of and compliance with all their obligations as Charterers under, and the covenants, terms and conditions contained in, this Charter and the other Leasing Documents to which the Charterers are or may become a party; and
- (c) At their sole cost and expense, the Charterers shall cause this Charter to be recorded as a financing charter in accordance with the Maritime Act and will perform all such acts as may be reasonably requested by the Owners to accomplish the said recordation. For the purposes of recording this Charter under Section 302A of the Maritime Act as a financing charter:
- (i) the name of the Vessel is m.v. "Tradership";
- (ii) the official number of the Vessel is 9382;
- (iii) the date of this Charter is _____ 2023;
- (iv) the name and address of the Owners are:

GIANT 4 HOLDING LIMITED

6/F., Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong;

(v) the name and address of the Charterers are:

TRADERS MARITIME CO.

Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960

(vi) the maximum aggregate of the nominal amount of all charterhire payments, termination payments, purchase obligation, and purchase or put option amounts which could under any circumstances be due and payable under this Standard Bareboat Charter and the other Leasing Documents, exclusive of any interest, indemnities, expenses or fees, is US\$30,000,000 which is the total amount secured hereby.

CLAUSE 61 - DEFINITIONS

61.1 In this Charter the following terms shall have the meanings ascribed to them below:

"Acceptance Certificate" means a certificate substantially in the form set out in Schedule 1 to be signed by the Charterers at Delivery.

"Account Bank" means ALPHA BANK S.A. or such other bank approved by the Owners

"Account Security" means the account security executed or to be executed by the Charterers in favour of the Owners over the Earnings Account in agreed form.

"Advance Charterhire" means the difference between the Purchase Price and the Finance Amount.

"Affiliate" means in relation to any person, a subsidiary of that person or a Holding Company of that person or any other subsidiary of that Holding Company.

"Anti-Money Laundering Laws" means all applicable financial record-keeping and reporting requirements, anti-money laundering statutes (including all applicable rules and regulations thereunder) and all applicable related or similar laws, rules, regulations or guidelines, of all jurisdictions including and without limitation, the United States of America, the European Union, the United Kingdom and the People's Republic of China and which in each case are (a) issued, administered or enforced by any governmental agency having jurisdiction over any Obligor or any Sub-charterer or the Owners; (b) of any jurisdiction in which any Obligor or any Sub-charterer or the Owners conduct business; or (c) to which any Obligor or any Sub-charterer or the Owners is subjected or subject to.

"Anti-Terrorism Financing Laws" means all applicable anti-terrorism laws, rules, regulations or guidelines of any jurisdiction, including and not limited to the United States of America or the People's Republic of China which are: (a) issued, administered or enforced by any governmental agency, having jurisdiction over any Obligor or any Sub-charterer or the Owners; (b) of any jurisdiction in which any Obligor or the Owners conduct business; or (c) to which any Obligor or any Sub-charterer or the Owners are subjected or subject to.

"Approved Commercial Manager" means:

- (a) United Management Corp., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960;
- (b) Seanergy Management Corp., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960; or
- (c) Fidelity Marine Inc., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960,

or any other Affiliates of the Charterers or other international and reputable manager which may, with the prior written approval of the Owners (such approval not to be unreasonably withheld or delayed) be appointed as a commercial manager of the Vessel, collectively, the **"Approved Commercial Managers"**.

"Approved Managers" means collectively the Approved Commercial Manager and the Approved Technical Manager, each of any of them, as the context may require, an **"Approved Manager"**.

"Approved Management Agreement" means:

- (a) the commercial management agreement in respect of the Vessel dated 5 April 2023 and entered into between United Management Corp. and Fidelity Marine Inc., as amended and supplemented from time to time, including by a deed of accession dated 5 April 2023 made by the Charterers in favour of Fidelity Marine Inc.;
- (b) the commercial management agreement in respect of the Vessel dated 5 April 2023 and entered into between United Management Corp. and Seanergy Management Corp., as amended and supplemented from time to time;
- (c) the ship technical management agreement in respect of the Vessel dated 19 May 2021 and initially entered into between Traders Shipping Co. and V. Ships Limited., as amended, novated and supplemented from time to time, including the novation agreement dated 16 February 2023 entered into between Traders Shipping Co. as outgoing owner, the Charterers as incoming owner and V. Ships Limited and the novation agreement dated 28 April 2023 entered into the Charterers as owner, V. Ship Limited as outgoing manager and V. Ships Greece Ltd. as incoming manager;

or, in each case any such other commercial, technical and/or crew management agreement in respect of the Vessel as may be approved by the Owners in writing, collectively, the **"Approved Management Agreements"**.

"Approved Technical Manager" means V. Ships Greece Ltd., a company incorporated and validly existing under the laws of Bermuda whose registered address is at 3rd Floor, Par-La- Ville Place, 14 Par-La-Ville Road, Hamilton HM 08, Bermuda or any or any other Affiliates of the Charterers or other international and reputable manager which may, with the prior written approval of the Owners be appointed as a technical manager of the Vessel, collectively, the **"Approved Technical Managers"**.

"Approved Valuer" means Arrow, Fearnleys, Clarksons, Maersk, Barry Rogliano Salles, Howe Robinson, Weselmann, Braemar, Lorentzen & Stemoco, BRS, Grieg Shipbrokers, Galbraiths, Simpson Spence Young (SSY), Seaborne Valuation or such other independent and reputable shipbroker nominated by the Charterers and approved by the Owners.

"Assignable Sub-charter" means, the Initial Sub-charter or any charter or any other form of employment contract relating to the Vessel, whether or not already in existence (i) on a bareboat basis (irrespective of duration) or (ii) on a time charter basis with a duration exceeding or capable of exceeding thirteen (13) months (inclusive of options to renew).

"Associated Vessel" means any ship or vessel (including, but not limited to, the Vessel and the Other Vessels) from time to time wholly leased, hired, chartered or financed under any lease, hire purchase agreement, charter or any other financing arrangement by Affiliates of the Owners and/or any Other Owner to subsidiaries or Affiliates of the Guarantor.

"Breakfunding Costs" means all breakfunding costs and expenses incurred or payable by the Owners when a repayment or prepayment under the relevant funding arrangement entered into by the Owners for the purpose of financing the Purchase Price do not fall on a Payment Date.

"Business Day" means a day on which banks are open for business in Shanghai, Hong Kong, New York Athens and:

- (a) in respect of a day on which a payment is required to be made or other dealing is due to take place under a Leasing Document or an Assignable Sub-charter in Dollars, also a day on which commercial banks are open in New York City; and
- (b) in relation to the fixing of an interest rate, also a day (other than a Saturday or Sunday) which is a US Government Securities Business Day.

"Business Ethics Laws" means any laws, regulations and/or other legally binding requirements or determinations in relation to corruption, fraud, collusion, bid-rigging or anti-trust, human rights violations (including forced labour and human trafficking) which are applicable to any Obligor or any Sub-charterer or the Owners or to any jurisdiction where activities are performed and which shall include but not be limited to (i) the United Kingdom Bribery Act 2010 and (ii) the United States Foreign Corrupt Practices Act 1977 and all rules and regulations under each of (i) and (ii).

"Buyers" means the Owners acting in their capacity as buyer of the Vessel under the MOA.

"Cancelling Date" has the meaning given to such term in the MOA.

"Change of Control" occurs, if, at any time:

- (a) the Charterers cease to be wholly legally and beneficially owned or controlled by the Guarantor;
- (b) any group of the existing members of the board of directors of the Guarantor, as at the date of this Charter, which ordinarily comprises a majority of the board of directors of the Guarantor, does not ordinarily comprise a majority of the board of directors of the Guarantor;

- (c) the Disclosed Person ceases to own legal and ultimately beneficially at least 49.99% of the voting power of the issues and outstanding share capital, of the Guarantor;
- (d) a person or persons acting in concert (other than the Disclosed Person):
 - (i) have the right of the ability to control, either directly or indirectly, the affairs, or composition of the majority of the board of directors (or equivalent of it), of the Guarantor; or
 - (ii) own legally and ultimately beneficially more than the voting power of the issued and outstanding share capital of the Guarantor which is owned by the Disclosed Person; or
- (e) the Disclosed Person ceases to be the Chief Executive Officer of the Guarantor.

"Charter Period" means the period commencing on the Commencement Date and described in Clause 32.2 unless it is either terminated earlier or extended in accordance with the provisions of this Charter.

"Charterhire" means each of, or as the context may require, all of the monthly instalments of hire payable under this Charter comprising of a Fixed Charterhire element and a Variable Charterhire element.

"CISADA" means the United States Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 as it applies to non-US persons.

"Classification Society" means DNV or such other classification society as may be approved in writing by the Owners.

"Commencement Date" means the date on which Delivery takes place.

"Delivery" means the delivery of the legal and beneficial interest in the Vessel from the Owners to the Charterers hereunder.

"Disclosed Person" means the holder of the Series B preferred shares of the Guarantor as communicated by the Charterers to the Owners prior to the signing of this Charter.

"Dollars", "US\$" and "\$" mean the lawful currency for the time being of the United States of America.

"Earnings" means all moneys whatsoever which are now, or later become, payable (actually or contingently) and which arise out of the use or operation of the Vessel, including (but not limited to):

- (a) all freight, hire and passage moneys, compensation payable in the event of requisition of the Vessel for hire, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of the Vessel; and
- (b) if and whenever the Vessel is employed on terms whereby any moneys falling within paragraph (a) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to the Vessel.

"Earnings Account" means, an account designated as an "Earnings Account" in the name of the Charterers with the Account Bank or any other replacement earnings account in the name of the Charterers with any other bank which may, with the prior written consent of the Owners, be opened.

"Environmental Claim" means:

- (a) any claim by any governmental, judicial or regulatory authority which arises out of an Environmental Incident or which relates to any Environmental Law; or
- (b) any claim by any other person which relates to an Environmental Incident,

and **"claim"** means a claim for damages, compensation, fines, penalties or any other payment; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset.

"Environmental Incident" means:

- (a) any release of Environmentally Sensitive Material from the Vessel; or
- (b) any incident in which Environmentally Sensitive Material is released from a vessel other than the Vessel and which involves a collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, in connection with which the Vessel is actually liable to be arrested, attached, detained or enjoined and/or the Vessel and/or the Owners and/or the Charterers and/or any Sub-charterer and/or any other operator or manager of the Vessel is at fault or otherwise liable to any legal or administrative action; or
- (c) any other incident involving the Vessel in which Environmentally Sensitive Material is released otherwise than from the Vessel and in connection with which the Vessel is actually arrested and/or where the Owners and/or the Charterers and/or any Sub-charterer and/or any other operator or manager of the Vessel is at fault or otherwise liable to any legal or administrative action.

"Environmental Law" means any law relating to pollution or protection of the environment, to the carriage or releases of Environmentally Sensitive Material.

"Environmentally Sensitive Material" means oil, oil products and any other substances (including any chemical, gas or other hazardous or noxious substance) which are (or are capable of being or becoming) polluting, toxic or hazardous.

"Escrow Agent" means Watson Farley & Williams LLP acting through its office at Suites 4610- 4619, Jardine House, 1 Connaught Place, Hong Kong.

"Escrow Agreement" means the escrow agreement made or to be made between, inter alia, the Charterers, the Owners, the Existing Financier and the Escrow Agent setting out the terms of appointment of the Escrow Agent and the manner in which the Escrow Agent will hold and release the Net Purchase Price (as defined in the MOA).

"Existing Facility Agreement" means the facility agreement dated 8 August 2022 as amended and supplemented by a supplemental agreement dated 26 October 2022, a second supplemental agreement dated 21 December 2022 and as further amended and restated by a deed of accession, amendment and restatement dated 30 January 2023 and a second deed of accession, amendment and restatement dated 9 August 2023 entered into between, inter alia, the Existing Financier as security agent, Kroll Agency Services Limited as facility agent and the Sellers as borrower.

"Existing Financier" has the meaning given to that term in the MOA.

"Fee Letter" means any fee letter dated on or around the date hereof setting out the upfront fee or other fee payable by the Charterers to the Owners pursuant to Clause 41.1.

"Finance Amount" means US\$10,000,000.

"Financial Indebtedness" means, in relation to a person (the **"debtor"**), a liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;
- (b) under any loan stock, bond, note or other security issued by the debtor;
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;
- (d) under a financial lease, a deferred purchase consideration arrangement (other than deferred payments for assets or services obtained on normal commercial terms in the ordinary course of business) or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any foreign exchange transaction, any interest or currency swap or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount; or
- (f) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within paragraphs (a) to (e) if the references to the debtor referred to the other person;

"Financial Instruments" means any mortgage, deed of covenant, the general assignment or such other financial security instruments as may be granted to the Owners' Financier as security for the obligations of the Owners in relation to the financing or refinancing of the acquisition of the Vessel.

"Fixed Charterhire" has the meaning given to such term in Clause 36.3.

"Flag State" means the flag state as stated in Box 5 of this Charter or such other flag state as may be approved in writing by the Owners (such approval not to be unreasonably withheld or delayed).

"Funding Rate" means any individual rate notified by the Owners to the Charterers pursuant to Clause 36.17(ii).

"General Assignment" means the general assignment, in agreed form, executed or to be executed by the Charterers in favour of the Owners in respect of the Vessel, pursuant to which the Charterers shall, *inter alia*, assign its rights in relation to (i) Insurances, Earnings and Requisition Compensation and (ii) any Assignable Sub-charter, in favour of the Owners.

"Group" means the Guarantor and its subsidiaries (whether directly or indirectly owned) from time to time.

"Guarantee" means a guarantee executed by the Guarantor in favour of the Owners on or about the date of this Charter.

"Guarantor" mean United Maritime Corporation, a corporation incorporated under the laws of the Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 acting in its capacity as guarantor in connection with, amongst others, the Charterers' obligations in connection with this Charter.

"Historic Term SOFR" means, in relation to a Term, the most recent applicable Term SOFR for three (3) months and which is as of a day which is no more than three (3) US Government Securities Business Days before the Quotation Day.

"Holding Company" means, in relation to a person, any other person in relation to which it is a subsidiary.

"IAPPC" means a valid international air pollution prevention certificate for the Vessel issued pursuant to the MARPOL Protocol.

"Initial Sub-charter" means the time charter party of the Vessel dated 26 April 2023 and made between the Charterers as owners and the Initial Sub-charterer as charterers, as amended and supplemented from time to time.

"Initial Sub-charterer" means Oldendorff Carriers Denmark APS, a company incorporated and existing under the laws of Denmark with its registered address at Bredgade 25E, 4th Floor, DK1260 Copenhagen, Denmark.

"Insurances" means:

- (a) all policies and contracts of insurance, including entries of the Vessel in any protection and indemnity or war risks association, which are effected in respect of the Vessel or otherwise in relation to it whether before, on or after the date of this Charter; and
- (b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Charter.

"Interest Rate" means, in relation to each Term and subject to Clause 36.17, the percentage rate of interest per annum which is the aggregate of (i) the applicable Reference Rate for such Term and (ii) Margin.

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

(a) either:

- (i) the most recent applicable Term SOFR (as of a day which is not more than three (3) US Government Securities Business Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than three (3) months; or
- (ii) if no such Term SOFR is available for a period which is less than three (3) months, SOFR for a day which is no more than five (5) US Government Securities Business Days (and no less than two (2) US Government Securities Business Days) before the Quotation Day; and

(b) the most recent applicable Term SOFR (as of a day which is not more than three (3) US Government Securities Business Days before the Quotation Day) the shortest period (for which Term SOFR is available) which exceeds three (3) months.

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

(a) either:

- (i) the applicable Term SOFR (as of the Quotation Day in respect of that Term) for the longest period (for which Term SOFR is available) which is less than three (3) months; or
- (ii) if no such Term SOFR is available for a period which is less than three (3) months, SOFR for the day which is two (2) US Government Securities Business Days before the Quotation Day; and

(b) the applicable Term SOFR (as of the Quotation Day in respect of that Term) for the shortest period (for which Term SOFR is available) which exceeds three (3) months.

"ISM Code" means the International Safety Management Code (including the guidelines on its implementation), adopted by the International Maritime Organisation Assembly as Resolutions A.741 (18) and A.788 (19), as the same may be amended or supplemented from time to time (and the terms "**safety management system**", "**Safety Management Certificate**" and "**Document of Compliance**" have the same meanings as are given to them in the ISM Code).

"ISPS Code" means the International Ship and Port Security Code as adopted by the Conference of Contracting Governments to the Safety of Life at Sea Convention 1974 on 13 December 2002 and incorporated as Chapter XI-2 of the Safety of Life at Sea Convention 1974, as the same may be supplemented or amended from time to time.

"ISSC" means an International Ship Security Certificate issued under the ISPS Code.

"Leasing Documents" means this Charter, the MOA, the Fee Letter and the Security Documents.

"Major Casualty" means any casualty to the Vessel in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds US\$750,000 or the equivalent in any other currency.

"Manager's Undertakings" means, collectively, the letter of undertaking, in agreed form, to be executed by each Approved Manager, each of any of them, as the context may require, the **"Manager's Undertaking"**.

"Margin" means three point three per cent. (3.3%) per annum.

"Market Value" means, in relation to the Vessel, the valuation shown by a valuation report or certificate addressed to the Owners and prepared:

- (a) at the cost of the Charterers;
- (b) on a date no earlier than thirty (30) days prior to the relevant date of determination;
- (c) by Approved Valuers;
- (d) without physical inspection of the Vessel or other vessel; and
- (e) 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 or such other basis as may be agreed by the Owners.

"MARPOL Protocol" means Annex VI (Regulations for the Prevention of Air Pollution from Ships) to the International Convention for the Prevention of Pollution from Ships 1973 (as amended in 1978 and 1997).

"Material Adverse Effect" means, in the reasonable opinion of the Owners, a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of any Obligor; or
- (b) the ability of any Obligor to perform its obligations under any Leasing Document or any Assignable Sub-charter to which it is a party; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security Interests granted pursuant to any of the Leasing Documents or any Assignable Sub-charter or the rights or remedies of the Owners under any of the Leasing Documents or any Assignable Sub-charter;

"Maturity Date" means the date falling thirty-six (36) months from the Commencement Date.

"MOA" means the memorandum of agreement dated on or about the date of this Charter and made between the Owners (in their capacity as buyers) and the Charterers (in their capacity as sellers), pursuant to which the Charterers agree to sell and the Owners agree to purchase the Vessel upon the terms and conditions set out therein.

"Net Sales Proceeds" has the meaning given to such term in Clause 40.4(b)(ii).

"Net Trading Proceeds" has the meaning given to such term in Clause 40.4(b)(i).

"Obligor" means any of the Charterers, the Other Charterers, the Guarantor and the Approved Managers (other than a Third Party Approved Manager) and each other person that may be a party to a Leasing Document from time to time (other than the Owners or their Affiliates) and any other party that provides security for the Leasing Documents.

"Original Financial Statements" means, with respect to the Guarantor, its audited consolidated annual financial reports for the financial year ended 31 December 2022, in form and substance satisfactory to the Owners.

"Original Jurisdiction" means, in relation to each Obligor, the jurisdiction under whose laws they are incorporated as at the date of this Charter.

"Other Charter" means, in relation to each Other Vessel, a bareboat charter entered into or to be entered into on or about the date of this Charter between the relevant Other Owner, as owner, and the corresponding Other Charterer, as demise owner, and collectively, the **"Other Charters"**.

"Other Charterer" means, in relation to each Other Vessel, the entity designated under the column headed "Project Charterers" in Schedule 3 and corresponding to such Other Vessel, and collectively, the **"Other Charterers"**.

"Other Leasing Documents" means, collectively, the "Leasing Documents" as defined in each Other Charter.

"Other Owner" means, in relation to each Other Vessel, the entity designated under the column headed "Project Owners" in Schedule 3 and corresponding to such Other Vessel, and collectively, the **"Other Owners"**.

"Other Vessel" means each or, as the context may require, any of the vessels designated under the column headed "Project Vessels" in Schedule 3 (other than the Vessel), and collectively, the **"Other Vessels"**.

"Outstanding Finance Amount" means, on any relevant date, (i) the Finance Amount minus (ii) the aggregate Fixed Charterhire which have been paid by the Charterers and received by the Owners as at such date.

"Owners' Financier" shall have the meaning as defined under Clause 58.2(a).

"Owners' Sale" shall have the meaning as defined under Clause 40.4(b)(ii).

"Party" means any party to this Charter.

"Payment Date" means each of, or as the context may require, any of:

- (a) in respect of the first Charterhire instalment, the date falling one (1) month after the Commencement Date;

- (b) each date falling at monthly intervals during the Charter Period after the date described in paragraph (a) above; and
- (c) the Maturity Date, such that there are a total of thirty-six (36) Payment Dates during the Charter Period.

"Payment Notice" has the meaning given to that term in the MOA.

"Permitted Security Interests" means:

- (a) Security Interests created by a Leasing Document or a Financial Instrument;
- (b) liens for unpaid master's and crew's wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime, ownership and management practice;
- (c) liens for salvage provided such liens do not secure amounts more than thirty (30) days overdue;
- (d) liens for master's disbursements incurred in the ordinary course of trading provided such liens do not secure amounts more than thirty (30) days overdue;
- (e) any other liens arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Vessel provided such liens do not secure amounts more than thirty (30) days overdue;
- (f) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the Charterers are prosecuting or defending such action in good faith by appropriate steps; and
- (g) Security Interests arising by operation of law in respect of taxes which are not overdue or for payment of taxes which are overdue for payment but which are being contested by the Owners or the Charterers in good faith by appropriate steps and in respect of which adequate reserves have been made.

"Potential Termination Event" means, an event or circumstance which, with the giving of any notice, the lapse of time, a determination of the Owners and/or the satisfaction of any other condition, would constitute a Termination Event.

"Prepositioning Date" shall have the same meaning as defined under the MOA.

"Purchase Obligation" means the purchase obligation referred to in Clause 48 (*Purchase Obligation*).

"Purchase Obligation Price" means US\$5,000,000.

"Purchase Option" means the early purchase option which the Charterers are entitled to exercise pursuant to Clause 47 (*Purchase Option*).

"Purchase Option Date" has the meaning given to that term in Clause 47.1.

"Purchase Option Notice" has the meaning given to that term in Clause 47.1 (*Purchase Option*).

"Purchase Option Price" means the aggregate of:

- (a) the Outstanding Finance Amount as at the Purchase Option Date together with a fee calculated at the rate of (i) two per cent. (2%) of such Outstanding Finance Amount if the Purchase Option is exercised on a date falling six (6) months after the Commencement Date and until (including) the first (1st) anniversary of the Commencement Date, (ii) one point five per cent. (1.5%) of such Outstanding Finance Amount if the Purchase Option is exercised after the first (1st) anniversary of the Commencement Date and until (including) the second (2nd) anniversary of the Commencement Date and (iii) zero per cent. (0%) if the Purchase Option is exercised after the second (2nd) anniversary of the Commencement Date;
- (b) any amounts of interest accrued from the last Payment Date up to and including the Purchase Option Date;
- (c) any accrued but unpaid Variable Charterhire as at the Purchase Option Date;
- (d) any Breakfunding Costs and any other costs, expenses and fees payable by the Owners to the Owner's Financier under the relevant Financial Instruments but excluding any Swap Costs;
- (e) any documented legal costs, expenses reasonably incurred by the Owners and in connection with the exercise of the Purchase Option under Clause 47 (*Purchase Option*);
- (f) any other reasonable and documented costs, expenses, losses and liabilities and by the Owners under the Leasing Documents as a result of the exercise of the Purchase Option under Clause 47 (*Purchase Option*) (including, but not limited to, the release of securities and the cost of redelivery); and
- (g) all other amounts due and outstanding under this Charter and the other Leasing Documents together with any applicable interest thereon.

"Published Rate" means Term SOFR for three (3) months.

"Published Rate Replacement Event" means, in relation to a Published Rate:

- (a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Owners, materially changed;
- (b)
 - (i)
 - (A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;

- (ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or
- (c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
- (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Owners) temporary;
 - (ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than a reasonable time period as determined by the Owners; or
- (d) in the opinion of the Charterers and the Owners (each acting reasonably), that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Charter.

"Purchase Price" means the aggregate amount which has been paid by the Owners (in their capacity as Buyers) to the Charterers (in their capacity as Sellers) for the purchase of the Vessel pursuant to clause 18 (*payment of purchase price*) of the MOA.

"Quotation Day" means in relation to a Term for which an Interest Rate is to be determined, two (2) US Government Securities Business Days before the first day of that Term unless market practice differs in the relevant syndicated loan market in which case the Quotation Day will be determined by the Owners in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

"Reference Rate" means, in relation to a Term:

- (a) the applicable Term SOFR for three (3) months as of the relevant Quotation Day; or
- (b) as otherwise determined pursuant to Clause 36.13, and if, in either case, that rate is less than zero, the Reference Rate shall be deemed to be zero.

"Relevant Jurisdiction" means, in relation to each Obligor:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any property owned by it and charged under a Leasing Document or an Assignable Sub-charter is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) any jurisdiction whose laws govern the perfection of any of the Leasing Documents the Assignable Sub-charter entered into by it creating a Security Interest.

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"Replacement Reference Rate" means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Published Rate by;
- (i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate);
- (ii) any Relevant Nominating Body; or

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 Owners and the Charterer, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to a Published Rate; or
- (c) in the opinion of the Owners and the Charterer, an appropriate successor or alternative to a Published Rate.

"Reporting Time" means close of business in Shanghai on the date falling two (2) Business Days after the Quotation Day for the relevant Term.

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

"Restricted Country" means any country or territory whose government is the target of Sanctions or that is or whose government is, subject to comprehensive country-wide or territory-wide Sanctions (including, without limitation, as regards United States Sanctions, Cuba, Syria, Iran, North Korea, Crimea and Venezuela).

"Restricted Person" means any person who is the subject of Sanctions (whether designated by name or by reason of being included in a class of persons to whom any applicable Sanctions apply in accordance with their terms) or against whom Sanctions are directed, including, without limitation, as a result of being (a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions, or (b) organized under the laws of, or a citizen or resident of, any Restricted Country, or otherwise a target of Sanctions.

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

- (a) imposed, administered, enacted or enforced by law or regulation of the United Kingdom, the Council of the European Union, the People's Republic of China, the United Nations or its Security Council or the US (including, but not limited to, "secondary sanctions" imposed by the US), the Hong Kong SAR, the Flag State or any government, official institution or agency of any of the foregoing, whether or not any Obligor or any Sub-charterer is legally bound to comply with the foregoing; or
- (b) otherwise imposed by any law or regulation binding on any Obligor or any Sub-charterer or to which an Obligor or a Sub-charterer is subject.

"Sanctions Advisory" means the Sanctions Advisory for the Maritime Industry, Energy and Metals Sectors, and Related Communities issued May 14, 2020 by the US Department of the Treasury, Department of State and Coast Guard, as may be amended or supplemented, and any similar future advisory.

"Security Documents" means the Account Security, the Guarantee, the General Assignment, the Shares Security Deed, the Manager's Undertakings and any other security documents granting a Security Interest in respect of the obligations of the Charterers under or in connection with this Charter.

"Security Interest" means:

- (a) a mortgage, charge (whether fixed or floating) or pledge, any maritime or other lien or any other security interest of any kind;
- (b) the security rights of a plaintiff under an action *in rem*; or
- (c) any other right which confers on a creditor or potential creditor a right or privilege to receive the amount actually or contingently due to it ahead of the general unsecured creditors of the debtor concerned; however this paragraph (c) does not apply to a right of set off or combination of accounts conferred by the standard terms of business of a bank or financial institution.

"Sellers" means the Charterers acting in their capacity as seller of the Vessel under the MOA.

"Shares Security Deed" means the shares security deed executed or to be executed by the Guarantor in favour of the Owners over the shares in the Charterers in agreed form.

"SOFR" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"Special Termination Sum" means, in respect of any date (for the purposes of this definition only, the **Relevant Date**"), the aggregate of:

- (a) the Outstanding Finance Amount as at the Relevant Date;
- (b) any accrued but unpaid Variable Charterhire and/or any default interest as at the Relevant Date;
- (c) any Breakfunding Costs and any other costs, expenses and fees payable by the Owners to the Owner's Financier under the relevant Financial Instruments but excluding any Swap Costs;
- (d) any reasonable and documented costs, expenses, losses and liabilities incurred by the Owners in connection with the termination of this Charter under Clause 44(A); and
- (e) all other outstanding amounts payable under this Charter and other Leasing Documents together with any applicable interest thereon.

"Sub-charter" means, as the context requires, any sub-charter or other form of contract for employment in respect of the Vessel (including, but not limited to, any Assignable Sub-charter) entered or to be entered into by the Charterers (as disponent owners) and any other Sub-charterer, whether or not already in existence.

"Sub-charterer" means the charterer under a Sub-charter.

"Swap Costs" means any amount payable by the Owners or costs incurred by the Owners (after netting out any gains) as a result of the termination or close-out of any Treasury Transaction entered into in connection with the Leasing Documents.

"Term" means each consecutive one (1) month's period falling during the Charter Period, provided that:

- (a) the first Term shall commence on (and include) the Commencement Date and end on (and include) the first Payment Date;
- (b) each subsequent Term (apart from the final Term) shall commence on (and include) the date falling immediately after the last day of the previous Term;
- (c) any Term which would otherwise overrun a Payment Date shall instead end on (and include) that Payment Date; and
- (d) the final Term shall end on (and include) the Maturity Date.

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

"Termination Event" means any event described in Clause 44 (*Termination Events*). **"Termination Notice Date"** shall have the meaning as defined under Clause 44.2.

"Termination Sum" means, in respect of any date (for the purposes of this definition only, the **Relevant Date**), the aggregate of (without double counting amounts that may be included in more than one sub-paragraph below):

- (a) the Outstanding Finance Amount as at the Relevant Date together with a fee calculated at the rate of three per cent. (3%) of such Outstanding Finance Amount;
- (b) any accrued but unpaid Variable Charterhire as at the Relevant Date;
- (c) any Breakfunding Costs and any other costs, expenses and fees payable by the Owners to the Owner's Financier under the relevant Financial Instruments but excluding any Swap Costs;
- (d) any and all costs, expenses, losses and liabilities incurred by the Owners in connection with the termination of this Charter under Clause 44 (*Termination Events*); and
- (e) any and all costs, expenses, losses and liabilities incurred by the Owners (and the Owners' Financier (if any)), and in locating, repossessing, recovering, repositioning, berthing, insuring and maintaining the Vessel and/or in collecting any payments due under this Charter and/or in obtaining the due performance of the obligations of the Charterers under this Charter or the other Leasing Documents;
- (f) all other outstanding amounts payable under this Charter and other Leasing Documents together with any applicable interest thereon (including, but not limited to, any default interest on any amount owing under paragraphs (a) to (e) above).

"Third Party Approved Manager" means any Approved Manager which is not owned or controlled by the Guarantor.

"Total Loss" means:

- (a) in the case of an actual loss of the Vessel, the date on which it occurred or, if that is unknown, the date when the Vessel was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of the Vessel, 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 Owners with the insurers in which the insurers agree to treat the Vessel as a Total Loss;
- (c) in the case of any expropriation, confiscation, requisition or acquisition of the Vessel whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority (excluding a requisition for hire for a fixed period not exceeding one (1) year without any right to an extension), on the date on which the expropriation, confiscation, requisition or, as the case may be, the acquisition of the Vessel is completed by delivery of the Vessel to the relevant government or official authority or the person or persons claiming to be or to represent the relevant government or official authority, unless it is redelivered within forty-five (45) days to the full control of the Owners or the Charterers; and

- (d) in the case of any arrest, condemnation, capture, seizure or detention of the Vessel (including any hijacking or theft), unless it is redelivered within forty-five (45) days to the full control of the Owners or the Charterers, the date falling on the expiration of such days.

"Total Loss Payment Date" shall have the meaning given to that term in Clause 40.9.

"Total Loss Proceeds" means the proceeds of any policy or contract of insurance or any Requisition Compensation in each case arising in respect of a Total Loss.

"Treasury Transaction" means any derivative transaction entered into in connection with protection against or benefit from any fluctuation in price or rate.

"Upfront Fee" has the meaning given to that term in Clause 41.1.

"US" means United States of America.

"US Government Securities Business Day" means any day other than:

- (a) a Saturday or a Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"US Tax Obligor" means (a) a person which is resident for tax purposes in the United States of America or (b) a person some or all of whose payments under the Leasing Documents are from sources within the United States for United States federal income tax purposes.

"Variable Charterhire" means, in relation to a Payment Date, a variable element of charterhire which shall be an amount calculated by applying the applicable Interest Rate for the relevant Term to the Outstanding Finance Amount prevailing on the first day of the relevant Term (which for the avoidance of doubt, shall be the Finance Amount in respect of the first Charterhire instalment), for the actual number of days elapsed within the relevant Term.

"Vessel" means the 180K dwt bulk carriers (Capesize) named m.v. "Tradership" registered under the Flag State with IMO number 9310135.

61.2 In this Charter:

"agreed form" means, in relation to a document, such document in a form agreed in writing between the Owners and the Charterers and, if required by the Owners in their sole discretion, the Owners' Financier;

"asset" includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

"company" includes any partnership, joint venture and unincorporated association;

"consent" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

"contingent liability" means a liability which is not certain to arise and/or the amount of which remains unascertained;

"continuing" means, in relation to any Termination Event, a Termination Event which has not been waived by the Owners and in relation to any Potential Termination Event, a Potential Termination Event which has not been waived by the Owners or remedied to the satisfaction of the Owners;

"control" over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

- (a) cast, or control the casting of, more than fifty one percent (51%) per cent, of the maximum number of votes that might be cast at a general meeting of such company; or
- (b) appoint or remove all, or the majority, of the directors or other equivalent officers of such company; or
- (c) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;

"document" includes a deed; also a letter, fax or telex;

"expense" means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;

"law" includes any order or decree, any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

"legal or administrative action" means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

"liability" includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

"months" shall be construed in accordance with Clause 61.3;

the Owners' **"cost of funds"** in relation to the Outstanding Finance Amount or any part thereof is a reference to the average cost (determined either on an actual or a notional basis) which the Owners would incur if they were to fund or finance, from whatever source(s) they may reasonably select, an amount equal to the amount of the Outstanding Finance Amount or any part thereof for a period equal in length to the Term of the Outstanding Finance Amount or any part thereof;

"person" includes any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

"policy", in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

"protection and indemnity risks" means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Clubs including pollution risks, extended passenger cover and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02 or 1/11/03), clause 8 of the Institute Time Clauses (Hulls)(1/10/83) or clause 8 of the Institute Time Clauses (Hulls) (1/11/1995) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

"regulation" includes any regulation, rule, official directive, request or guideline whether or not having the force of law of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

"subsidiary" has the meaning given in Clause 61.4; and

"tax" includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine.

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

- (a) on the Business Day preceding the numerically corresponding day if the numerically corresponding day is not a Business Day; or
- (b) on the last Business Day in the relevant calendar month, if the period started on the last Business Day in a calendar month or if the last calendar month of the period has no numerically corresponding day; and "**month**" and "**monthly**" shall be construed accordingly.

61.4 **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,
- (e) and any company of which S is a subsidiary is a parent company of S.

61.5 In this Charter:

- (a) references to a Leasing Document or any other document being in the form of a particular appendix or to any document referred to in the recitals include references to that form with any modifications to that form which the Owners approve;
- (b) references to, or to a provision of, a Leasing Document or any other document are references to it as amended or supplemented, whether before the date of this Charter or otherwise;
- (c) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Charter or otherwise;
- (d) words denoting the singular number shall include the plural and vice versa; and
- (e) references 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 Owners after consultation with the Charterers.

61.6 **Headings.** In interpreting a Leasing Document or any provision of a Leasing Document, all clauses, sub-clauses and other headings in that and any other Leasing Document shall be entirely disregarded.

SCHEDULE 1
ACCEPTANCE CERTIFICATE

TRADERS MARITIME CO. (the "**Charterers**") hereby acknowledges that at _____ hours on _____, there was delivered to, and accepted by, the Charterers the Vessel known as m.v. "Tradership", registered in the name of **GIANT 4 HOLDING LIMITED** (the "**Owners**") under the flag of the Republic of the Marshall Islands with IMO number 9310135 under a bareboat charter dated _____ (the "**Charter**") and made between the Owners and the Charterers and that Delivery (as defined in the Charter) thereupon took place and that, accordingly, the Vessel is and will be subject to all the terms and conditions contained in the Charter.

The Charterers warrant that the representations and warranties made by them in Clause 45 (*Representations and Warranties*) of the Charter remain correct and that no Termination Event (as defined in the Charter) has occurred and is continuing at the date of this Acceptance Certificate.

Name: _____
Title: _____
for and on behalf of
TRADERS MARITIME CO.
Date: _____

SCHEDULE 2

Part A

The following are the documents referred to in Clause 34.2(f)(i):

1 Corporate Authority

- 1.1 A copy of the constitutional documents of the Charterers and the Guarantor.
- 1.2 If required, a copy of the resolutions of the board of directors (or equivalent) of the Charterers and the Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Leasing Documents to which it is a party and resolving that it execute the Leasing Documents to which it is a party;
 - (b) authorizing a specified person or persons to execute the Leasing Documents to which it is a party on its behalf; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under, or in connection with, the Leasing Documents to which it is a party.
- 1.3 If required, a copy of the power of attorney of any party to a Leasing Document authorising a specified person or persons to execute the Leasing Documents to which it is a party.
- 1.4 If required, a specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2 above.
- 1.5 If required, a copy of the resolutions signed by all the holder(s) of the issued shares of the Charterers, approving the terms of, and the transactions contemplated by such Leasing Documents.
- 1.6 A certificate of an officer or authorised signatory of each of the Charterers and the Guarantor certifying that each copy document relating to it specified in this Part A of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Charter.

2 Leasing Documents

- 2.1 Duly executed copies of each Leasing Document (other than the Account Security, the General Assignment, the Manager's Undertakings and the Shares Security Deed) and of each document to be delivered under each of them.
- 2.2 Agreed forms of the Account Security, the General Assignment, the Manager's Undertakings and the Shares Security Deed and of each document to be delivered under each of them.

3 Vessel Documents

- 3.1 A copy of each executed Approved Management Agreement establishing that the Vessel will, as from the Commencement Date, be managed by the relevant Approved Manager and approved by the Owners.

- 3.2 A copy of the Document of Compliance of the relevant Approved Technical Manager.
- 3.3 A copy of the Vessel's class certificate evidencing that the Vessel maintains such classification (free of any overdue recommendations and conditions) as is acceptable to the Owners.
- 3.4 Copies of the Vessel's Safety Management Certificate (together with any other details of the applicable safety management system which the Owners may require) and of any other documents required under the ISM Code and the ISPS Code (including, without limitation, an ISSC and IAPPC).

4 Legal opinions

- 4.1 An agreed form legal opinion by English law legal advisers to the Owners on such matters on the laws of England in relation to the documents listed in paragraphs 2.1 and 2.2 of Part A of this Schedule, in form and substance acceptable to the Owners.
- 4.2 Agreed forms of legal opinions by lawyers appointed by the Owners on such matters relating to the documents listed in paragraphs 2.1 and 2.2 of Part A of this Schedule, concerning the laws of the Republic of the Marshall Islands, the Republic of Liberia and Greece and such other relevant jurisdictions as the Owners may require, in form and substance acceptable to the Owners.

5 Initial Sub-charter

- 5.1 A copy of the Initial Sub-charter (and any addendums thereto).
- 5.2 Evidence to the satisfaction of the Owners that the Initial Sub-charterer consents to the sale and leaseback of the Vessel contemplated by the Leasing Documents.

6 Escrow Agreement

A copy of the executed Escrow Agreement.

7 Vessel Insurances

- 7.1 Agreed form of letters of undertaking and certificates of entry (as the case may be) relating to insurances as set out in Clause 38 (*Insurance*) acknowledged by the relevant insurer, insurance broker, protection and indemnity association or war risks association (as the case may be).
- 7.2 An insurance report or certificate by an insurance broker or consultant appointed by the Owners (but at the cost of the Charterers) in an agreed form acceptable to the Owners.

8 Payment Notice

A duly completed Payment Notice to be received by the Owners not later than five (5) Business Days prior to the Prepositioning Date.

9 Deed of Release

An agreed form deed of release discharging (i) all of the Charterers' obligations under the Existing Facility Agreement and documents conferring Security Interests entered into in connection with the Existing Facility Agreement and (ii) all Security Interests encumbering the Vessel or any part thereof (if any), in such form as is satisfactory to the Owners.

10 Others

- 10.1 A copy of the duly executed commercial invoice of the Vessel.
- 10.2 Copies of the Original Financial Statements.
- 10.3 Evidence that the Earnings Account has been or will be opened.
- 10.4 Evidence that any fees, costs and expenses then due from the Charterers to the Owners under the Leasing Documents have been paid and received by, or will be paid and received by, the Owners.
- 10.5 Such evidence relating to the Charterers or the Guarantor as the Owners may reasonably require for their (or their financiers) to be able to satisfy each of their "know your customer" or similar identification procedures in relation to the Leasing Documents.
- 10.6 A copy of any other consents, approvals, authorization or other document, opinion or assurance which the Owners consider to be reasonably necessary or desirable in connection with the entry into and performance of the transactions contemplated by any of the documents listed in paragraph 2 of Schedule 2, Part A or for the validity and enforceability of such documents.
- 10.7 If required, evidence that any process agent referred to under the Leasing Documents has accepted its appointment.
- 10.8 Such other information and documents as the Owners may reasonably require by giving notice to the Charterers.
- 10.9 If the Owners so require, in relation to any of the documents referred to in this Schedule 2 Part A, an English translation of that document (with such cost to be borne by the Charterers).

Part B

The following are the documents referred to in Clause 34.2(f)(ii):

1 Bringdown Certificate

If required, a certificate of an authorised signatory of the Charterers and the Guarantor certifying that each document which they are required to provide under Part A of Schedule 2 of this Charter, is correct, complete and in full force and effect as at the Commencement Date.

2 Deed of Release

Duly executed copy of the deed of release referred to in paragraph 9 of Schedule 2, Part A of this Charter.

3 Security Documents

Duly executed copies of each of the Account Security, the General Assignment, the Manager's Undertakings and the Shares Security Deed and of each document to be delivered under each of them.

4 Vessel Documents

Documentary evidence that the Vessel:

- (a) is or will be definitively and permanently registered in the name of the Owners under the Flag State;
- (b) is or will be in the absolute and unencumbered ownership of the Owners; and
- (c) has been or will be unconditionally delivered by the Charterers to the Owners pursuant to the terms of the MOA, where such documents shall include without limitation:
 - (i) a copy of the certificate or transcript issued by the competent authorities of the Flag State on the date of Delivery evidencing the Charterers' (as sellers under the MOA) ownership of the Vessel and that the Vessel is free from registered encumbrances and mortgages;
 - (ii) the original (if required by the Flag State) or a copy of the bill of sale in a form recordable in the Flag State, transferring title of the Vessel by the Charterers (as sellers under the MOA) to the Owners (as buyers under the MOA) and stating that the Vessel is free from all mortgages, encumbrances and maritime liens (whether maritime or otherwise) or any other debts whatsoever, duly notari ally attested and legalised or apostilled as may be required by the Flag State; and
 - (iii) a copy of the protocol of delivery and acceptance duly executed by the Charterers and Owners.
- (d) Any additional documents as may be required by the competent authorities of the Flag State for the purpose of registering the Vessel in the name of the Owners as registered owner.

5 Others

- 5.1 Evidence that any fees, costs and expenses then due from the Charterers to the Owners under the Leasing Documents have been paid and received by, or will be paid and received by, the Owners, on Delivery of the Vessel.
- 5.2 If the Owners so require, in relation to any of the documents referred to in this Schedule 2 Part B, an English translation of that document (with such cost to be borne by the Charterers).
- 5.3 Such other information or documents as the Owners may reasonably require by giving notice to the Charterers.

Part C

The following are the documents referred to in Clause 34.2(f)(iii):

1 Registration of security

Documentary evidence that, if applicable, the Security Interests intended to be created by the Security Documents have been duly perfected within the time periods as set out under applicable law.

2 Legal opinions

Not later than five (5) Business Days after the date that (i) the Delivery under this Charter and

(ii) the "Delivery" as defined under each Other Charter have all taken place, issued signed copies of the legal opinions referred to in paragraphs 4.1 and 4.2 of Schedule 2, Part A of this Charter.

3 Insurances

(a) Not later than fifteen (15) Business Days after the Commencement Date, receipt of copies of the executed letters of undertaking and certificates of entry (as the case may be) relating to insurances as set out in Clause 38 (*Insurance*) acknowledged by the relevant insurer, insurance broker, protection and indemnity association or war risks association (as the case may be), each in the agreed form under paragraph 5 of Schedule 2, Part A of this Charter.

(b) Not later than twenty (20) Business Days after the Commencement Date, the issued insurance report in the form agreed under paragraph 5 of Schedule 2, Part A of this Charter.

**SCHEDULE 3 PROJECT
VESSELS**

Project Vessels	IMO Number	Project Owners (jurisdiction of incorporation)	Project Charterers (jurisdiction of incorporation)
M.V. "TRADERSHIP"	9310135	GIANT 4 HOLDING LIMITED	TRADERS MARITIME CO.
M.V. "GOODSHIP"	9311476	GIANT 5 HOLDING LIMITED	GOOD MARITIME CO.
M.V. "GLORIUSHIP"	9266944	GIANT 6 HOLDING LIMITED	SEA GLORIUS SHIPPING CO.

EXECUTION PAGE

OWNERS

SIGNED)
for and on behalf of)
GIANT 4 HOLDING LIMITED)
acting by Cao Jiong) /s/ Cao Jiong
its attorney-in-fact)
in the presence of:)

/s/ Sun Linzi

Witness:

Name: Sun Linzi

Address: Room 6006, 6th Floor, No.15
Second East Zhongshan Road,
Shanghai, P.R. China 200002

CHARTERERS

EXECUTED)
for and on behalf of)
TRADERS MARITIME CO.) /s/ Stavros Gyftakis
acting by Stavros Gyftakis)
being its attorney-in-fact)
witnessed by:)

/s/ Maria Moschopoulou

Witness:

Name Maria Moschopoulou

Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece

EXECUTION VERSION

Dated 15 November 2023

UNITED MARITIME CORPORATION
as Guarantor and

GIANT 4 HOLDING LIMITED
as Owner

GUARANTEE

relating to
a bareboat charter in respect of m.v. "Tradership"

WATSON FARLEY
&
WILLIAMS

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BETWEEN

- (1) **UNITED MARITIME CORPORATION**, a corporation incorporated and existing under the laws of the Republic of the Marshall Islands with entity number 112801 and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH 96960 (the "**Guarantor**")
- (2) **GIANT 4 HOLDING LIMITED**, a company incorporated and existing under the laws of Hong Kong with registration number 3298478 and having its registered office at 6/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong (the "**Owner**", which expression includes its successors and assigns)

BACKGROUND

- (A) By a memorandum of agreement dated 15 November 2023 (as amended and supplemented from time to time, the "**MOA**") and made between (i) Traders Maritime Co. (the "**Bareboat Charterer**") as seller and (ii) the Owner as buyer, the Bareboat Charterer has agreed to sell and deliver and the Owner has agreed to purchase and accept the legal and beneficial title of the Vessel pursuant to the terms and conditions contained therein.
- (B) By a bareboat charterparty dated 15 November 2023 (as amended and supplemented from time to time, the "**Bareboat Charter**") and made between (i) the Bareboat Charterer as bareboat charterer and (ii) the Owner as owner, the Owner has agreed to bareboat charter the Vessel to the Bareboat Charterer pursuant to the terms and conditions contained therein.
- (C) The Guarantor directly holds 100 per cent. of the issued shares of the Bareboat Charterer.
- (D) It is one of the conditions precedent to the purchase of the Vessel by the Owner from the Bareboat Charterer under the MOA and the subsequent chartering of the Vessel by the Owner to the Bareboat Charterer under the Bareboat Charter that the Guarantor enters into this Guarantee.
- (E) This Guarantee is the "Guarantee" referred to in the Bareboat Charter.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Defined expressions

Words and expressions defined in the Bareboat Charter shall have the same meanings when used in this Guarantee unless the context otherwise requires.

1.2 Construction of certain terms

In this Guarantee:

"**bankruptcy**" includes a liquidation, receivership or administration and any form of suspension of payments, arrangement with creditors or reorganisation under any corporate or insolvency law of any country.

"**Code**" means the US Internal Revenue Code of 1986.

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

"**Party**" means a party to this Guarantee.

"**Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Bareboat Charterer to the Owner under or in connection with any Leasing Documents or any judgment or any arbitral award relating to any Leasing Documents and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country.

"**Security Period**" means the period commencing on the date hereof and ending on the date on which the Owner is satisfied that the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

1.3 "References to "Bareboat Charterer"

References to the Bareboat Charterer under this Guarantee shall, for the avoidance of doubt, include reference to the Bareboat Charterer in its various capacities under the Leasing Documents.

1.4 Application of construction and interpretation provisions of Bareboat Charter

Clauses 61.2 to 61.6 of the Bareboat Charter apply, with any necessary modifications, to this Guarantee.

2 GUARANTEE

2.1 Guarantee and indemnity

The Guarantor unconditionally and irrevocably:

- (a) guarantees the due payment of all amounts payable by the Bareboat Charterer under or in connection with the Leasing Documents (or any of them) to which the Bareboat Charterer is a party;
- (b) guarantees the punctual performance by the Bareboat Charterer of all the Bareboat Charterer's obligations under or in connection with the Leasing Documents (or any of them) to which the Bareboat Charterer is a party;
- (c) undertakes to pay to the Owner, within three (3) Business Days from the Owner's demand as if it was the principal obligor, any such amount which is not paid by the Bareboat Charterer when due and payable under or in connection with the Leasing Documents (or any of them), taking into account any grace period for such payment as may be applicable under the terms of the Leasing Documents; and

- (d) undertakes to fully indemnify, as an independent and primary obligation, the Owner within three (3) Business Days from its demand in respect of all documented claims, expenses, liabilities, costs and losses which are made or brought against or incurred by the Owner as a result of or in connection with any obligation or liability of the Bareboat Charterer under the Leasing Documents to which the Bareboat Charterer is a party and/or any obligation or liability guaranteed by the Guarantor being or becoming unenforceable, invalid, void or illegal; and the amount recoverable under this indemnity shall be equal to the amount which the Owner would otherwise have been entitled to recover under the Leasing Documents to which the Bareboat Charterer is a party.

2.2 No limit on number of demands

The Owner may serve more than one demand under Clause 2.1 (*Guarantee and indemnity*).

2.3 Guarantee of whole amount

This Guarantee shall be construed and take effect as a guarantee of all amounts due to the Owner under the Leasing Documents (or any of them) to which the Bareboat Charterer is a party.

3 LIABILITY AS PRINCIPAL AND INDEPENDENT DEBTOR

3.1 Principal and independent debtor

The Guarantor shall be liable under this Guarantee as a principal and independent debtor and accordingly it shall not have, as regards this Guarantee, any of the rights or defences of a surety.

3.2 Waiver of rights and defences

Without limiting the generality of Clause 3.1 (*Principal and independent debtor*), the Guarantor shall neither be discharged by, nor have any claim against the Owner in respect of:

- (a) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (b) any amendment or supplement being made to any Leasing Document;
- (c) any arrangement or concession (including a rescheduling or acceptance of partial payments) relating to, or affecting, any Leasing Document;
- (d) any release or loss (even though negligent) of any right or Security Interest created by any Leasing Document;
- (e) any failure (even though negligent) promptly or properly to exercise or enforce any such right or Security Interest, including a failure to realise for its full market value an asset covered by such a Security Interest;
- (f) any Leasing Document being or later becoming void, unenforceable, illegal or invalid or otherwise defective in whole or in part for any reason, including a neglect to register it; or
- (g) any insolvency or similar proceedings.

4 EXPENSES

4.1 Costs of preservation of rights, enforcement etc.

The Guarantor shall pay to the Owner on its demand the amount of all documented expenses (including, without limitation, out of pocket expenses and legal fees) incurred by the Owner in connection with the enforcement of, or the preservation of any rights under this Guarantee or any other Leasing Document, including any advice, claim or proceedings relating to this Guarantee or any other Leasing Document.

4.2 Fees and expenses payable under Bareboat Charter

Clause 4.1 (*Costs of preservation of rights, enforcement etc.*) is without prejudice to the Guarantor's liabilities in respect of the Bareboat Charterer's obligations under clause 41 (*Fees and Expenses*) of the Bareboat Charter.

5 ADJUSTMENT OF TRANSACTIONS

The Guarantor shall pay to the Owner within three (3) Business Days from its demand any amount which the Owner is required, or agrees, to pay pursuant to any claim by, or settlement with, a trustee in bankruptcy of the Bareboat Charterer on the ground that the Bareboat Charter (as the case may be), or a payment by the Bareboat Charterer or other Obligor, was invalid or on any similar ground.

6 PAYMENTS

6.1 Method of payments

Any amount due under this Guarantee shall be paid:

- (a) in immediately available funds;
- (b) to such account as the Owner may from time to time notify to the Guarantor;
- (c) without any form of set-off, cross-claim or condition; and
- (d) free and clear of any tax deduction or withholding for or on account of any tax payable under the laws of its Relevant Jurisdictions except a tax deduction or withholding which the Guarantor is required by law to make.

6.2 Grossing-up for taxes

If the Guarantor is required by law to make a tax deduction, the amount due to the Owner shall be increased by the amount necessary to ensure that the Owner receives and retains a net amount which, after the tax deduction, is equal to the full amount that it would otherwise have received.

6.3 Indemnity and evidence of payment of taxes

- (a) The Guarantor shall fully indemnify the Owner on the Owner's demand in respect of all documented claims, expenses, liabilities and losses incurred by the Owner by reason of any failure of the Guarantor to make any tax deduction or by reason of any increased payment not being made on the due date for such payment in accordance with Clause 6.2 (*Grossing-up for taxes*).

- (b) Within thirty (30) days after making tax deduction, the Guarantor shall deliver to the Owner any receipts, certificates or other documentary evidence satisfactory to the Owner that the tax had been paid to the appropriate taxation authority.

7 INTEREST

7.1 Accrual of interest

Any amount due under this Guarantee shall carry interest following the date on which the Owner demands payment of it from the Guarantor until it is actually paid, unless interest on that same amount also accrues under the relevant Leasing Document.

7.2 Calculation of interest

Interest under this Guarantee shall be calculated and accrue at the rate described in clauses

36.10 and 36.11 of the Bareboat Charter and otherwise in accordance with the terms thereof.

7.3 Guarantee extends to interest payable under Leasing Documents

For the avoidance of doubt, it is confirmed that this Guarantee covers all interest payable under the Leasing Documents.

8 SUBORDINATION

8.1 Subordination of rights of Guarantor

Until the end of the Security Period, all rights which the Guarantor at anytime has (whether in respect of this Guarantee or any other transaction) against the Bareboat Charterer or any other Obligor or their respective assets shall be fully subordinated to the rights of the Owner under the Leasing Documents (or any of them), and in particular, the Guarantor shall not:

- (a) claim, or in a bankruptcy of the Bareboat Charterer or any other Obligor prove for, any amount payable to the Guarantor by the Bareboat Charterer or any other Obligor, whether in respect of this Guarantee or any other transaction;
- (b) take or enforce any Security Interest for any such amount;
- (c) claim to set-off any such amount against any amount payable by the Guarantor to the Bareboat Charterer or any other Obligor; or
- (d) claim any subrogation or other right in respect of any Leasing Document or any sum received or recovered by the Owner under the Leasing Documents.

9 ENFORCEMENT

9.1 No requirement to commence proceedings against Bareboat Charterer

The Owner will not need to commence any proceedings under, or enforce any Security Interest created by any Leasing Document before claiming or commencing proceedings under this Guarantee.

9.2 Conclusive evidence of certain matters

However, as against the Guarantor:

- (a) any judgment or order of a court in England or any other Relevant Jurisdiction or award of an arbitration in London in connection with any other Leasing Document; and
- (b) any statement or admission of any other Obligors in connection with any Leasing Document, shall be binding and conclusive as to all matters of fact and law to which it relates.

9.3 Suspense account

The Owner may, for the purpose of claiming or proving in an insolvency of any Obligor, place any sum received or recovered under or by virtue of this Guarantee on a separate interest bearing suspense or other nominal account without applying it in satisfaction of the Bareboat Charterer's or Guarantor's obligations under any Leasing Document.

10 REPRESENTATIONS AND WARRANTIES

10.1 General

The Guarantor represents and warrants to the Owner, as at the date of this Guarantee, and on each day henceforth until the last day of the Security Period, as follows.

10.2 Status

- (a) The Guarantor is duly incorporated and validly existing and in good standing under the laws of the Republic of the Marshall Islands.
- (b) The Guarantor is not a FATCA FFI or a US Tax Obligor.
- (c) The Bareboat Charterer is wholly legally and beneficially owned and controlled by the Guarantor.
- (d) There has been no Change of Control.
- (e) The shares of the Guarantor are trading on the Nasdaq Capital Market.
- (f) The Guarantor is an entity reporting with the Nasdaq Capital Market.

10.3 Corporate power

The Guarantor has the corporate capacity, and has taken all corporate action and obtained all consents, approvals, authorisations, licenses or permits necessary for it:

- (a) to execute this Guarantee or any other Leasing Document to which it is a party; and
- (b) to make all the payments contemplated by, and to comply with and perform its obligations under, this Guarantee or any other Leasing Document to which it is a party.

10.4 No conflicts

The entry into and the performance by the Guarantor of, and the transactions contemplated by, this Guarantee and the other Leasing Documents to which it is a party do not and will not conflict with:

- (a) any law or regulation applicable to it; or
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or constitute a default or termination event (however described) under any such agreement or instrument.

10.5 Consents in force

All the consents, approvals, authorisations, licenses or permits referred to in Clause 10.3 (*Corporate power*) remain in force and nothing has occurred which makes any of them liable to revocation.

10.6 Legal validity

This Guarantee and the other Leasing Documents to which the Guarantor is a party constitute the Guarantor's legal, valid and binding obligations enforceable against the Guarantor in accordance with its respective terms and any relevant insolvency laws affecting creditors' rights generally.

10.7 No third party Security Interests

Without limiting the generality of Clause 10.6 (*Legal validity*), at the time of the execution and delivery of this Guarantee and any other Security Document to which the Guarantor is a party:

- (a) the Guarantor will have the right to create all the Security Interests which such Security Documents purport 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 withholding taxes

All payments which the Guarantor is liable to make under this Guarantee and the other Leasing Documents to which it is a party may be made by it without deduction or withholding for or on account of any tax payable under the laws of the Relevant Jurisdiction of the Guarantor.

10.9 No default

No Termination Event or Potential Termination Event has occurred, or is continuing or might reasonably be expected to result from the entry into and performance of this Guarantee or any other Leasing Document.

10.10 Information

All information which has been provided in writing by or on behalf of the Guarantor to the Owner in connection with any Leasing Document satisfies the requirements of Clause 11.2 (*Information provided to be accurate*); all audited and unaudited accounts which have been so provided satisfies the requirements of Clause 11.4 (*Form of financial statements*); and there has been no material adverse effect in the financial position or state of affairs of the Guarantor from that disclosed in the latest of those accounts.

10.11 No litigation

No legal or administrative action involving the Guarantor involving claim(s) amounting to more than US\$ 5,000,000 has been commenced or taken.

10.12 Pari passu

The obligations of the Guarantor under this Guarantee and each other Leasing Document to which the Guarantor is a party, are the direct, general and unconditional obligations of the Guarantor and rank at least pari passu with all other present and future unsecured and unsubordinated creditors of it save for any obligation which is mandatorily preferred by law and not by virtue of any contract.

10.13 Sanction

- (a) Neither the Guarantor, nor any of its respective Affiliates, members, directors, officers, employees or agents, nor (to the best of its knowledge) any Sub-charterer:
- (i) is a Restricted Person;
 - (ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Restricted Person;
 - (iii) owns or controls a Restricted Person; or
 - (iv) has a Restricted Person serving as a director, officer or, to the best of its knowledge, employee.
- (b) The Guarantor and its respective directors, officers, employees and agents and (to the best of its knowledge) any Sub-charterer is in compliance with all Sanctions laws, and none of them have been or are currently being investigated on compliance with Sanctions, they have not received notice or are aware of any claim, action, suit or proceeding against any of them with respect to Sanctions and they have not taken any action to evade the application of Sanctions.

10.14 Anti-Money Laundering and other Laws

The Guarantor, each other Obligor and (to the best of its knowledge) any Sub-charterer is not in breach of any laws or regulations relating to the Vessel and its ownership, employment, operation, management and registration, including the ISM Code, the ISPS Code, all Environmental Laws, the laws of the Vessel's registry and in particular, all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws and each of the Guarantor, other Obligor and (to the best of its knowledge) Sub-charterer has instituted and maintained systems, controls, policies and procedures designed to:

- (a) prevent and detect incidences of bribery and corruption, money laundering and terrorism financing; and

- (b) promote and achieve compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws.

10.15 No immunity

Neither the Guarantor nor any of its assets, in each case, has any right to immunity from set off, legal proceedings, attachment prior to judgement or other attachment or execution of judgement on the grounds of sovereign immunity or otherwise.

10.16 No insolvency

The Guarantor is not insolvent or in liquidation or administration or subject to any other formal or informal insolvency procedure, and no receiver, administrative receiver, administrator, liquidator, trustee or analogous officer has been appointed in respect of it or all or material part of its assets.

10.17 Provisions of Leasing Documents

The Guarantor is fully familiar with and agrees with all provisions of the Leasing Documents to which the Bareboat Charterer is a party.

10.18 No waiver

No oral or written statement has been made to the Guarantor by or on behalf of the Owner or any other person which could be construed as a waiver of any provisions of this Guarantee or a statement of intention not to enforce this Guarantee in accordance with its terms.

11 UNDERTAKINGS

11.1 General

The Guarantor undertakes with the Owner to comply with the following provisions of this Clause 11 (*Undertakings*) commencing from the date hereof and up to the last day of the Security Period, except as the Owner may otherwise permit.

11.2 Information provided to be accurate

All financial and other information which is provided in writing by or on behalf of the Guarantor under or in connection with this Guarantee will be true and not misleading and will not omit any material fact or consideration.

11.3 Provision of financial statements

The Guarantor will send to the Owner:

- (a) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Guarantor (beginning with the financial year ending 31 December 2022), the audited consolidated annual financial reports of the Guarantor for that financial year; and
- (b) as soon as possible, but in no event later than ninety (90) days after the end of each half-year of the Guarantor, the unaudited consolidated half-yearly accounts of the Guarantor certified as to their correctness by a director of the Guarantor.

11.4 Form of financial statements

All accounts (audited and unaudited) delivered under Clause 11.3 (*Provision of financial statements*) will:

- (a) be prepared in accordance with all applicable laws and generally accepted accounting principles consistently applied;
- (b) give a true and fair view of (in respect of the audited and unaudited accounts) or fairly representing (in the case of the management accounts) the state of affairs of the Guarantor at the date of those accounts and of their profit for the period to which those accounts relate;
- (c) fully disclose or provide for all significant liabilities of the Guarantor and its subsidiaries; and
- (d) if not in the English language, be accompanied by an English translation duly certified as to its correctness.

11.5 Consents

The Guarantor will maintain in force and promptly obtain or renew, and will, upon the request of the Owner, promptly send certified copies to the Owner of, any necessary consents, approvals, authorisations, licenses or permits of any regulatory body or authority required:

- (a) for the Guarantor to perform its obligations under this Guarantee and any other Leasing Document to which it is a party; and
- (b) for the validity or enforceability of this Guarantee and any other Leasing Document to which it is a party, and the Guarantor will comply with the terms of all such consents, approvals, authorisations, licenses or permits.

11.6 Maintenance of Security Interests

The Guarantor will at their own cost:

- (a) ensure that any Leasing Document to which it is a party validly creates the obligations and the Security Interests which it purports to create; and
- (b) without limiting the generality of paragraph (a), promptly register, file, record or enrol any Leasing Document to which it is a party with any court or authority in all relevant jurisdictions, pay any stamp duty, registration or similar tax in all relevant jurisdictions in respect of any Leasing Document to which it is a party, give any notice or take any other step which, is or has become necessary or desirable for any such Leasing Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which it creates.

11.7 Notification of default

The Guarantor will promptly notify the Owner:

- (a) any circumstances which could give rise to a breach of any representation or undertaking in the Bareboat Charter, or any Termination Event, relating to Sanctions;

- (b) any Termination Event; or
- (c) any matter which indicates that a Termination Event may have occurred, and will thereafter keep the Owner fully up-to-date with all developments.

11.8 Maintenance of status

The Guarantor will maintain its separate corporate existence as a corporation and remain in good standing under the laws of the Republic of the Marshall Islands.

11.9 Negative Pledge

The Guarantor shall not, and shall procure none of its subsidiaries will create or permit to arise any Security Interest over any asset which is subject to the Security Interest created under any Leasing Documents present or future except the Permitted Security Interests.

11.10 Pari passu

The Guarantor shall procure that its liabilities under this Guarantee will rank at least pari passu with all its other present and future unsecured liabilities, except for liabilities which are mandatorily preferred by law.

11.11 No disposal of assets, change of business

The Guarantor:

- (a) shall not make any substantial change to the nature of its business or its corporate structure from that existing at the date of this Guarantee; and
- (b) shall procure that the Bareboat Charterer will not transfer, lease (other than in relation to the chartering of the Vessel pursuant to the terms of the Bareboat Charter) or otherwise enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.

11.12 No payment of dividend

The Guarantor shall not declare, make or pay any dividend or other distribution (or interest on any unpaid dividend or other distribution) (whether in cash or in kind) on or in respect of its share capital (including any class of its share capital) unless:

- (a) at the relevant time no Termination Event has occurred and is continuing; and
- (b) a Termination Event would not occur as a direct result of such payment or distribution.

11.13 No merger etc.

The Guarantor shall not, and shall procure that no other Obligor (other than a Third Party Approved Manager) will, enter into any form of merger, amalgamation, demerger or corporate reconstruction without the Owner's prior written consent.

11.14 Maintenance of ownership of Bareboat Charterer

The Guarantor shall remain the ultimate corporate beneficial owner of all the issued and allotted share capital of the Bareboat Charterer.

11.15 Sanctions

The Guarantor shall comply, and shall procure that each other Obligor (including, in each case, procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity or (on a best effort basis) any Sub-charterer to do the same) complies, with all applicable laws and regulations in respect of Sanctions.

11.16 Trading not contrary to Sanctions

Without limiting Clause 11.15 (*Sanctions*), the Guarantor will procure that:

- (a) the Vessel shall not be operated, employed, managed, used by or for the benefit of a Restricted Person;
- (b) the Vessel shall not be employed in trading with any Restricted Person or in any manner contrary to Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom;
- (c) notwithstanding any provision of the Bareboat Charter, the Vessel shall not be permitted to call at any port in any Restricted Country or any area or country where trading in such area or country would constitute or would be reasonably expected to constitute a breach of Sanctions;
- (d) the Vessel shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances or in any manner which would result in any Obligor, any Sub-charterer or the Owner becoming a Restricted Person; and
- (e) that each charterparty in respect of the Vessel shall contain, for the benefit of the Owners, language which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions and which prohibits trading to any Restricted Country.

11.17 Compliance with Anti-Money Laundering Laws and other Laws.

The Guarantor:

- (a) shall, and shall procure that each other Obligor shall, promptly notify the Owner of any non-compliance, by any Obligor or their respective officers, directors, employees, consultants, agents or intermediaries or (on a best efforts basis) any Sub-charterer, with all laws and regulations relating to Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws;
- (b) shall, and shall procure that each other Obligor shall (including procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) or (on a best effort basis) any Sub-charterer shall:

- (i) comply with all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
 - (ii) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws; and
 - (iii) procure the Bareboat Charterer, not to use, or permit or authorize any person to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (c) procure that the Bareboat Charterer do not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws.

12 JUDGMENTS AND CURRENCY INDEMNITY

12.1 Judgments relating to Leasing Documents

This Guarantee shall cover any amount payable by the Bareboat Charterer under or in connection with any judgment relating to any Leasing Document.

12.2 Currency indemnity

If any sum (a "**Sum**") due from the Guarantor to the Owner under this Guarantee or under any order, judgment or award given or made relating to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (a) making or filing a claim or proof against the Guarantor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings; or

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

In this Clause 12.2 (*Currency indemnity*), the "**available rate of exchange**" means the rate at which the Owner is able at the opening of business (Shanghai time) on the Business Day after it receives the Sum concerned to purchase the First Currency with the Second Currency.

13 SET-OFF

13.1 Application of credit balances

The Owner may, following the occurrence of a Termination Event which is continuing, without prior notice, but notifying the Guarantor afterwards:

- (a) apply any balance (whether or not then due) which at any time stands to the credit of any account in the name of the Guarantor at any office in any country of either an affiliate of the Owner or the Owner's financiers in or towards satisfaction of any sum then due from the Guarantor to the Owner under this Guarantee and any other Security Document; and
- (b) for that purpose:
 - (i) break, or alter the maturity of, all or any part of a deposit of the Guarantor;
 - (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 Owner considers appropriate.

13.2 Existing rights unaffected

The Owner shall not be obliged to exercise any of its rights under Clause 13.1 (*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 the Owner is entitled (whether under the general law or any document).

14 SUPPLEMENTAL

14.1 Continuing guarantee

This Guarantee shall remain in force as a continuing security at all times from the date of this Guarantee up to the last day of the Security Period.

14.2 Rights cumulative, non-exclusive

The Owner's rights under and in connection with this Guarantee are cumulative, may be exercised as often as appears expedient and shall not be taken to exclude or limit any right or remedy conferred by law.

14.3 No impairment of rights under Guarantee

If the Owner omits to exercise, delays in exercising or invalidly exercises any of its rights under this Guarantee, that shall not impair that or any other right of the Owner under this Guarantee.

14.4 Severability of provisions

If any provision of this Guarantee is or subsequently becomes void, illegal, unenforceable or otherwise invalid, that shall not affect the validity, legality or enforceability of its other provisions.

14.5 Guarantee not affected by other security

This Guarantee shall not impair, nor be impaired by, any other guarantee, any Security Interest or any right of set-off or netting or to combine accounts which the Owner may now or later hold in connection with the Leasing Documents.

14.6 Applicability of provisions of Guarantee to other Security Interests

Any Security Interest which the Guarantor creates (whether at the time at which it signs this Guarantee or at any later time) to secure any liability under this Guarantee shall be a principal and independent security, and Clauses 1 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*) shall, with any necessary modifications, apply to it, notwithstanding that the document creating the Security Interest neither describes it as a principal or independent security nor includes provisions similar to Clauses 3 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*).

14.7 Applicability of provisions of Guarantee to other rights

Clauses 3 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*) shall also apply to any right of set-off or netting or to combine accounts which the Guarantor creates by an agreement entered into at the time of this Guarantee or at any later time (notwithstanding that the agreement does not include provisions similar to Clauses 3 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*)), being an agreement referring to this Guarantee.

14.8 Third party rights

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

14.9 Counterpart

This Guarantee may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Guarantee.

14.10 Immunity

The Guarantor waives any rights of sovereign immunity which it or any of its assets may enjoy in any jurisdiction and subjects itself to civil and commercial law with respect to their obligations under this Guarantee.

15 ASSIGNMENT

15.1 Assignment or transfer by Guarantor

The Guarantor shall not assign any of its rights or transfer by novation of its rights and obligations under this Guarantee except with the Owner's prior consent in writing.

15.2 Assignment by Owner

The Owner may assign or transfer its rights under and in connection with this Guarantee to the same extent as it may do so under the Bareboat Charter.

16 NOTICES

16.1 Notices

Any notice, certificate, demand or other communication to be served, given made or sent under or in relation to this Guarantee shall be in English and in writing and (without prejudice to any other valid method or giving making or sending the same) shall be deemed sufficiently given or made or sent if sent by registered post or by email to the following respective addresses:

- (a) to the Owner: China Huarong Shipping Financial Leasing Company Limited Room 6006, 6th Floor, No. 15 Second East Zhongshan Road, Shanghai, China, 200002
Attention: Jones Cao/Annie Tao/ Sun Linzi

Tel:

Email:
- (b) to the Guarantor: c/o United Management Corp., 154 Vouliagmenis Avenue,

16674 Glyfada, Athens, Greece

Attention: Mr. Stavros Gyftakis

Email:

Tel:

or, if a party hereto changes its address or email address, to such other address or email address as that party may notify to the other.

16.2 Service of notices

Any such communication shall be deemed to have reached the Party to whom it was addressed (a) when delivered (in case of a registered letter), or (b) when actually received in readable form (in case of an email). A notice or other such communication received on a non-working day or after 5.00 p.m. in the place of receipt shall be deemed to be served on the next following working day in such place.

16.3 Validity of demands

A demand under this Guarantee shall be valid notwithstanding that it is served:

- (a) on the date on which the amount to which it relates is payable by the Bareboat Charterer under a Leasing Document;
- (b) at the same time as the service of a notice under clause 44.2 of the Bareboat Charter;

and a demand under this Guarantee may refer to all amounts payable under or in connection with a Leasing Document without specifying a particular sum or aggregate sum.

17 INVALIDITY OF LEASING DOCUMENTS

17.1 Invalidity of Leasing Documents

In the event of:

- (a) any Leasing Document now being or later becoming, with immediate or retrospective effect, void, illegal, unenforceable or otherwise invalid for any other reason whatsoever, whether of a similar kind or not; or
- (b) without limiting the scope of paragraph (a), a bankruptcy or insolvency of any Obligor, the introduction of any law or any other matter resulting in any Obligor being discharged from liability under any Leasing Document, or any Leasing Document ceasing to operate (for example, by interest ceasing to accrue),

this Guarantee shall cover any amount which would have been or become payable under or in connection with a Leasing Document if such Leasing Document had been and remained entirely valid, legal and enforceable, or the Bareboat Charterer had not suffered bankruptcy or insolvency, or any combination of such events or circumstances, as the case may be, and the Bareboat Charterer had remained fully liable under it for liabilities whether invalidly incurred or validly incurred but subsequently retrospectively invalidated; and references in this Guarantee to amounts payable by the Bareboat Charterer under or in connection with a Leasing Document shall include references to any amount which would have so been or become payable as aforesaid.

18 INCORPORATION OF BAREBOAT CHARTER PROVISIONS

- 18.1 The following provisions of the Bareboat Charter apply to this Guarantee as if they were expressly incorporated therein with any necessary modifications:

clause 42 (*No Waiver of Rights*);

clause 51 (*No Set-Off or Tax Deduction*);

clause 53 (*FATCA*);

clause 55 (*Confidentiality*); and

clause 56 (*Partial Invalidity*).

- 18.2 Clause 18.1 (*Incorporation of Bareboat Charter provisions*) is without prejudice to the application to this Guarantee of any provision of the Bareboat Charter which, by its terms, applies or relates to this Guarantee.

19 GOVERNING LAW AND ARBITRATION

- 19.1 This Guarantee and any non-contractual obligations arising under or in connection with it, shall be governed by and construed in accordance with English law.

- 19.2 Any dispute arising out of or in connection with this Guarantee, including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement (a "**Dispute**") shall be referred to and finally resolved by arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause 19 (*Governing Law and Arbitration*).

- 19.3** The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.
- 19.4** The seat of the arbitration shall be London, England, even where any hearing takes place outside England.
- 19.5** The reference shall be to three (3) arbitrators. A party wishing to refer a Dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of the date that the notice is delivered to the other party and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and gives notice that it has done so within the fourteen (14) days specified, the party referring a Dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.
- 19.6** Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
- 19.7** Where the reference is to three (3) arbitrators the procedure for making appointments shall be in accordance with the procedure for full arbitration stated above.
- 19.8** In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
- 19.9** The language of the arbitration shall be English.

THIS GUARANTEE has been executed and delivered as a deed on the date stated at the beginning of this Guarantee.

EXECUTION PAGE

GUARANTOR

EXECUTED AS A DEED)
by Stavros Gyftakis) /s/ Stavros Gyftakis
for and on behalf of)
UNITED MARITIME)
CORPORATION)
as attorney-in-fact)
in the presence of:)

/s/ Maria Moschopoulou

Witness' signature
Witness' name: Maria Moschopoulou
Witness' address: 154 Vouliagmenis Avenue, 166 74 Glyfada, Greece

OWNER

SIGNED, SEALED AND)
DELIVERED)
AS A DEED) /s/ Cao Jiong
for and on behalf of)
GIANT 4 HOLDING LIMITED)
acting by Cao Jiong)
its attorney-in-fact)
in the presence of:)

/s/ Sun Linzi

Witness' Signature:
Witness' Name: Sun Linzi
Witness' address: Room
6006, 6th Floor, No.15
Second East Zhongshan Road, Shanghai, P.R.
China 200002



BARECON 2001

STANDARD BAREBOAT CHARTER

PART I

1. Shipbroker	2. Place and date 15 November 2023
3. Owners/Place of business (Cl. 1) GIANT 5 HOLDING LIMITED, a company incorporated under the laws of the Hong Kong whose registered office is at 6/F., Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong, registered as Foreign Maritime Entity in the Republic of Liberia with registration number F-917932 (the "Owners" which expression includes its successors and assigns)	4. Bareboat Charterers/Place of business (Cl. 1) GOOD MARITIME CO., a corporation incorporated and validly existing under the laws of the Republic of Liberia whose registered address is at 80 Broad Street, Monrovia, the Republic of Liberia
5. Vessel's name, call sign and flag (Cl. 1 and 3) m.v. "Goodship Call Sign: D5XS5" The Republic of Liberia	
6. Type of Vessel Bulk Carrier (Capesize)	7. GT/NT 88541/58950
8. When/Where built 2005 Mitsui Engineering & Shipbuilding Co., Ltd.	9. Total DWT (abt.) in metric tons on summer freeboard 177,536
10. Classification Society (Cl. 3) DNV	11. Date of last special survey by the Vessel's classification society N/A
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) N/A	
13. Port or Place of delivery (Cl. 3) Back to back delivery under the MOA	14. Time for delivery (Cl. 4) SEE CLAUSE 34 (Delivery of Vessel)
	15. Cancelling date (Cl. 5) SEE CLAUSE 33 (Cancellation)
16. Port or Place of redelivery (Cl. 15) SEE CLAUSE 40.5	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) SEE CLAUSE 40.5
18. Running days' notice if other than stated in Cl. 4 N/A	19. Frequency of dry-docking (Cl. 10(g)) SEE CLAUSE 10(g)
20. Trading limits (Cl. 6) Worldwide within International Navigating Limits, please also see clauses 46.1(t), 46.1(v), 46.1 (ee), 46.1(ff) (Charterers' Undertakings)	
21. Charter period (Cl. 2) SEE CLAUSE 32 (Charter Period)	22. Charter hire (Cl. 11) SEE CLAUSE 36 (Charterhire)
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii)) SEE CLAUSE 38 (Insurance)	

24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV SEE CLAUSE 36 (Charterhire)	25. Currency and method of payment (Cl. 11) USD/BANK TRANSFER
26. Place of payment; also state beneficiary and bank account (Cl. 11) Such account as the Owners may notify the Charterers from time to time	27. ~~Bank Corporate~~ guarantee/ ~~bond (sum and place)~~ (Cl. 24) (optional) SEE CLAUSE 24 (Corporate Guarantee)
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) SEE CLAUSES 12(b) and 58 (Changes to the Parties)	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) SEE CLAUSE 38 (Insurance)- CLAUSE 14 DOES NOT APPLY
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) SEE CLAUSE 38 (Insurance)	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) SEE CLAUSE 38 (Insurance)
32. Latent defects (only to be filled in if period other than stated in Cl. 3) N/A	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) N/A	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) <u>SEE CLAUSE 30 (Dispute Resolution)</u>
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) No, Part III does not apply	38. Name and place of Builders (only to be filled in if PART III applies) N/A
39. Vessel's Yard Building No. (only to be filled in if PART III applies)	40. Date of Building Contract (only to be filled in if PART III applies) N/A
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) N/A b) c)	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) NO, PART IV DOES NOT APPLY	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) NO, PART V DOES NOT APPLY
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) N/A	45. Country of the Underlying Registry (only to be filled in if PART V applies) N/A
46. Number of additional clauses covering special provisions, if agreed CLAUSE 32 (Charter Period) TO CLAUSE 61 (Definitions) AND SCHEDULE 1 TO SCHEDULE 3	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)	Signature (Charterers)
/s/ Cao Jiong Cao Jiong Attorney-in-fact	/s/ Stavros Gyftakis Stavros Gyftakis Attorney-in-fact

PART II
BARECON 2001 Standard Bareboat Charter

1 1. Definitions

2 In this Charter capitalised terms not otherwise defined herein have the meaning given to them in the Additional
3 Clauses and, the following terms shall have the meanings hereby assigned to them:

4 "Additional Clauses" means Clause 32 (Charter Period) to Clause 610 (Definitions) appended to this Charter;

5 "The Owners" shall mean the party identified in Box 3.

6 "The Charterers" shall mean the party identified in Box 4.

7 "The Vessel" shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

8 "Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as
9 annexed to this Charter and stated in Box 28.

10 2. Charter Period

11 In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to
12 hire the Vessel for the period stated in Box 21 ("The Charter Period"). See also Clause 32 (Charter Period).

13 3. Delivery

14 (not applicable when Part III applies, as indicated in Box 37)

15 ~~(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in~~
16 ~~every respect ready in hull, machinery and equipment for service under this Charter.~~

17 The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in
18 Box 13 ~~in such ready safe berth as the Charterers may direct.~~

19 (b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in
20 Box 5 and the requirements of the classification society stated in Box 10. ~~The Vessel upon delivery shall have her~~
21 ~~survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box~~
22 ~~12.~~

23 (c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a
24 full performance by the Owners of all the Owners' obligations under this Clause 3, and thereafter the Charterers
25 shall not be entitled to make or assert any claim against the Owners on account of any conditions,
26 representations or warranties expressed or implied with respect to the Vessel ~~but the Owners shall be liable for~~
27 ~~the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or~~
28 ~~appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested~~
29 ~~themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

30 4. Time for Delivery (See Clause 34 (Delivery of Vessel))

31 ~~(not applicable when Part III applies, as indicated in Box 37)~~

32 ~~The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers' consent and the~~
33 ~~Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.~~

34 ~~Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days'~~
35 ~~preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is~~
36 ~~expected to be ready for delivery. The Owners shall keep the Charterers closely advised of possible changes in~~
37 ~~the Vessel's position.~~

38 5. Cancelling (See Clause 33 (Cancellation))

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PART II
BARECON 2001 Standard Bareboat Charter

- 39 ~~{not applicable when Part III applies, as indicated in Box 37}~~
- 40 (a) ~~Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the~~
41 ~~option of cancelling this Charter by giving the Owners notice of cancellation within thirty six (36) running hours~~
42 ~~after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~
- 43 (b) ~~If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in~~
44 ~~a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to~~
45 ~~the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared~~
46 ~~within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within~~
47 ~~thirty six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then~~
48 ~~exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be~~
49 ~~substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~
- 50 (c) ~~Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on~~
51 ~~the Owners under this Charter.~~
- 52 6. Trading Restrictions
- 53 The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise operation within
54 the trading limits indicated in Box 20.
- 55 The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in
56 conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein)
57 without first obtaining the consent of the insurers to such employment and complying with such requirements
58 as to extra premium or otherwise as the insurers may prescribe.
- 59 The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which
60 is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or
61 prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction,
62 seizure or confiscation.
- 63 Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive
64 products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter.
65 This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial,
66 agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading
67 thereof.
- 68 7. ~~Surveys on Delivery and Redelivery~~
- 69 ~~{not applicable when Part III applies, as indicated in Box 37}~~
- 70 The Owners ~~and Charterers shall be entitled to each~~ appoint surveyors ~~or the Charterers shall be entitled to~~
71 ~~appoint surveyors (subject to such appointment being accepted in writing by the Owners) for the purpose of~~
72 ~~determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery pursuant~~
73 ~~to Clause 40 (with the relevant costs paid by the Charterers) hereunder. The Owners shall bear all expenses of~~
74 ~~the On hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off hire Survey~~
75 ~~including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.~~
- 76 8. Inspection (See Clause 46(A)) (Inspection of Vessel))
- 77 The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect or survey
78 the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf.
- 79 (a) ~~to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and~~
80 ~~maintained. The Charterers shall pay for the costs and fees for such inspection or survey up to once every~~
81 ~~calendar year. For such inspection or survey carried out for the second or subsequent time within a calendar~~
82 ~~year, without prejudice to paragraphs (b) to (d) below in this Clause, the costs and fees incurred shall be paid~~
83 ~~by the Owners unless the Vessel is found to require repairs or maintenance in order to achieve the condition so~~

PART II
BARECON 2001 Standard Bareboat Charter

- 84 ~~provided (in which case the Charterers shall pay the costs and fees of such inspection or survey);~~
- 85 (b) ~~in dry dock if the Charterers have not dry docked Her in accordance with Clause 10(g). The costs and fees for~~
- 86 ~~such inspection or survey shall be paid by the Charterers; and~~
- 87 (c) ~~for any other commercial reason they consider necessary (provided it does not unduly interfere with the~~
- 88 ~~commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the~~
- 89 ~~Owners;~~
- 90 (d) ~~at any time following the occurrence of a Potential Termination Event or Termination Event (and in such case~~
- 91 ~~the costs and fees for such inspection or survey shall be paid by the Charterers).~~
- 92 All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter
- 93 Period.
- 94 The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever
- 95 required by the Owners furnish them with full information regarding any casualties or other accidents or damage
- 96 to the Vessel.
- 97 9. Inventories, Oil and Stores
- 98 A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all
- 99 consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on
- 100 delivery and again on redelivery (if applicable) of the Vessel. The Charterers ~~and the Owners, respectively,~~ shall
- 101 at the time of delivery ~~and redelivery~~ take over ~~and pay for~~ all bunkers, lubricating oil, unbroke provisions,
- 102 paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market
- 103 prices at the ports of delivery ~~and redelivery, respectively~~. The Charterers shall ensure that all spare parts listed
- 104 in the inventory and used during the Charter Period are replaced at their expense prior to redelivery (if applicable)
- 105 of the Vessel.
- 106 10. Maintenance and Operation
- 107 (a) (i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the
- 108 absolute disposal for all purposes of the Charterers and under their complete control in every respect. The
- 109 Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of
- 110 repair, in efficient operating condition and in accordance with good commercial maintenance practice and,
- 111 ~~except as provided for in Clause 14(ii),~~ if applicable, at their own expense they shall at all times keep the Vessel's
- 112 ~~Class classification~~ fully up to date with the Classification Society indicated in Box 10 and maintain all other
- 113 necessary certificates in force at all times.
- 114 (ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new
- 115 equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements
- 116 by compulsory legislation, the Charterers shall ensure that the same are complied with and the time and cost of
- 117 compliance shall be on the Charterers' account. ~~class requirements or by compulsory legislation costing~~
- 118 ~~(excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5~~
- 119 ~~per cent of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall~~
- 120 ~~be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order~~
- 121 ~~to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia,~~
- 122 ~~to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the~~
- 123 ~~dispute resolution method agreed in Clause 30.~~
- 124 (iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party
- 125 liabilities as required by any government, including federal, state or municipal or other division or authority
- 126 thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place,
- 127 territorial or contiguous waters of any country, state or municipality in performance of this Charter without any
- 128 delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such
- 129 government or division or authority thereof.

PART II
BARECON 2001 Standard Bareboat Charter

- 130 The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy
131 such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all
132 consequences whatsoever (including loss of time) for any failure or inability to do so.
- 133 (b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual,
134 navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they
135 shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of
136 the Vessel under this Charter, including annual Flag State fees and any foreign general municipality and/or state
137 taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes
138 whatsoever, even if for any reason appointed by the Owners.
- 139 Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's
140 flag or any other applicable law.
- 141 (c) The Charterers shall keep the Owners and ~~the any~~ mortgagee(s) advised of the intended employment, planned
142 dry-docking and major repairs of the Vessel, as reasonably required.
- 143 (d) Flag and Name of Vessel – During the Charter Period, the Charterers shall have the liberty to paint the Vessel in
144 their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also
145 have the liberty, with the Owners' consent, ~~which shall not be unreasonably withheld~~ and which, subject to
146 Clause 41.4, shall be granted in the case of a Flag State, to change the flag and/or the name of the Vessel
147 during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-
148 registration, ~~if required by the Owners~~, shall be at the Charterers' expense and time. The Charterers shall also
149 have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the
150 classification society (to be a member of International Association of Classification Societies) during the Charter
151 Period and such expense shall be for Charterer's account.
- 152 (e) Changes to the Vessel – Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel
153 or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing
154 the Owners' approval thereof. ~~If the Owners so agree, the~~ Charterers shall, if the Owners so require, restore
155 the Vessel to its former condition ~~before the termination of this Charter.~~
- 156 (f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment,
157 and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent
158 shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary
159 wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of
160 equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs
161 to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards
162 workmanship and quality of materials) as not to diminish the value of the Vessel. Title of any equipment so
163 replaced shall, unless agreed between the Owners and the Charterers, remain with the Owners. The Charterers
164 have the right to fit additional equipment at their expense and risk (provided that no permanent structural
165 damage is caused to the Vessel by reason of such installation) and but the Charterers shall at their expenses
166 remove such equipment and make good any damage caused by the fitting or removal of such additional
167 equipment at the end of the period if requested by the Owners at the time of redelivery of the Vessel. Any
168 equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by
169 the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease
170 contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection
171 therewith, also for any new equipment required in order to comply with radio regulations.
- 172 (g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts
173 whenever the same may be necessary in accordance with Classification Society of Flag State requirements, but
174 not less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar
175 months after delivery or such other period as may be required by the Classification Society or flag state.
- 176 11. Hire (See Clause 36) (Charterhire)
- 177 ~~(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect~~
178 ~~of which time shall be of the essence.~~

PART II
BARECON 2001 Standard Bareboat Charter

- 179 ~~(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22~~
180 ~~which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable~~
181 ~~on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the~~
182 ~~Charter Period.~~
- 183 ~~(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25~~
184 ~~and at the place mentioned in Box 26.~~
- 185 ~~(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally~~
186 ~~according to the number of days and hours remaining before redelivery and advance payment to be effected~~
187 ~~accordingly.~~
- 188 ~~(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of.~~
189 ~~The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last~~
190 ~~reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to~~
191 ~~be adjusted accordingly.~~
- 192 ~~(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If~~
193 ~~Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) for the~~
194 ~~currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due,~~
195 ~~increased by 2 per cent, shall apply.~~
- 196 ~~(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the~~
197 ~~Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire~~
198 ~~payment date.~~
- 199 **12. Mortgage**
- 200 ~~(only to apply if Box 28 has been appropriately filled in)~~
- 201 ~~(a)* The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any~~
202 ~~mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- 203 ~~(b)* The Vessel chartered under this Charter may be financed by a mortgage(s) according to the Financial~~
204 ~~Instruments.~~
- 205 The Charterers undertake to comply, and provide such information and documents to enable the Owners to
206 comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and
207 maintenance of the Vessel as laid down in the Financial Instruments or as may be directed from time to time
208 during the currency of the Charter by the mortgagee(s) in conformity with each the Financial Instrument (if any)
209 as long as the requested information and documents are reasonably required. The Charterers confirm that, ~~for~~
210 ~~this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial~~
211 ~~Instrument and agree to acknowledge each Financial Instrument (if any) this in writing in any form that may be~~
212 reasonably required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other
213 than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28
214 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably
215 withheld.
- 216 ~~*(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).~~
- 217 **13. Insurance and Repairs (See also Clause 38)**
- 218 (a) Without prejudice to Clause 38 (Insurance), during the Charter Period the Vessel shall be kept insured by the
219 Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks
220 against which it is compulsory to insure for the operation of the Vessel, including but not limited to maintaining
221 financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve,
222 which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to
223 protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers

PART II
BARECON 2001 Standard Bareboat Charter

- 224 shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance
225 policies shall cover the Owners and the Charterers according to their respective interests.
- 226 Subject to the provisions of the Financial Instrument, ~~if the agreed loss payable clauses, any,~~ and the approval of
227 the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and
228 reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses
229 and liabilities to the extent of coverage under the insurances herein provided for.
- 230 The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred
231 thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible
232 franchise(s) or deductibles provided for in the insurances.
- 233 All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to
234 Clause 3(c) above, including any deviation, shall be for the Charterers' account.
- 235 ~~(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall~~
236 ~~be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers~~
237 ~~as the case may be shall immediately timely furnish the Owners other party with particulars of any additional~~
238 ~~insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any~~
239 ~~such required insurance in any case where the consent of such insurers is necessary.~~
- 240 (c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents
241 as may be required to enable the Owners to comply with the insurance provisions of ~~each the~~ Financial
242 Instrument ~~(if any).~~
- 243 ~~(d) Subject to the provisions of the Financial Instrument, if any, s~~ Should the Vessel become ~~an actual, constructive,~~
244 ~~compromised or agreed a~~ Total Loss under the insurances required under sub-clause 13(a), all insurance
245 payments for such loss shall be paid to the Owners ~~(or if applicable, its financiers) in accordance with the agreed~~
246 ~~loss payable clauses, who shall distribute the moneys between the Owners and the Charterers according to their~~
247 ~~respective interests, who shall distribute the moneys between the Owners and the Charterers according to this~~
248 ~~Charter. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in~~
249 ~~consequence of which the Vessel is likely to become a Total Loss as defined in this Clause.~~
- 250 ~~(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to~~
251 ~~enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.~~
- 252 (f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-
253 clause 13(a), the value of the Vessel is the sum indicated in Clause 38 (Insurance) ~~Box 29.~~
- 254 ~~14. Insurance, Repairs and Classification~~
- 255 ~~(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).~~
- 256 ~~(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and~~
257 ~~machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall~~
258 ~~not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the~~
259 ~~Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to~~
260 ~~discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies~~
261 ~~shall cover the Owners and the Charterers according to their respective interests.~~
- 262 ~~(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection~~
263 ~~and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel,~~
264 ~~including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall~~
265 ~~in writing approve which approval shall not be unreasonably withheld.~~
- 266 ~~(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the~~
267 ~~Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which~~
268 ~~would otherwise have been covered by such insurance.~~

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- ~~(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a).~~
- ~~The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.~~
- ~~(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.~~
- ~~(f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.~~
- ~~The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.~~
- ~~(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~
- ~~(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.~~
- ~~(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.~~
- ~~(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.~~
- ~~(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.~~
- ~~(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.~~
- 300 **15. Redelivery - See Clause 40 (Termination, Redelivery, and Total Loss)**
- ~~At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery.~~
- ~~Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.~~
- ~~The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.~~

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- 313 Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good
314 structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class
315 excepted.
- 316 The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at
317 least the number of months agreed in Box 17.
- 318 16. Non-Lien
- 319 The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their
320 agents, which might have priority over the title and interest of the Owners in the Vessel (except for Permitted
321 Security Interests). The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so
322 fastened during the Charter Period a notice reading as follows:
- 323 "This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of
324 the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or
325 permit to be imposed on the Vessel any lien whatsoever or a notice in such form as may be required by any
326 mortgagee."
- 327 17. Indemnity (See Clause 50)(Indemnities)
- 328 ~~(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising~~
329 ~~out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature~~
330 ~~arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by~~
331 ~~reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their~~
332 ~~own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including~~
333 ~~the provision of bail.~~
- 334 ~~Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all~~
335 ~~consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.~~
- 336 ~~(b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners~~
337 ~~shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released,~~
338 ~~including the provision of bail.~~
- 339 ~~In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred~~
340 ~~by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.~~
- 341 18. Lien
- 342 The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any
343 sub-charterers and any Bill of Lading freight for all claims under this Charter, ~~and the Charterers to have a lien on~~
344 ~~the Vessel for all moneys paid in advance and not earned.~~
- 345 19. Salvage
- 346 All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing
347 damage occasioned thereby shall be borne by the Charterers.
- 348 20. Wreck Removal
- 349 In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the
350 Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence
351 of the Vessel becoming a wreck or obstruction to navigation.
- 352 21. General Average
- 353 The Owners shall not contribute to General Average.

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- 354 22. Assignment, Sub-Charter and Sale (See Clause 58) (Changes to the Parties))
- 355 ~~(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior~~
356 ~~consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and~~
357 ~~conditions as the Owners shall approve.~~
- 358 ~~(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of~~
359 ~~the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of~~
360 ~~this Charter.~~
- 361 23. Contracts of Carriage
- 362 (a)* The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and
363 conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation
364 relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the
365 documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and
366 the Both-to-Blame Collision Clause.
- 367 ~~(b)* The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of~~
368 ~~passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation~~
369 ~~relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such~~
370 ~~legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of~~
371 ~~Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~
- 372 *Delete as applicable.
- 373 24. ~~Bank~~Corporate Guarantee
- 374 ~~(Optional, only to apply if Box 27 filled in)~~
- 375 The Charterers undertake to furnish, on or about the date of this Charter before delivery of the Vessel, a first
376 class bank ~~corporate~~ guarantees from the Guarantors or bond in the sum and at the place as indicated in Box 27
377 as guarantee and the other Security Documents at Delivery (except for the Account Security which can be signed
378 before delivery of the Vessel) for full performance of their obligations under this Charter.
- 379 25. Requisition/Acquisition
- 380 (a) Subject to the provisions of the Financial Instruments (if any), in the event of the Requisition for Hire of the
381 Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire")
382 irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the
383 length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether
384 it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby
385 or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated
386 hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to
387 any of the provisions hereof always provided however that if all hire has been paid by the Charterers hereunder
388 then in the event of "Requisition for Hire" any Requisition Hire or compensation is received or receivable by the
389 Owners, the same shall be payable to the Charterers during the remainder of the Charter Period or the period of
390 the "Requisition for Hire" whichever be the shorter.
- 391 ~~(b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the~~
392 ~~Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as~~
393 ~~"Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory~~
394 ~~Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition".~~
395 ~~In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory~~
396 ~~Acquisition".~~
- 397 26. War

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- 398 (a) Subject to the provisions of the Financial Instruments (if any), For the purpose of this ~~Clause~~ clause, the words
399 "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution,
400 rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy,
401 acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or
402 imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise
403 howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which
404 may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on
405 board the Vessel.
- 406 (b) The Vessel, unless the written consent of the Owners be first obtained and adequate insurances are obtained
407 (such adequacy to be determined by the Owners (acting reasonably)), shall not continue to or go through any
408 port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that
409 the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners,
410 may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid,
411 which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners
412 shall have the right to require the Vessel to leave such area.
- 413 (c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed
414 on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or
415 against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject,
416 or is likely to be subject to a belligerent's right of search and/or confiscation.
- 417 ~~(d) If the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums~~
418 ~~and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within,~~
419 ~~any area or areas which are specified by such insurers as being subject to additional premiums because of War~~
420 ~~Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as~~
421 ~~the next payment of hire is due.~~
- 422 (e) The Charterers shall have the liberty:
- 423 (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in
424 convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which
425 are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or
426 group whatsoever acting with the power to compel compliance with their orders or directions;
- 427 (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the
428 authority to give the same under the terms of the war risks insurance;
- 429 (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of
430 the European Community, the effective orders of any other Supranational body which has the right to issue and
431 give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey
432 the orders and directions of those who are charged with their enforcement.
- 433 (f) In the event of outbreak of war ~~(whether there be a declaration of war or not)~~
- 434 ~~(i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom;~~
435 ~~France; and the People's Republic of China;~~
- 436 ~~(ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right~~
437 ~~to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with~~
438 ~~Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarked under this Clause~~
439 ~~from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo~~
440 ~~on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the~~
441 ~~Owners. In all cases hire shall continue to be paid in accordance with Clause 11 (Hire) and except as aforesaid all~~
442 ~~other provisions of this Charter shall apply until redelivery.~~
- 443 ~~27.—Commission~~

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444 ~~The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid~~
445 ~~under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the~~
446 ~~actual expenses of the Brokers and a reasonable fee for their work.~~

447 ~~If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall~~
448 ~~indemnify the Brokers against their loss of commission.~~

449 ~~Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of~~
450 ~~commission but in such case the commission shall not exceed the brokerage on one year's hire.~~

451 **28. Termination** (See Clauses 40 (Termination, Redelivery and Total Loss) and 44 (Termination Events))

452 ~~(a) Charterers' Default~~

453 ~~The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter~~
454 ~~with immediate effect by written notice to the Charterers if:~~

455 ~~(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual~~
456 ~~payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers,~~
457 ~~the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as~~
458 ~~recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such~~
459 ~~number of days following the Owners' notice, the payment shall stand as regular and punctual.~~

460 ~~Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners'~~
461 ~~notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and~~
462 ~~terminate the Charter without further notice;~~

463 ~~(ii) the Charterers fail to comply with the requirements of:~~

464 ~~(1) Clause 6 (Trading Restrictions)~~

465 ~~(2) Clause 13(a) (Insurance and Repairs)~~

466 ~~provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a~~
467 ~~specified number of days grace within which to rectify the failure without prejudice to the Owners' right to~~
468 ~~withdraw and terminate under this Clause if the Charterers fail to comply with such notice;~~

469 ~~(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance~~
470 ~~and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any~~
471 ~~event so that the Vessel's insurance cover is not prejudiced.~~

472 ~~(b) Owners' Default~~

473 ~~If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that~~
474 ~~the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14)~~
475 ~~running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall~~
476 ~~be entitled to terminate this Charter with immediate effect by written notice to the Owners.~~

477 ~~(c) Loss of Vessel~~

478 ~~This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive~~
479 ~~or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be~~
480 ~~lost unless she has either become an actual total loss or agreement has been reached with her underwriters in~~
481 ~~respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is~~
482 ~~not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.~~

483 ~~(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party~~
484 ~~in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or~~
485 ~~bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver~~

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486 ~~is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or~~
487 ~~composition with its creditors.~~

488 ~~(c) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to~~
489 ~~the date of termination and to any claim that either party might have.~~

490 29. Repossession

491 Subject to Clause 40.4, in the event of the termination of this Charter in accordance with the applicable provisions
492 of Clause 44 (Termination Events)~~Clause 28~~, the Owners shall have the right to repossess the Vessel from the
493 Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or
494 interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in
495 accordance with this Clause 29 (Repossession), the Charterers shall hold the Vessel as gratuitous bailee only to
496 the Owners and the Charterers shall procure that the master and crew follow the orders and directions of the
497 Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably
498 practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the
499 Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements
500 and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master,
501 officers and crew shall be the sole responsibility of the Charterers.

502 30. Dispute Resolution

503 a)* This Contract and any non-contractual obligations arising under or in connection with it, shall be governed by
504 and construed in accordance with English law, ~~and~~

505 b) Any dispute arising out of or in connection with this ~~c~~Contract shall be referred to and finally resolved by
506 arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-
507 enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

508 c) The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA)
509 Terms current at the time when the arbitration proceedings are commenced.

510 d) The reference shall be to three (3) arbitrators. A party wishing to refer a dispute to arbitration shall appoint its
511 arbitrator and send notice of such appointment in writing to the other party requiring the other party to
512 appoint its own arbitrator within fourteen (14) calendar days of the date that the notice is delivered to the
513 other party and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its
514 own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party
515 does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified,
516 the party referring a dispute to arbitration may, without the requirement of any further prior notice to the
517 other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a
518 sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

519 e) Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the
520 appointment of a sole arbitrator.

521 f) Where the reference is to three (3) arbitrators the procedure for making appointments shall be in accordance
522 with the procedure for full arbitration stated above.

523
524 g) In cases where neither the claim nor any counterclaim exceeds the sum of US\$~~5~~100,000 (or such other sum as
525 the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure
526 current at the time when the arbitration proceedings are commenced.

527 h) The language of the arbitration shall be English.

528
529 ~~(b)* This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the~~
530 ~~Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be~~
531 ~~referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the~~

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- 532 two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any
533 award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall
534 be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.
- 535 In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the
536 parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure
537 of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.
- 538 (c)* This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by
539 the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a
540 mutually agreed place, subject to the procedures applicable there.
- 541 (d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference
542 and/or dispute arising out of or in connection with this Contract.
- 543 In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following
544 shall apply:
- 545 (i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by
546 service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to
547 mediation.
- 548 (ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree
549 to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days,
550 failing which on the application of either party a mediator will be appointed promptly by the Arbitration
551 Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be
552 conducted in such place and in accordance with such procedure and on such terms as the parties may agree or,
553 in the event of disagreement, as may be set by the mediator.
- 554 (iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be
555 taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.
- 556 (iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers
557 necessary to protect its interest.
- 558 (v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue
559 during the conduct of the mediation but the Tribunal may take the mediation timetable into account when
560 setting the timetable for steps in the arbitration.
- 561 (vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the
562 mediation and the parties shall share equally the mediator's costs and expenses.
- 563 (vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed
564 during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and
565 procedure governing the arbitration.
- 566 (Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)
- 567 (e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall
568 apply in all cases.
- 569 *Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.
- 570 31. Notices (see Clause 43 (Notices))
- 571 (a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex,
572 registered or recorded mail or by personal service.
- 573 (b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(Optional, only to apply if expressly agreed and stated in Box 37)

1. Specifications and Building Contract

- (a) ~~The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter-signed as approved by the Charterers.~~
- (b) ~~No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.~~
- (c) ~~The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.~~
- (d) ~~The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.~~

~~Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies.~~

~~However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.~~

~~Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties.~~

~~The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.~~

2. Time and Place of Delivery

- (a) ~~Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.~~
- (b) ~~If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers~~

and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

- (c) ~~If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon~~
- (i) ~~if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or~~
- (ii) ~~if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;~~
- (iii) ~~in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;~~
- (iv) ~~if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.~~
- (d) ~~Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.~~

3. ~~Guarantee Works~~

~~If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.~~

4. ~~Name of Vessel~~

~~The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.~~

5. ~~Survey on Redelivery~~

~~The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of redelivery.~~

~~Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.~~

PART IV
HIRE/PURCHASE AGREEMENT
(Optional, only to apply if expressly agreed and stated in Box 42)

~~On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.~~

~~In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.~~

~~The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.~~

~~The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.~~

~~In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.~~

~~The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.~~

~~The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.~~

~~The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.~~

~~The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.~~

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY
(Optional, only to apply if expressly agreed and stated in Box 43)

1. — Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

“The Bareboat Charter Registry” shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

“The Underlying Registry” shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

2. — Mortgage

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.

3. — Termination of Charter by Default

If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.

In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

EXECUTION VERSION

ADDITIONAL CLAUSES TO STANDARD BAREBOAT CHARTER

CLAUSE 32 – CHARTER PERIOD

32.1 For the avoidance of doubt, notwithstanding the fact that the Charter Period shall commence on the Commencement Date, this Charter shall be:

- (a) in full force and effect; and
- (b) valid, binding and enforceable against the parties hereto,

with effect from the date hereof until the end of the Charter Period (subject to the terms of this Charter).

32.2 The Charter Period shall, subject to the terms of this Charter, continue for a period of thirty- six (36) months from the Commencement Date.

CLAUSE 33 – CANCELLATION

If the MOA expires, is cancelled, terminated, rescinded or suspended or otherwise ceases to remain in full force and effect for any reason, then this Charter shall immediately terminate and be cancelled (with the exception of Clause 50 (*Indemnities*) and other provisions hereof expressed to survive such termination or cancellation) without the need for either of the Owners or the Charterers to take any action whatsoever provided however that, in consideration of the Owners entering into the MOA and this Charter as at the date hereof, the Owners shall be entitled to retain all indemnified expenses and/or fees paid by the Charterers under the MOA, this Charter and the other Leasing Documents, and such payment shall not be construed as a penalty but shall represent an agreed estimate of the loss and damage suffered by the Owners in entering into this Charter upon the terms and conditions contained herein and shall therefore be paid as compensation by the Charterers.

CLAUSE 34 – DELIVERY OF VESSEL

34.1 This Charter is part of a transaction involving the sale, purchase and charter back of the Vessel and constitutes one of the Leasing Documents.

34.2 The obligation of the Owners to charter the Vessel to the Charterers hereunder is subject to and conditional upon:

- (a) the delivery of the Vessel to the Owners (as buyers under the MOA) by the Charterers (as sellers under the MOA) pursuant to the MOA;
- (b) no Potential Termination Event or Termination Event having occurred from the date of this Charter to the last day of the Charter Period;
- (c) the representations and warranties contained in Clause 45 (*Representations and Warranties*) being true and correct on the date hereof and each day thereafter until and including the last day of the Charter Period;
- (d) Delivery occurring on or before the Cancelling Date;

- (e) the Initial Sub-charter remains in full force and effect on Delivery and evidence satisfactory to the Owners that the Vessel shall continue to be subject to the Initial Sub-charter, and it is delivered to and employed by the Initial Sub-charterer thereunder, on the Commencement Date;
- (f) the Owners (by themselves or by their legal counsels) having received from the Charterers:
 - (i) on or before the date falling five (5) Business Days (or such other period as the Owners may agree in their sole discretion or as otherwise specified in Part A of Schedule 2) prior to the Prepositioning Date, the documents or evidence set out in Part A of Schedule 2 in form and substance satisfactory to them;
 - (ii) on the Commencement Date and prior to or simultaneously with the Owners executing a dated and timed copy of the protocol of delivery and acceptance evidencing delivery of the Vessel under the MOA, the documents or evidence set out in Part B of Schedule 2 in form and substance satisfactory to them; and
 - (iii) after Delivery, the documents and evidence set out in Part C of Schedule 2 in form and substance satisfactory to them within the time periods set out thereunder.

and if any of the documents listed in sub-clauses (i) and (ii) above are not in the English language then they shall be accompanied by an English translation.

- 34.3 The conditions precedent and conditions subsequent specified in Clause 34.2(e) (*Delivery of Vessel*) are inserted for the sole benefit of the Owners and may be waived or deferred in whole or in part and with or without conditions by the Owners. Upon the requirements of Clause 34.2 (*Delivery of Vessel*) being fulfilled or waived to the satisfaction of the Owners, the Owners shall give notice thereof in writing to the Charterers.
- 34.4 On delivery to and acceptance by the Owners (as buyers under the MOA) of the Vessel under the MOA from the Charterers (as sellers under the MOA) and subject to the provisions of this Clause, the Vessel shall be deemed to have been delivered to, and accepted without reservation by, the Charterers under this Charter on an "as is where is" basis and in such condition as the Vessel was delivered to the Owners (as buyers under the MOA) under the MOA with, for the avoidance of doubt, any faults, deficiencies, defect and errors of description and the Charterers shall become and be entitled to the possession and use of the Vessel on and subject to the terms and conditions of this Charter.
- 34.5 On Delivery, as evidence of the commencement of the Charter Period, the Charterers shall sign and deliver to the Owners, the Acceptance Certificate. Without prejudice to this Clause, the Charterers shall be deemed to have accepted the Vessel under this Charter and the commencement of the Charter Period having started, on Delivery even if for whatever reason, the Acceptance Certificate is not signed.
- 34.6 Without prejudice to and notwithstanding the provisions of this Clause, the Charterers shall not be entitled for any reason whatsoever to refuse to accept delivery of the Vessel under this Charter once the Vessel has been delivered to and accepted by the Owners (as buyers under the MOA) under the MOA from the Charterers (as sellers under the MOA), and the Owners shall not be liable for any losses, costs or expenses whatsoever or howsoever arising including without limitation, any loss of profit or any loss or otherwise:

- (a) resulting directly or indirectly from any defect or alleged defect in the Vessel or any failure of the Vessel; or
 - (b) arising from any delay in the commencement of the Charter Period or any failure of the Charter Period to commence.
- 34.7 Without prejudice to Clause 9 (*Inventories, Oil and Stores*), the Owners shall not be obliged to deliver the Vessel to the Charterers with any bunkers and unused lubricating oils and greases in storage tanks and unopened drums of the Vessel except for such items which are already on the Vessel on Delivery. The Owners shall not be responsible for the fitness, quality or quantity of any such bunkers and unused lubricating oils and hydraulic oils and greases and the Charterers shall make no claim against the Owners in respect of the same.

CLAUSE 35 – QUIET ENJOYMENT

Provided that the Charterers do not breach the terms of any Assignable Sub-charter and that no Termination Event or Total Loss has occurred at any relevant time, the Owners hereby irrevocably agree not to disturb or interfere with the Charterers' lawful use, possession and quiet enjoyment of the Vessel during the Charter Period in any way whatsoever. The Owners shall, on or prior to any assignment, transfer or sale of the Vessel and/or the Leasing Documents by the Owners as permitted under Clause 58.2 (*Assignment or transfer by the Owners*), use reasonable endeavours to procure that the Owners' Financier (if any) enters into a quiet enjoyment agreement with the Charterers on such terms as may be acceptable to the Charterers.

CLAUSE 36 – CHARTERHIRE

- 36.1 In consideration of the Owners agreeing to charter the Vessel to the Charterers under this Charter at the request of the Charterers, the Charterers hereby irrevocably and unconditionally agree to pay to the Owners the Charterhire and the Advance Charterhire in respect of the chartering of the Vessel.
- 36.2 The Charterers shall pay to the Owners an amount equivalent to the Advance Charterhire (on a non-refundable basis) on the Commencement Date, which payment shall be deemed to have been effected on the Commencement Date by setting off the Charterers' obligation to pay the Advance Charterhire against the Owners' obligation as buyers to pay that part of the Purchase Price in an amount equal to the Advance Charterhire, to the Charterers (as sellers under the MOA) on the Commencement Date pursuant to clause 18(b)(i) of the MOA.
- 36.3 Following Delivery, the Charterers shall pay, on each Payment Date, a monthly instalment of Charterhire to the Owners monthly in arrears and each instalment of Charterhire shall consist of:
- (a) a fixed component (the "**Fixed Charterhire**"), being an amount equal to:
 - (i) in relation to the first (1st) to the thirty-fifth (35th) Payment Date (both inclusive), US\$138,888.89; and
 - (ii) in relation to the thirty-sixth (36th) Payment Date, US\$138,888.85; and
 - (b) the Variable Charterhire in respect of the relevant Term.

- 36.4 The Vessel shall not at any time be deemed off-hire and the Charterers' obligation to pay all Charterhire and any other amounts payable under this Charter shall be paid in Dollars and shall be absolutely and unconditionally payable under any and all circumstances and shall not be affected by any circumstances of any nature whatsoever including but not limited to:
- (a) (except in the case of the Advance Charterhire and/or the Upfront Fee, as the case may require) any set off, counterclaim, recoupment, defence, claim or other right which the Charterers may at any time have against the Owners or any other person for any reason whatsoever including, without limitation, any act, omission or breach on the part of the Owners under this Charter or any other agreement at any time existing between the Owners and the Charterers;
 - (b) any change, extension, indulgence or other act or omission in respect of any indebtedness or obligation of the Charterers, or any sale, exchange, release or surrender of, or other dealing in, any security for any such indebtedness or obligation;
 - (c) any unavailability of the Vessel, including, any title defect or encumbrance or any dispossession of the Vessel by title paramount or otherwise;
 - (d) any defect in the seaworthiness, condition, value, design, merchantability, operation or fitness for use of the Vessel or the ineligibility of the Vessel for any particular trade, or for registration or documentation under the laws of any relevant jurisdiction;
 - (e) the Total Loss or any damage to or forfeiture or court marshal's or other sale of the Vessel;
 - (f) any libel, attachment, levy, detention, sequestration or taking into custody of the Vessel or any restriction or prevention of or interference with or interruption or cessation in, the use or possession thereof by the Charterers;
 - (g) any insolvency, bankruptcy, reorganization, arrangement, readjustment, dissolution, liquidation or similar proceedings by or against the Charterers or any other Obligors;
 - (h) any invalidity, unenforceability, lack of due authorization or other defects, or any failure or delay in performing or complying with any of the terms and provisions of this Charter or any of the Leasing Documents or any Assignable Sub-charter by any party to this Charter or any other person;
 - (i) any enforcement or attempted enforcement by the Owners of their rights under this Charter or any of the Leasing Documents or any Assignable Sub-charter executed or to be executed pursuant to this Charter;
 - (j) any loss of use of the Vessel due to deficiency or default or strike of officers or crew, fire, breakdown, damage, accident, defective cargo or any other cause which would or might but for this provision have the effect of terminating or in any way affecting any obligation of the Charterers under this Charter; or
 - (k) any prevention, delay, deviation or disruption in the use of the Vessel resulting from the wide outbreak of any viruses or any other highly infectious or contagious diseases (including the 2019 novel coronavirus), including but not limited to those caused by:
 - (i) closure of ports;

- (ii) prohibitions or restrictions against the Vessel calling at or passing through certain ports;
- (iii) restriction in the movement of personnel and/or shortage of labour affecting the operation of the Vessel or the operation of the ports (including stevedoring operations);
- (iv) quarantine regulations affecting the Vessel, its cargo, the crew members or relevant port personnel;
- (v) fumigation or cleaning of the Vessel; or
- (vi) any claims raised by any Sub-charterer or manager of the Vessel that a force majeure event or termination event (or any other analogous event, howsoever called) has occurred under the relevant charter agreement or management agreement (as the case may be) of the Vessel as a result of the outbreak of such virus or disease.

- 36.5 All payments of the Charterhire, the Advance Charterhire, the Upfront Fee and any other moneys payable hereunder shall be made in Dollars.
- 36.6 Time of payment of the Charterhire, the Advance Charterhire, the Upfront Fee and any other payments by the Charterers shall be of the essence of this Charter and shall be received by the Owners in same day available funds and not later than 5.00 pm (Shanghai time) on the due date of such payment.
- 36.7 All Charterhire, Advance Charterhire, Upfront Fee and any moneys payable hereunder shall be payable by the Charterers to the Owners to such account as the Owners may notify the Charterers in writing from time to time.
- 36.8 Payment of the Charterhire, the Advance Charterhire, the Upfront Fee and any other amounts payable by the Charterers to the Owners under the Leasing Documents shall be at the Charterers' risk until receipt by the Owners.
- 36.9 All stamp duty, value added tax, withholding or other taxes and import and export duties and all other similar types of charges which may be levied or assessed on or in connection with:
- (a) the operation of this Charter in respect of the hire and all other payments to be made pursuant to this Charter and the remittance thereof to the Owners; and
 - (b) the import, export, purchase, delivery and re-delivery of the Vessel,

shall be borne by the Charterers (for the avoidance of doubt, the above excludes any income tax or any tax arising from the Owners' shares by competent tax authorities in their domicile, which shall be borne by the Owners). The Charterers shall pay, if applicable, value added tax and other similar tax levied on any Charterhire, Advance Charterhire, and Upfront Fee and other payments payable under this Charter by addition to, and at the time of payment of, such amounts.

- 36.10 If the Charterers fail to make any payment due under this Charter on the due date, they shall pay interest on such late payment at the default rate of ten per cent. (10%) per annum and accruing from the date on which such payment became due until the date of receipt of payment thereof.

- 36.11 All Variable Charterhire, interest and any other payments under this Charter which are of an annual or periodic nature shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 360-day year.
- 36.12 Any payment which is due to be made on a day which is not a Business Day, shall be made on the preceding Business Day in the same calendar month.
- 36.13 For the purposes of determining the Variable Charterhire:
- (a) if no Term SOFR is available for any relevant Term the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to for that Term;
 - (b) If no Term SOFR is available for any relevant Term and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR;
 - (c) if paragraph (b) above applies but no Historic Term SOFR is available for any relevant Term, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to that Term; and
 - (d) if paragraph (c) above applies but it is not possible to calculate the Interpolated Historic Term SOFR, there shall be no Reference Rate for that Term and Clause 36.17 shall apply.
- 36.14 The Owners shall notify the Charterers of the rate of interest in respect of a Term as soon as reasonably practicable after such rate of interest is determined by the Owners on the Quotation Day.
- 36.15 If, before the Reporting Time, the Owners determine (which determination shall be conclusive and binding) that their cost of funds relating to the then prevailing Outstanding Finance Amount or any part thereof would be in excess of the Reference Rate, the Owners shall promptly notify the Charterers accordingly and Clause 36.17 below shall apply to the prevailing Outstanding Finance Amount or any part thereof for that Term.
- 36.16 Immediately following the notification referred to in Clause 36.15 above, if the Owners and the Charterers so require, the Owners and the Charterers, shall negotiate in good faith (for a period not more than thirty (30) days) with a view to agreeing upon a substitute basis for determining an applicable Interest Rate for that Term. Subject to Clause 36.18, any substitute or alternative basis agreed pursuant to this Clause shall, with the prior written consent of the Parties, be binding on the Parties.
- 36.17 If:
- (a) this Clause 36.17 applies pursuant to Clause 36.13 or 36.15 above;
 - (b) a substitute basis is not so requested and/or agreed pursuant to Clause 36.16 above; or
 - (c) the amendment or waiver to the terms of the Leasing Documents is not so agreed pursuant to Clause 36.18,
- the applicable Interest Rate shall be the percentage rate per annum which is the sum of:
- (i) the Margin, and

- (ii) the cost notified by the Owners (expressed as an annual rate of interest) of funding the Outstanding Finance Amount during such Term as reasonably determined by the Owners,

provided that if the rate pursuant to (ii) above is less than zero, the relevant rate shall be deemed to be zero.

If this Clause 36.17 applies pursuant to Clause 36.16 above and the Owners do not notify a Funding Rate to the Charterers by the Reporting Time, the Owners' cost of funds relating to that portion of the Outstanding Finance Amount for that Term shall be deemed, for the purposes of sub-clause(ii) above, to be the Reference Rate.

36.18 If a Published Rate Replacement Event has occurred in relation to any Published Rate for Dollars, the Owners, after consultation with the Charterer, are entitled to request any amendment or waiver (and such costs incurred in relation to such amendment or waiver shall be borne by the Charterers), which relates to:

(a) providing for the use of a Replacement Reference Rate in the place of (or in addition to) that Published Rate; and

(b)

- (i) aligning any provision of any Leasing Document to the use of that Replacement Reference Rate;
- (ii) enabling that Replacement Reference Rate to be used for the calculation of interest under this Charter (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Charter);
- (iii) implementing market conventions applicable to that Replacement Reference Rate;
- (iv) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
- (v) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

and pending any such amendment or waiver and the Replacement Reference Rate being utilised under the Leasing Documents to calculate the Interest Rate, Clause 36.17 shall apply to the calculation of the Interest Rate.

CLAUSE 37 – POSSESSION OF VESSEL

37.1 The Charterers shall not, without the prior written consent of the Owners, assign, mortgage or pledge the Vessel, its Earnings, Insurances, Requisition Compensation or any other interest therein and/or any of its rights and interest under any Sub-charter or any other interest therein and shall not permit the creation or existence of any Security Interest thereon (including for any monies paid in advance and not earned, and for any claims for damages arising from any breach by the Owners of this Charter and other amounts due to the Charterers under this Charter) other than Permitted Security Interests.

- 37.2 The Charterers shall promptly notify in writing any party (as the Owners may request), including any Sub-charterer, that the Vessel is the property of the Owners and the Charterers shall provide the Owners with a copy of such written notification and satisfactory evidence that such party has received such written notification.
- 37.3 If the Vessel is arrested, seized, impounded, forfeited, detained or taken out of their possession or control (whether or not pursuant to any distress, execution or other legal process), the Charterers shall procure the immediate release of the Vessel (whether by providing bail or procuring the provision of security or otherwise do such lawful things as the circumstances may require) and shall immediately notify the Owners of such event.
- 37.4 The Charterers shall pay and discharge or cause any Sub-charterer of the Vessel to pay and discharge all obligations and liabilities whatsoever which have given or may give rise to liens on or claims enforceable against the Vessel and take (and shall procure that any such Sub-charterer shall take) all steps to prevent an arrest (threatened or otherwise) of the Vessel.
- 37.5 Without prejudice to Clause 10(a)(ii) (*New Class and Other Safety Requirements*), any time and costs associated with the re-designing, installation, inspection or docking of the Vessel for the purposes of complying with the requirements of any applicable regulations or conventions which come into force after the date of this Charter, including without limitation to, the International Convention for the Control and Management of Ships' Ballast Water and Sediments, shall be for the account of the Charterers.

CLAUSE 38 – INSURANCE

- 38.1 The Charterers shall procure that insurances are effected in form and substance satisfactory to the Owners and the Owners' Financier (if any) at all times during the Charter Period and that such insurances are:
- (a) in Dollars;
 - (b) in the case of fire and usual marine risks (including hull and machinery) and war risks (including blocking and trapping), on an agreed value basis of at least the higher of (i) one hundred per cent (100%) of the then applicable Market Value of the Vessel or (ii) one hundred and twenty per cent (120%) of the then prevailing Outstanding Finance Amount at the relevant time;
 - (c) in the case of oil pollution liability risks for the Vessel, for an aggregate amount equal to the highest level of cover from time to time available under protection and indemnity club entry and in the international marine insurance market and for an amount of not less than \$1,000,000,000;
 - (d) in relation to protection and indemnity risks (including freight, demurrage and defence cover), in respect of the full tonnage of the Vessel and with a member of the International Group of P&I Clubs, and reputable protection and indemnity club member (in each case, which is acceptable to the Owners and the Owners' Financier (if any));
 - (e) on terms acceptable to the Owners and the Owners' Financier (if any);

(f) through approved brokers and with first class international insurers and/or underwriters notified to the Owners (having a Standard & Poor's rating of BBB+ or above, a Moody's rating of A or above or an AM Best rating of A- or above) or, in the case of war risks and protection and indemnity risks, in a war risks and protection and indemnity risks associations as notified to the Owners and the Owners' Financier (if any) (including being a member of the International Group of P&I Clubs); and

(g) on no less favourable terms as may be required under the terms of any Sub-charter.

38.2 In addition to the terms set out in Clause 13(a), the Charterers shall procure that the obligatory insurances shall:

(a) subject always to paragraph (b), name the Owners, the Approved Manager(s) and the Charterers as the only named assureds unless the interest of every other named assured or co-assured is limited:

(i) in respect of any obligatory insurances for hull and machinery and war risks;

(1) to any provable out-of-pocket expenses that they have incurred and which form part of any recoverable claim on underwriters; and

(2) to any third-party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against them); and

(ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries they are entitled to make by way of reimbursement following discharge of any third-party liability claims made specifically against them,

and every other named assured or co-assured has undertaken in writing to the Owners or the Owners' Financier if any (in such form as they require) that any deductible shall be apportioned between the Charterers and every other named assured or co-assured in proportion to the gross claims made by or paid to each of them and that they shall do all things necessary and provide all documents, evidence and information to enable the Owners and the Owners' Financier (if any) in accordance with the terms of the loss payable clause, to collect or recover any moneys which at any time become payable in respect of the obligatory insurances;

(b) whenever the Owners or the Owners' Financier (if any) requires:

(i) in respect of fire and other usual marine risks and war risks, name (or be amended to name) the same as additional named assured for their rights and interests, warranted no operational interest and with full waiver of rights of subrogation against such financiers, but without such financiers thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;

(ii) in relation to protection and indemnity risks, name (or be amended to name) the same as additional insured or co-assured for their rights and interests to the extent permissible under the relevant protection and indemnity club rules; and

- (iii) name the Owners' Financier (as applicable) and the Owners (as applicable) as respectively the first ranking loss payee and the second ranking loss payee (and in the absence of any financiers, name the Owners as the first ranking loss payee) in accordance with the terms of the relevant loss payable clauses approved by the Owners' Financier and the Owners with such directions for payment in accordance with the terms of such relevant loss payable clause, as the Owners and the Owners' Financier (if any) may specify;
- (c) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Owners and/or the Owners' Financier (as applicable) shall be made without set-off, counterclaim or deductions or condition whatsoever;
- (d) provide that such obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Owners and/or the Owners' Financier (if any);
- (e) provide that the Owners and/or the Owners' Financier (if any) may make proof of loss if the Charterers fail to do so; and
- (f) provide that if any obligatory insurance is cancelled, or if any change is made in the coverage which adversely affects the interest of the Owners and/or the Owners' Financier (if any), or if any obligatory insurance is allowed to lapse for non-payment of premium, such cancellation, change or lapse shall not be effective with respect to the Owners and/or the Owners' Financier (if any) for thirty (30) days after receipt by the Owners and/or the Owners' Financier (if any) of prior written notice from the insurers of such cancellation, change or lapse.

38.3 The Charterers shall:

- (a) at least fourteen (14) days prior to Delivery (or such lesser period agreed by the parties), notify in writing the Owners (copied to the Owners' Financier (if any)) of the terms and conditions of all Insurances;
- (b) at least seven (7) days (or such lesser period agreed by the parties) before the expiry of any obligatory insurance or otherwise before the appointment of any new brokers (or other insurers) and any protection and indemnity or war risks association through which obligatory insurances are taken from time to time pursuant to this Clause 38 (*Insurance*), notify the Owners of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom the Charterers propose to renew that obligatory insurance and of the proposed terms of renewal and obtain the Owners' approval to such matters;
- (c) at least seven (7) days (or such lesser period agreed by the parties) before the expiry of any obligatory insurance, procure that such obligatory insurance is renewed or to be renewed on its expiry date in accordance with the provisions of this Charter;
- (d) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal or the effective date of the new insurance and protection and indemnity cover notify the Owners in writing of the terms and conditions of the renewal; and
- (e) as soon as practicable after the expiry of any obligatory insurance, deliver to the Owners a letter of undertaking as required by this Charter in respect of such Insurances for the Vessel as renewed pursuant to Clause 38.3(c) together with copies of the relevant policies or cover notes or entry certificates duly endorsed with the interest of the Owners and/or the Owners' Financier (if any).

- 38.4 The Charterers shall ensure that all insurance companies and/or underwriters, and/or (if any) insurance brokers provide the Owners with copies of all policies, cover notes and certificates of entry relating to the obligatory insurances which they are to effect or renew and of a letter or letters or undertaking in a form required by the Owners and/or the Owners' Financier (if any) and including undertakings by the insurance companies and/or underwriters that:
- (a) they will have endorsed on each policy, immediately upon issuance, a loss payable clause and a notice of assignment complying with the provisions of this Charter and the Financial Instruments;
 - (b) they will hold the benefit of such policies and such insurances, to the order of the Owners and/or the Owners' Financier (if any) and/or such other party in accordance with the said loss payable clause;
 - (c) they will advise the Owners and the Owners' Financier (if any) promptly of any material change to the terms of the obligatory insurances of which they are aware;
 - (d) following a written application from the Owners and/or the Owners' Financier (if any) not later than one (1) month before the expiry of the obligatory insurances, they will notify the Owners and the Owners' Financier (if any) not less than seven (7) days (or such lesser period agreed by the parties) before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from the Charterers and, in the event of their receiving instructions to renew, they will promptly notify the Owners and the Owners' Financier (if any) of the terms of the instructions; and
 - (e) if any of the obligatory insurances form part of any fleet cover, the Charterers shall procure that the insurance broker(s), or leading insurer, as the case may be, undertakes to the Owners and the Owners' Financier (if any) that such insurance broker or insurer will not set off against any sum recoverable in respect of a claim relating to the Vessel under such obligatory insurances any premiums due in respect of any other vessel under any fleet cover of which the Vessel forms a part or any premium due for other insurances, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of the Vessel forthwith upon being so requested by the Owners and/or the Owners' Financier (if any) and where practicable.
- 38.5 The Charterers shall ensure that any protection and indemnity and/or war risks associations in which the Vessel is entered provides the Owners and the Owners' Financier (if any) with:
- (a) a copy of the certificate of entry for the Vessel as soon as such certificate of entry is issued;
 - (b) a letter or letters of undertaking in such form as may be required by the Owners and/or the Owners' Financier (if any) or in such association's standard form; and
 - (c) a copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to the Vessel.
- 38.6 The Charterers shall ensure that all policies relating to the obligatory insurances are deposited with the approved brokers through which the insurances are effected or renewed.

- 38.7 The Charterers shall procure that all premiums or other sums payable in respect of the obligatory insurances are punctually paid and produce all relevant receipts when so required by the Owners.
- 38.8 The Charterers shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.
- 38.9 The Charterers shall neither do nor omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular:
- (a) the Charterers shall procure that all necessary action is taken and all requirements are complied with which may from time to time be applicable to the obligatory insurances, and (without limiting the obligations contained in this clause) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Owners have not given their prior approval (unless such exclusions or qualifications are made in accordance with the rules of a protection and indemnity association which is a member of the International Group of protection and indemnity associations);
 - (b) the Charterers shall not make or permit any changes relating to the classification or classification society or manager or operator of the Vessel unless such changes have, if required, first been approved by the underwriters of the obligatory insurances or the Owners; and
 - (c) the Charterers shall procure that all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Vessel is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation) are made and the Charterers shall promptly provide the Owners with copies of such declarations and a copy of the certificate of financial responsibility; and
 - (d) the Charterers shall not employ the Vessel, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.
- 38.10 The Charterers shall not make or agree to any alteration to the terms of any obligatory insurance nor waive any right relating to any obligatory insurance without the prior written consent of the Owners and/or the Owners' Financier (if any), not to be unreasonably withheld.
- 38.11 The Charterers shall not 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 Owners to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.
- 38.12 The Charterers shall provide the Owners upon written request, copies of:
- (a) all communications between the Charterers and:
 - (i) the approved brokers; and

- (ii) the approved protection and indemnity and/or war risks associations; and
 - (iii) the first-class international insurers and/or underwriters, which relate directly or indirectly to:
 - (1) the Charterers' obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
 - (2) any credit arrangements made between the Charterers and any of the persons referred to in paragraphs (i) or (ii) relating wholly or partly to the effecting or maintenance of the obligatory insurances; and
 - (b) any communication with all parties involved in case of a claim under any of the Vessel's insurances.
- 38.13 The Charterers shall promptly provide the Owners (or any persons which they may designate) with:
- (a) any information which the Owners or the Owners' Financier (or any such designated person) request for the purpose of:
 - (i) 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
 - (ii) effecting, maintaining or renewing any such insurances as are referred to in Clause 13(a) or dealing with or considering any matters relating to any such insurances; and
 - (b) after the occurrence of a Termination Event which is continuing, copies of all communications between all parties in case of a claim under any of the Vessel's insurances.
- 38.14 If one or more of the obligatory insurances are not effected and maintained with first class international insurers or are effected with an insurance or captive subsidiary of the Owners or the Charterers, then the Charterers shall procure, at their own expense, that the relevant insurers maintain in full force and effect facultative reinsurances with reinsurers and through brokers, in each case, of recognised standing and acceptable in all respects to the Owners. Any reinsurance policy shall include, if and when permitted by law, a cut-through clause in a form acceptable to the Owners. The Charterers shall procure that underwriters of the primary insurances assign each reinsurance to the relevant financiers in full, if required.
- 38.15 The Charterers shall be solely responsible for all premiums and other documented costs or expenses which are reasonably incurred by (i) the Owners in connection with or with a view to effecting, maintaining or renewing a lessors' or innocent owners' interest insurance and a lessors' or innocent owners' additional perils insurance or any similar protective shipowner insurance that is taken out in respect of the Vessel, and/or (ii) the Owners or the Owners' Financier (if any) in connection with or with a view to effecting, maintaining or renewing a mortgagee's interest insurance and a mortgagee's additional perils insurance that is taken out in respect of the Vessel. In each case, the amount of the insurances referred to in this Clause 38.15 shall be equal to at least one hundred and twenty per cent. (120%) of the higher of (i) the prevailing Market Value of the Vessel at the relevant time or (ii) the Outstanding Finance Amount at the relevant time on such terms and conditions as the Owners may from time to time impose.

- 38.16 The Charterers shall be solely responsible for all loss or damage to the Vessel (insofar as the Owners shall not be reimbursed by the proceeds of any insurance in respect thereof) however caused occurring at any time or times before physical possession thereof is retaken by the Owners, reasonable wear and tear to the Vessel only excepted
- 38.17 The Charterers shall:
- (a) at the expense of the Charterers, furnish the Owners once a year (or, after a Termination Event has occurred and is continuing, as many times per year as the Owners may require) with a detailed report signed by an independent firm of marine insurance brokers or consultants appointed by the Owners dealing with the Insurances and stating the opinion of such firm as to the adequacy of the Insurances;
 - (b) reimburse the Owners any documented expenses reasonably incurred by the Owners in obtaining the reports described in Clause 38.17(a); and
 - (c) procure that there is delivered to the insurance brokers or consultants described in 38.17(a) such information in relation to the Insurances as such brokers or consultants may reasonably require.
- 38.18 The Charterers shall keep the Vessel insured at their time, costs and expenses against such other risks and/or insurances which the Owners or the Owners' Financier consider reasonable for a prudent shipowner or operator to insure against at the relevant time (as notified by the Owners) and which are, at that time, generally insured against by owners or operators of vessels similar to the Vessel (including but not limited to kidnap and ransom insurances, which the Charterers acknowledge shall fall within the scope of this clause).
- 38.19 The Charterers shall, in the event that any Approved Manager or any co-assured makes a claim under any obligatory insurances taken out in connection with Clause 38 but is unable to or otherwise fails to pay in full any deductible in connection with such claim (in an amount as apportioned between the Charterers and every other assured in proportion to the gross claims made by or paid to each of them), pay such shortfall in deductible payable on behalf of such Approved Manager or co-assured.

CLAUSE 39 – WARRANTIES RELATING TO VESSEL

- 39.1 It is expressly agreed and acknowledged that the Owners are not the manufacturer or original supplier of the Vessel which has been purchased by the Owners (as buyers under the MOA) from the Charterers (as sellers under the MOA) pursuant to the MOA for the purpose of then chartering the Vessel to the Charterers hereunder and that no condition, term, warranty or representation of any kind is or has been given to the Charterers by or on behalf of the Owners in respect of the Vessel (or any part thereof).
- 39.2 All conditions, terms or warranties express or implied by the law relating to the specifications, quality, description, merchantability or fitness for any purpose of the Vessel (or any part thereof) or otherwise are hereby expressly excluded.
- 39.3 The Charterers agree and acknowledge that the Owners shall not be liable for any claim, loss, damage, expense, injury, death, delay or other liability of any kind or nature caused directly

or indirectly by the Vessel, whether onboard the Vessel or elsewhere, or by any inadequacy thereof or the use or performance thereof or any repairs thereto or servicing thereof and irrespective of whether such claim, loss, damage, expense, injury, death, delay or other liability shall arise from the unseaworthiness of the Vessel, and the Charterers shall not by reason thereof be released from any liability to pay any Charterhire or Advance Charterhire or other payment due under this Charter or any of the other Leasing Documents.

CLAUSE 40 – TERMINATION, REDELIVERY AND TOTAL LOSS

- 40.1 If the Termination Sum becomes payable in accordance with Clause 44.2, it is agreed by the Parties that payment of the Termination Sum is deemed to be proportionate as to amount, having regard to the legitimate interests of the Owners, in protecting against the Owners' risk of the Charterers failing to perform its obligations under this Charter.
- 40.2 Upon the Termination Notice Date, the Charterers' right to possess and operate the Vessel shall immediately cease (without in any way affecting the Charterers' obligation to pay the Termination Sum).
- 40.3 Upon irrevocable receipt of the Termination Sum pursuant to Clause 44.2 or the Special Termination Sum pursuant to Clause 44(A).1 or 44(A).3 (as the case may be) by the Owners in full:
- (a) this Charter shall terminate (provided that any provision hereof expressed to survive such termination shall do so in accordance with its terms); and
 - (b) the Owners shall, at the cost of the Charterers, transfer the legal and beneficial ownership of the Vessel on an "as is where is" basis to the Charterers (or their nominees approved by the Owners) free from all mortgages, encumbrances, liens, debts or any claims whatsoever or any Port State or other administrative detentions, incurred or permitted by the Owners (save for those mortgages, liens, encumbrances and debts created under the Leasing Documents or incurred by the Charterers or arising out of or in connection with this Charter) and shall execute a bill of sale and a protocol of delivery and acceptance evidencing the same, with such transfer otherwise made in accordance with Clauses 49.1(a) and 49.1(b).
- 40.4 If the Charterers fail to make any payment of the Termination Sum on the due date thereof:
- (a) interest on such outstanding amount shall accrue in accordance with Clauses 36.10 and 36.11; and
 - (b) the Charterers shall:
 - (i) upon the Owners' prior written request (at the Owners' sole discretion), be obliged to (and at the Charterers' own cost) redeliver the Vessel to the Owners at such ready and nearest safe port as the Owners may require; further and for the avoidance of doubt, the Owners shall be entitled (at the Owners' sole discretion) to operate the Vessel as they may require and may create whatsoever interests thereon, including without limitation charterparties or any other form of employment contracts. The Earnings of the Vessel during such period less its operational expenses (including, without limitation, any maintenance costs of, and costs for fuel, bunkering, lubricants or oils for the Vessel) (the "**Net Trading Proceeds**") shall be applied against the Termination Sum and any other amounts payable under the Leasing Documents pursuant to Clause 54 (*General Application of Proceeds*) and if such use of the Vessel results in the Owners suffering a loss then such losses shall, for the avoidance of doubt, be included in the indemnities contained in Clause 50 (*Indemnities*) and be added to the Termination Sum. Upon redelivery of the Vessel this Charter shall terminate save for the provisions set out in Clause 30 (*Dispute Resolution*), Clause 36.10, this Clause 40 (*Termination, Redelivery and Total Loss*) and Clause 50 (*Indemnities*) and any other provisions expressed to survive termination or that are cross referred to in the survived clauses or are required to survive to enable proper construction of the survived terms; and/or

- (ii) the Owners shall at any point following such redelivery be entitled (at the Owners' sole discretion) to sell the Vessel on terms they deem fit (an "**Owners' Sale**") in which case the sale proceeds (after deducting all fees, taxes, disbursements, any maintenance costs of, and costs for fuel, bunkering or oils for, the Vessel and any other costs and expenses incurred by the Owners in connection with such sale) (the "**Net Sales Proceeds**") derived from such sale shall be applied against the Termination Sum pursuant to Clause 54 (*General Application of Proceeds*) and any other amounts payable under Clause 50 (*Indemnities*) in any manner the Owners deem fit and any excess of such amount after such application shall be paid to the Charterers. If the Net Sales Proceeds are not in an amount sufficient to discharge in full the Termination Sum and any other amounts payable under Clause 50 (*Indemnities*), the Charterers shall continue to be liable for the shortfall and interest shall continue to accrue on such shortfall in accordance with Clause 36.11. Upon completion of such Owners' Sale this Charter shall terminate save for Clause 30 (*Dispute Resolution*), Clause 36.10, this Clause 40 (*Termination, Redelivery and Total Loss*), Clause 50 (*Indemnities*) and any other provisions expressed to survive termination or that are cross referred to in the survived clauses or are required to survive to enable proper construction of the survived terms; or
- (c) the Charterers shall, upon the Owners' prior written request (at the Owners' sole discretion) be obliged to (and at the Charterers' own cost) redeliver the Vessel to the Owners at such ready and nearest safe port as the Owners may require; and as from such redelivery the Owners shall maintain ownership of such Vessel and own, operate or sell or otherwise use it in any manner they deem fit and apply the then current Market Value of the Vessel (less an amount determined by the Owners as being an amount equal to the amount of the usual and reasonable expenses which would be reasonably likely to be incurred in connection with a sale of the Vessel or other vessel) (the "**Adjusted Market Value**"), against the Termination Sum and all other amounts payable to the Owners under this Charter in which case if:
 - (i) the amount of the relevant Adjusted Market Value is in excess of the aggregate amounts due to the Owners under this Charter, such excess will be paid to the Charterers subject to no other actual or contingent liabilities existing at the relevant time; or
 - (ii) in case the amount of the relevant Adjusted Market Value is not sufficient to discharge in full the aggregate amounts due to the Owners under this Charter following such application the Charterers shall continue to be liable for the shortfall and interest shall continue to accrue on such shortfall in accordance with Clauses 36.10 and 36.11.

Any terms expressly provided to survive post-termination of this Charter shall continue to be in full force and effect at all times thereafter.

- 40.5 If the Charterers are required to redeliver the Vessel to the Owners pursuant to Clause 40.4, the Charterers shall (i) keep the Owners informed of the Vessel's itinerary for the voyage and expected geographical range of redelivery, leading up to redelivery and shall serve the Owners with notices of the approximate/definite number of days the Vessel's redelivery. The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel in accordance with the notices given; and (ii) ensure that the Vessel shall, at the time of redelivery to the Owners (at the Charterers' cost and expense):
- (a) be in compliance with its Insurances;
 - (b) be in an equivalent class as she was as at the Commencement Date without any overdue recommendation or condition, and with valid, unextended certificates for not less than three months and free of average damage affecting the Vessel's classification and in the same or as good structure, state, condition and classification as that in which she was deemed on the Commencement Date, fair wear and tear not affecting the Vessel's classification excepted;
 - (c) have passed her 5-year and if applicable, 10-year special surveys, and any subsequent second intermediate surveys and drydock at the Charterers' time and expense without any overdue condition and to the satisfaction of the Classification Society;
 - (d) if the Classification Society or the Flag State require or will require the Vessel to undergo dry-docking within three (3) months of the date of redelivery, be redelivered after the satisfactory completion of such dry-docking at the cost and time of the Charterers;
 - (e) with all the Vessel's classification, trading, national and international certificates that the Vessel had when she was delivered under this Charter and the log book and other certificates and documents necessary for the operation of the Vessel, valid and without overdue conditions or recommendation falling due;
 - (f) have her survey cycles up to date and trading and class certificate valid for at least the number of months agreed in Box 17;
 - (g) be redelivered to the Owners together with all spare parts and spare equipment or replacement items as were on board at the time of Delivery (but only to the extent they have not already been used in the operation of the Vessel), and any such spare parts and spare equipment on board at the time of re-delivery shall be taken over by the Owners free of charge;
 - (h) be free of any cargo (unless otherwise agreed by the Owners) and Security Interest (save for Permitted Security Interests);
 - (i) be free of any charter and other employment unless the Owners wish to retain the continuance of any then existing charter or as otherwise agreed by the Owners in their absolute discretion;
 - (j) be free of officers and crew (unless otherwise agreed by the Owners);
 - (k) have had her underwater parts treated with anti-fouling to last for the ensuing period up to the next scheduled dry docking of the Vessel;

- (l) be redelivered to the Owners together with all material information generated during the Charter Period in respect of the use, possession, operation, navigation, utilization of lubricating oil and the physical condition of the Vessel, whether or not such information is contained in the Charterers' equipment, computer or property; and
- (m) having such volume of bunkers on board the Vessel as would be sufficient to enable the Vessel to sail to the nearest bunkering port.
- 40.6 The Owners shall have the right to appoint (at the Charterers' cost and expense) surveyor(s) for the purpose of determining the condition of the Vessel at redelivery. The findings of the surveyor appointed by the Owners (the "**Owners' Surveyor**") shall be conclusive. The Charterers shall provide the Owners' Surveyor with all such facilities and access to the Vessel as may be required to enable such Owners' Surveyor to conduct its survey of the Vessel and shall take all such actions as may be recommended by the Owners' Surveyor to ensure that the Vessel shall be redelivered to the Owners in accordance with Clause 41.6.
- 40.7 The Owners have no obligation to accept redelivery of the Vessel until they are satisfied that the Vessel has been put into the redelivery conditions as set out in Clause 40.5 and other relevant conditions of this Charter. Moreover, the Owners reserve all rights to recover from the Charterers any costs, expenses and/or liabilities incurred or suffered by them (including, without limitation, the costs of any docking and/or repairs which may be required to restore the Vessel to the structure, state, condition and class as that in which the Vessel was delivered (fair wear and tear not affecting class excepted, but without any recommendations or conditions as to class)) as a result of the Vessel not being redelivered in accordance with the terms of this Charter.
- 40.8 The Owners shall, at the time of the redelivery of the Vessel, take over all bunkers, lubricating oil, unbroke provisions, paints, ropes and other consumable stores (excluding spare parts) in the Vessel at no cost to the Owners.
- 40.9 Throughout the Charter Period, the Charterers shall bear the full risk of any Total Loss of or any other damage to the Vessel however arising. If the Vessel, for any reason, becomes a Total Loss after Delivery, the Charterers shall pay the Special Termination Sum to the Owners on the earlier of (the "**Total Loss Payment Date**"):
- (a) the date falling sixty (60) days after such Total Loss has occurred; and
- (b) the date of receipt by the Owners and/or the Owners' Financier (if any) of the Total Loss Proceeds.
- 40.10 Upon such receipt by the Owners of the Special Termination Sum, this Charter shall terminate (without prejudice to any provision of this Charter expressed to survive termination) but until such receipt, the Charterers shall remain liable to make all payments of Charterhire and all other amounts to the Owners under this Charter, notwithstanding that the Vessel has become a Total Loss.
- 40.11 Any Total Loss Proceeds unconditionally received by the Owners (or the Owners' Financiers in accordance with the terms of the relevant loss payable clause) shall be applied in accordance with Clause 54 (*General Application of Proceeds*) and shall satisfy the obligation of the Charterers to pay the Special Termination Sum to the extent received by the Owners and/or the Owners' Financiers in accordance with the terms of the relevant loss payable clause. The obligation of the Charterers to pay the Special Termination Sum shall remain unaffected and exist regardless of whether any of the insurers have agreed or refused to meet or has disputed in good faith, the claim for Total Loss.

40.12 If the Total Loss Proceeds unconditionally received by the Owners and/or the Owners' Financiers in accordance with the terms of the relevant loss payable clause are less than the Special Termination Sum, the Charterers shall pay such shortfall to the Owner on the Total Loss Payment Date.

40.13 The Owners shall have no obligation to supply to the Charterers with a replacement vessel following the occurrence of a Total Loss.

CLAUSE 41 – FEES AND EXPENSES

41.1 In consideration of the Owners entering into this Charter, the Charterers shall pay to the Owners or their nominee a non-refundable upfront fee (the "**Upfront Fee**") at such time and in such amount to be set out in the Fee Letter.

41.2 Each Party shall be responsible for their own costs and expenses to review and negotiate the term sheet relating to this Charter. All documented costs and expenses incidental to and incurred by the Owners in the preparation, negotiation, execution and delivery of the Charter and other Leasing Documents including, but not limited to, all documented costs and expenses reasonably incurred by the Owners and all documented legal costs, expenses and other disbursements reasonably incurred by the Owners' legal counsels in connection with the same, shall be for the account of the Charterers.

41.3 If:

(a) the Charterers request an amendment, waiver or consent (including an amendment or a waiver to the terms of the Leasing Documents is required pursuant to Clause 36.18 to address the fact that a Published Rate Replacement Event has occurred); or

(b) the Charterers make a request to re-register the Vessel in another Flag State,

the Charterers shall, on demand, reimburse the Owners for the amount of all documented costs and expenses (including, without limitation, any legal fees) reasonably incurred by the Owners in responding to, evaluating, negotiating or complying with that request or requirement (including, for the avoidance of doubt, any amounts the Owners have to pay under the terms of the Financial Instruments).

41.4 All documented costs and expenses reasonably incurred by the Owners in relation to the acquisition, financing (including, without limitation, any Breakfunding Costs payable by the Owners to the Owners' Financiers (if any)) and registration of the Vessel and this Charter by the Owners in the Owners' name in the Flag State together with any and all fees (including, but not limited to, any vessel registration and tonnage fees and the Owners' initial and ongoing annual registration and maintenance costs if required to be registered as a foreign maritime entity or the appointment of resident agents under the laws of the Flag State) payable by the Owners to such Flag State to maintain and/or renew such registration shall be for the account of the Charterers. Without prejudice to the foregoing, if the Flag State requires the Owners to establish a physical presence or office in the jurisdiction of such Flag State, all fees, costs and expenses payable by the Owners to establish and maintain such physical presence or office shall be for the account of the Charterers. The Charterers shall promptly provide the Owners with evidence of payment of the annual register/tonnage tax amounts payable to the Flag State or any other aforesaid costs, expenses and/or taxes when the same fall due.

- 41.5 All documented costs and expenses (including, without limitation, any legal fees) reasonably incurred by the Owners in relation to the transfer of title of the Vessel by the Owners to the Charterers and the re-delivery of the Vessel by the Charterers to the Owners pursuant to Clause 40 (*Termination, Redelivery and Total Loss*) shall be for the account of the Charterers.
- 41.6 The Charterers shall on demand pay or reimburse the Owners for the amount of all documented costs and expenses (including legal fees) incurred by the Owners in connection with the enforcement of, or the preservation of any rights under, any Leasing Document, any Assignable Sub-charter or any Security Interest created thereunder and with any proceedings instituted by or against the Owners as a consequence of entering into any Leasing Document or any Assignable Sub-charter, taking or holding any Security Interests created thereunder or enforcing those rights, including, without limitation, any documented losses, costs and expenses which the Owners may from time to time sustain, incur or become liable by reason of the Owners being the registered owner of the Vessel and/or being deemed by any court or authority to be an operator or controller, or in any way concerned in the operation or control, of a Vessel.

CLAUSE 42 - NO WAIVER OF RIGHTS

- 42.1 No neglect, omission, delay or indulgence on the part of either Party in enforcing the terms and conditions of this Charter shall prejudice the strict rights of that party or be construed as a waiver thereof nor shall any single or partial exercise of any right of either party preclude any other or further exercise thereof.
- 42.2 No right or remedy conferred upon either party by this Charter shall be exclusive of any other right or remedy provided for herein or by law and all such rights and remedies shall be cumulative.

CLAUSE 43 – NOTICES

- 43.1 Any notice, certificate, demand or other communication to be served, given, made or sent under or in relation to this Charter shall be in English and in writing and (without prejudice to any other valid method of giving, making or sending the same) shall be deemed sufficiently given or made or sent if sent by registered post or by email to the following respective addresses:

(A) to the Owners: China Huarong Shipping Financial Leasing Company Limited
Room 6006, 6th Floor, No. 15 Second East Zhongshan Road, Shanghai, China, 200002
Attention: Jones Cao/Annie Tao/ Sun Linzi Tel:
Email:

(B) to the Charterers: Good Maritime Co.
c/o United Management Corp.

154 Vouliagmenis Avenue, 166 74 Glyfada, Athens, Greece Attention: Mr. Stavros Gyftakis
Tel:
Email:

or, if a party hereto changes its address or email address, to such other address or email address as that party may notify to the other.

- 43.2 Any such communication shall be deemed to have reached the party to whom it was addressed (a) when delivered (in case of a registered letter), or (b) when actually received in readable form (in case of an email). A notice or other such communication received on a non- working day or after 5.00 p.m. in the place of receipt shall be deemed to be served on the next following working day in such place.

CLAUSE 44 – TERMINATION EVENTS

44.1 The Owners and the Charterers hereby agree that any of the following events shall constitute a Termination Event:

- (a) any Obligor (other than a Third Party Approved Manager) fails to make any payment on the due date or on demand in accordance with the terms of any Leasing Document to which it is a party unless such failure to pay is caused by a force majeure or technical error and payment is made within ten (10) Business Days of its due date;
- (b) the Charterers breach or omit to observe or perform any of their undertakings in Clause 46.1(j), (l), (n), (p), (r), (s), (t), (u), (v), (y), (dd), (ee) or (ff) or the Guarantor breaches or omits to observe or perform any of its undertakings contained in the Guarantee, provided that no Termination Event under this Clause 44.1(b) will be triggered if the breach or omission to observe or perform relates solely and directly to any Sanctions imposed by the law or regulation of the People's Republic of China which deviates from those imposed by the United Nations, in which case the Charterers shall be entitled to terminate this Charter pursuant to Clause 44(A).3;
- (c) the Charterers fail to obtain and/or maintain the Insurances required under Clause 38 (Insurance) in accordance with the provisions thereof or any insurer in respect of such Insurances cancels the Insurances or disclaims liability with respect thereto;
- (d) any Obligor (other than a Third Party Approved Manager) commits any other breach of, or omits to observe or perform, any of their other obligations or undertakings in this Charter or any other Leasing Document (other than a breach referred to in paragraphs (a), (b(b) or (c) above) unless such breach or omission is in the reasonable opinion of the Owners, remediable and such Obligor remedies such breach or omission to the reasonable satisfaction of the Owners within ten (10) Business Days of the occurrence thereof;
- (e) any representation or warranty made or deemed to be made by any Obligor (other than a Third Party Approved Manager) in or pursuant to any Leasing Document to which it is a party or if applicable, in the case of the Charterers only, the Acceptance Certificate, proves to be untrue or misleading in a material way when it is made;

- (f) any of the following occurs in relation to any Financial Indebtedness of an Obligor (other than a Third Party Approved Manager):
- (i) any Financial Indebtedness of such entity is not paid when due or, if so payable, on demand after any applicable grace period has expired;
 - (ii) any Financial Indebtedness of such entity becomes due and payable, prior to its stated maturity date as a consequence of any event of default and not as a consequence of the exercise of any voluntary right of prepayment;
 - (iii) any commitment for any Financial Indebtedness is cancelled or suspended by any of its creditors as a result of an event of default (however described);
 - (iv) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of such entity ceases to be available or becomes capable of being terminated or declared due and payable or cash cover is required or becomes capable of being required, as a result of any termination event or event of default (howsoever defined); provided that no Termination Event will occur under this paragraph (f) in respect of the Guarantor if the aggregate amount of Financial Indebtedness falling within sub-paragraphs (i) to (iv) above is less than US\$5,000,000 (or its equivalent in any other currency or currencies);
- (g) any of the following occurs in relation to any Obligor (other than a Third Party Approved Manager):
- (i) such entity becomes unable to pay its debts as they fall due; or
 - (ii) the value of the assets of such entity is less than its liabilities (taking into account contingent and prospective liabilities); or
 - (iii) any of the assets of such entity (with a value amounting in aggregate to \$500,000) are subject to any form of expropriation, execution, attachment, arrest, sequestration or distress (or any analogous process in any jurisdiction) which is not discharged within thirty (30) days; or
 - (iv) any administrative or other receiver is appointed over all or a part of the assets of such entity unless as part of a solvent reorganisation which has been approved by the Owners; or
 - (v) such entity makes any formal declaration of bankruptcy or any formal statement to the effect that it is insolvent or likely to become insolvent, or a winding up or administration order is made in relation to it, or its shareholders or directors pass a resolution to the effect that it should be wound up, placed in administration or cease to carry on business; or
 - (vi) a petition is presented in any Relevant Jurisdiction for the winding up or administration, or the appointment of a provisional liquidator of such entity unless the relevant petition is frivolous or vexatious and is being contested in good faith and on substantial grounds and is dismissed or withdrawn within twenty-one (21) days of the presentation of the petition; or

- (vii) such entity petitions a court, or presents any proposal for, any form of judicial or non-judicial suspension or deferral of payments, reorganisation of its debt (or certain of its debt) or arrangement with all or any of its creditors or of any class of them or any such suspension or deferral of payments, reorganisation or arrangement is effected by court order, contract or otherwise; or
- (viii) any meeting of the shareholders or directors of such entity is summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraph (iii) to (vii) above; or
- (ix) in any jurisdiction, any event occurs or any procedure is commenced which, in the opinion of the Owners, is similar to any of the foregoing referred to in paragraphs (iii) to (vii) above inclusive; or
- (h) there is a Change of Control, without the prior written consent of the Owners;
- (i) an Obligor (other than a Third Party Approved Manager) suspends or ceases or threatens to suspend or cease carrying on all or a material part of its business;
- (j) any consent, approval, authorisation, license or permit necessary to enable the Charterers to operate or charter the Vessel or to enable any of them to comply with any provision of this Charter, or the other Leasing Documents to which it is a party or to ensure that the obligations of the Charterers are legal, valid, binding or enforceable is not granted, expires without being renewed, is revoked or becomes liable to revocation or any condition of such a consent, approval, authorisation, license or permit is not fulfilled;
- (k) any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect;
- (l) the Vessel is subject to any form of expropriation, execution, attachment, arrest, sequestration or distress (or any analogous process in any jurisdiction) which is not discharged within forty-five (45) days (or such longer period as the Owners may agree in writing);
- (m) this Charter or any other Leasing Document and/or any Security Interest created by a Leasing Document:
 - (i) in the case of any such Security Interest, proves to have ranked after, or loses its priority to, another Security Interest or any other third-party claim or interest;
 - (ii) is cancelled, terminated, rescinded or suspended or otherwise ceases to remain in full force and effect for any reason or no longer constitutes valid, binding and enforceable obligations of any party to that document for any reason whatsoever;
 - (iii) is amended or varied without the prior written consent of the Owners, except for any amendment or variation which is expressly permitted by this Charter or any other Leasing Document; or
 - (iv) is in any way imperilled or in jeopardy;

- (n) an Obligor (other than a Third Party Approved Manager) rescinds, repudiates or terminates a Leasing Document, or an Approved Management Agreement;
- (o) it is or has become:
 - (i) unlawful or prohibited, whether as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or
 - (ii) contrary to, or inconsistent with, any regulation,

for any Obligor (other than a Third Party Approved Manager) to maintain or give effect to any of its obligations under this Charter or any of the other Leasing Documents to which it is a party in the manner it is contemplated under such Leasing Document or any of the obligations of any Obligor under any Leasing Document to which it is a party or the Initial Sub-charter are not or cease to be legal, valid, binding and enforceable;

- (p) the Security Interest constituted by any Leasing Document is in any way imperilled or in jeopardy;
 - (q) any Termination Event (as defined in any Other Charter) occurs under such Other Charter;
 - (r) there is a merger, amalgamation, demerger or corporation reconstruction of an Obligor (other than a Third Party Approved Manager) without the Owners' prior written consent;
 - (s) the Guarantor is de-listed from the Nasdaq Capital Market (or any other stock exchange acceptable to the Owners); or
 - (t) any lease, hire purchase agreement, charter or any other financing arrangement in respect of any Associated Vessel (other than the Vessel and the Other Vessel) is terminated, cancelled or repudiated by the relevant lessor or owner or financier as a consequence of any termination event or event of default (howsoever defined therein).
- 44.2 Notwithstanding and without prejudice to Clause 33 (*Cancellation*), upon the occurrence of a Termination Event which is continuing, the Owners may issue a written notice to the Charterers terminating this leasing of the Vessel under this Charter and demanding payment of the Termination Sum, whereupon the Charterers shall be obliged to pay the Termination Sum to the Owners on the date specified by the Owners in their sole discretion in such notice (the "**Termination Notice Date**" but which shall be no earlier than the date falling ten (10) Business Days after the date of such notice).
- 44.3 For the avoidance of doubt, notwithstanding any action taken by the Owners following a Termination Event, the Charterers shall remain liable for the outstanding obligations on their part to be performed under this Charter.
- 44.4 Without limiting the generality of the foregoing or any other rights of the Owners, upon the occurrence of a Termination Event which is continuing, the Owners shall have the sole and exclusive right and power to (i) settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to or pertaining to the Vessel and this Charter and (ii) make proof of loss, appear in and prosecute any action arising from any policy or policies of insurance maintained pursuant to this Charter, and settle, adjust or compromise any claims for loss, damage or destruction under, or take any other action in respect of, any such policy or policies and (iii) change or appoint a new manager for the Vessel other than an Approved Manager and the appointment of any Approved Manager may be terminated immediately without any recourse to the Owners.

- 44.5 Each Termination Event shall either be a breach of condition by the Charterers where it involves a breach of this Charter or any of the other Leasing Document by the Charterers or shall otherwise be an agreed terminating event, the occurrence of which gives rise to a right of the Owners to terminate the leasing of the Vessel under this Charter and to exercise its rights under this Charter, and in each case which is not remedied within the applicable grace period (if any).

CLAUSE 44(A) – MANDATORY SALE

- 44(A).1 Subject to Clause 44(A).2, if it becomes unlawful in any applicable jurisdiction for the Owners to perform any of their obligations as contemplated by this Charter or the MOA or any other Leasing Documents or for the Owners' Financiers (if any) to perform their obligations under the Financial Instruments, the Owners shall notify the Charterers of this event and the Charterers shall be required to pay the Special Termination Sum to the Owners on the next Payment Date following such notice by the Owners or, if earlier, the date specified by the Owners in the notice delivered to the Charterers (being no earlier than the last day of any applicable grace period permitted by law), and this Charter shall terminate in accordance with the procedures set out in Clause 40 (*Termination, Redelivery and Total Loss*).
- 44(A).2 If the Special Termination Sum becomes payable under or pursuant to Clause 44(A).1, the Owners shall, in consultation with the Charterers for a period not less sixty (60) days from the occurrence of the circumstances resulting in the Special Termination Sum becoming payable under or pursuant to Clause 44(A).1, take all reasonable steps to mitigate any such circumstances, provided that (i) this Clause 44(A).2 does not in any way limit the obligations of any Obligor under any Leasing Documents; and (ii) the Owners are not obliged to take any steps under this Clause 44(A).2 if, in the opinion of the Owners, to do so might be prejudicial to the Owners.
- 44(A).3 If any Sanctions imposed by the law or regulation of the People's Republic of China deviates from those imposed by the United Nations and the compliance with such Sanctions is or has become:
- (i) Illegal / unlawful; or
 - (ii) unduly onerous (including, without limitation, a scenario where Charterers are not able to perform their global operation and trading, directly because of such Sanctions) or wholly impractical,

for the Charterers or the Guarantor to maintain or give effect to any of its obligations under this Charter or any of the other Leasing Documents to which each is a party in the manner it is contemplated under such Leasing Document or any of the obligations of the Charterers or the Guarantor under any Leasing Document to which it is a party are not or cease to be legal, valid, binding and enforceable, the Charterers shall be entitled to pay the Special Termination Sum to the Owners on the next Payment Date following such occurrence or, if earlier, a date specified by the Owners (being no earlier than the last day of any applicable grace period permitted by law), and this Charter shall terminate in accordance with the procedures set out in Clause 40 (*Termination, Redelivery and Total Loss*).

CLAUSE 45 – REPRESENTATIONS AND WARRANTIES

45.1 The Charterers represent and warrant to the Owners as of the date hereof, and on each day henceforth until the last day of the Charter Period, as follows:

- (a) there has been no Change of Control;
- (b) each Obligor is duly incorporated and validly existing under the laws of its jurisdiction of its incorporation;
- (c) each Obligor has the capacity, and has taken all actions and obtained all consents, approvals, authorisations, licenses or permits necessary for it:
 - (i) to execute each of the Leasing Documents, any Sub-charter and any Approved Management Agreement to which it is a party; and
 - (ii) to comply with and perform its obligations under each of the Leasing Documents, any Sub-charter and any Approved Management Agreement to which it is a party;
- (d) the entry into and performance by any Obligor by it of, and the transactions contemplated by, each Leasing Document, any Sub-charter and any Approved Management Agreement to which it is a party do not and will not conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or constitute a default or termination event (however described) under any such agreement or instrument.
- (e) all the consents, approvals, authorisations, licenses or permits referred to in Clause 45.1(c) (*Representations and Warranties*) remain in force and nothing has occurred which makes any of them liable to revocation;
- (f) each of the Leasing Documents or any Assignable Sub-charter to which an Obligor is a party constitutes such Obligor's legal, valid and binding obligations enforceable against such party in accordance with its respective terms and any relevant insolvency laws affecting creditors' rights generally;
- (g) no third party has any Security Interest, other than the Permitted Security Interests, or any other interest, right or claim over, in or in relation to the Vessel, this Charter or any moneys payable hereunder and/or any of the other Leasing Documents or any Assignable Sub-charter;
- (h) all payments which an Obligor is liable to make under any Leasing Document or any Assignable Sub-charter to which such Obligor is a party may be made by such party without deduction or withholding for or on account of any tax payable under the laws of the jurisdiction of incorporation;
- (i) no legal or administrative action involving an Obligor involving claim(s) amounting to more than US\$5,000,000 has been commenced or taken;

- (j) each Obligor has paid all taxes applicable to, or imposed on or in relation to it, its business or if applicable, the Vessel, except for those being contested in good faith with adequate reserves;
- (k) the choice of governing law as stated in each Leasing Document or any Assignable Sub-charter to which an Obligor is party to and the agreement by such party to refer disputes to the relevant courts or tribunals as stated in such Leasing Document or any Assignable Sub-charter are valid and binding against such Obligor;
- (l) the obligations of each Obligor under each Leasing Document to which it is a party, are the direct, general and unconditional obligations of such Obligor and rank at least pari passu with all other present and future unsecured and unsubordinated creditors of such Obligor save for any obligation which is mandatorily preferred by law and not by virtue of any contract;
- (m) each Security Document creates (or once entered into, will create) the Security Interest which it is expressed to create with the ranking and priority it is expressed to have;
- (n) no Obligor is a US Tax Obligor, and none of them have established a place of business in the United States of America;
- (o) no Obligor, nor any of their respective Affiliates, members, (other than in the case of the Guarantor) shareholders, directors, officers, employees or agents, nor (to the best of its knowledge) any Sub-charterer:
 - (i) is a Restricted Person;
 - (ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Restricted Person;
 - (iii) owns or controls a Restricted Person; or
 - (iv) has a Restricted Person serving as a director, officer or, to the best of its knowledge, employee;
- (p) each Obligor, and their respective directors, officers, (other than in the case of the Guarantor) shareholders, employees and agents and (to the best of its knowledge) any Sub-charterer is in compliance with all Sanctions laws, and none of them have been or are currently being investigated on compliance with Sanctions, they have not received notice or are aware of any claim, action, suit or proceeding against any of them with respect to Sanctions and they have not taken any action to evade the application of Sanctions;
- (q) the Vessel is not employed, operated or managed in any manner which (i) is contrary to any Sanctions and in particular, the Vessel is not used by or to benefit any party which is a target of Sanctions or trade to any area or country where trading the Vessel to such area or country would constitute a breach of any Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom or the People's Republic of China; or (ii) would trigger the operation of any sanctions limitation or exclusion clause in any insurance documentation;

- (r) each Obligor and (to the best of its knowledge) any Sub-charterer is not in breach of any laws or regulations relating to the Vessel and its ownership, employment, operation, management and registration, including, without limitation, the ISM Code, the ISPS Code, all Environmental Laws, the laws of the Vessel's registry and in particular, all Anti-Money Laundering Laws, Anti- Terrorism Financing Laws and/or Business Ethics Laws and each of the Obligors and (to the best of its knowledge) Sub-charterer has instituted and maintained systems, controls, policies and procedures designed to:
- (i) prevent and detect incidences of bribery and corruption, money laundering and terrorism financing; and
 - (ii) promote and achieve compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
- (s) that in relation to the Initial Sub-charter or any other Sub-charter:
- (i) as at the date of this Charter or otherwise as at the date of such Sub-charter and/or at the time of delivery of such Sub-charter to the Owner (as the case may be), the copy of the Initial Sub-charter or such Sub-charter provided to the Owners is a true and complete copy and there have been no amendments, supplements or variations thereto; and
 - (ii) the Initial Sub-charterer or any other Sub-charterer is fully aware of the transactions contemplated under this Charter;
- (t) none of the Obligors nor any of their assets, in each case, has any right to immunity from set off, legal proceedings, attachment prior to judgment or other attachment or execution of judgement on the grounds of sovereign immunity or otherwise;
- (u) none of the Obligors is insolvent or in liquidation or administration or subject to any other formal or informal insolvency procedure, and no receiver, administrative receiver, administrator, liquidator, trustee or analogous officer has been appointed in respect of any Obligor or all or material part of their assets;
- (v) no Termination Event or Potential Termination Event is continuing or might reasonably be expected to result from the entry into and performance of this Charter or any other Leasing Document or any Assignable Sub-charter;
- (w) as at the date of this Charter, the Vessel is commercially, technically or otherwise managed under each Approved Management Agreement which remains in full force and effect;
- (x) as at the date of this Charter, the Charterers have not entered into any other investments, any sale or leaseback agreements, any off-balance sheet transaction or incurred any other liability or obligation (including, without limitation, any Financial Indebtedness of any obligations under a guarantee) except:
- (i) liabilities and obligations under the Leasing Documents to which they are or, as the case may be, will be a party; or
 - (ii) liabilities or obligations incurred in the normal course of its business of trading, operating and chartering, maintaining and repairing the Vessel;
- (y) in relation to any information provided by any Obligor (or on its behalf) to the Owners for the purposes of this Charter and the other Leasing Documents:

- (i) such information was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated;
- (ii) any financial projections contained in such information have been prepared on the basis of recent historical information and on the basis of reasonable assumptions, and
- (z) nothing has occurred or been omitted from any such information and no information has been given or withheld that results in any such information being untrue or misleading; and
- (aa) the entry by each Obligor into any Leasing Document or any Assignable Sub-charter does not in any way cause any breach, and is in all respects permitted, under the terms of any document which it is entered into.

CLAUSE 46 – CHARTERERS' UNDERTAKINGS

46.1 The Charterers undertake that they shall comply or procure compliance with the following undertakings commencing from the date hereof and up to the last day of the Charter Period:

- (a) there shall be sent to the Owners:
 - (i) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Charterers, the unaudited annual financial reports of the Charterers in each case certified as to their correctness by a director of the Charterers;
 - (ii) as soon as possible, but in no event later than ninety (90) days after the end of each half-year, the unaudited half-yearly accounts of the Charterers in each case certified as to their correctness by a director of the Charterers;
 - (iii) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Guarantor, the audited consolidated annual financial reports of the Guarantor; and
 - (iv) as soon as possible, but in no event later than ninety (90) days after the end of each half-year, the unaudited consolidated half-yearly accounts the Guarantor certified as to their correctness by a director of the Guarantor,

in each case, the Charterers shall procure that each set of financial statements and reports delivered pursuant to Clause 46.1(a) gives, and shall procure a director of the relevant company to certify the same as giving, a true and fair view (if audited) or fairly representing (if unaudited) its financial condition and operations as at the date as at which those financial statements and reports were drawn up;

- (b) following the occurrence of a Termination Event which is continuing, they will provide or procure the provision to the Owners, at the same time as they are dispatched, copies of all notices and minutes relating to any of their extraordinary shareholders' meeting which are dispatched to their shareholders or creditors or any class of them;
- (c) they will provide or will procure that each Obligor provides the Owners with details of any legal or administrative action involving such Obligor or the Vessel as soon as such action is instituted or it becomes apparent to such Obligor that it is likely to be instituted and is likely to have a Material Adverse Effect;

- (d) they will, and will procure that each other Obligor will, obtain and promptly renew or procure the obtainment or renewal of and provide copies of, from time to time, any necessary consents, approvals, authorisations, licenses or permits of any regulatory body or authority for the transactions contemplated under each Leasing Document or any Assignable Sub- charter to which it is a party (including, without limitation, to sell, charter and operate the Vessel);
- (e) they will not, and will procure that each other Obligor will not, create, assume or permit to exist any Security Interest of any kind upon any Leasing Document or any Assignable Sub- charter to which such Obligor is a party, and if applicable, the Vessel, in each case other than the Permitted Security Interests;
- (f) they will, and will procure that each other Obligor, will ensure that the Vessel shall be free of encumbrances except for any encumbrances permitted in writing by the Owners;
- (g) they will at their own cost, and will procure that each other Obligor will:
 - (i) do all that such Obligor to ensures that any Leasing Document or any Assignable Sub- charter to which such Obligor is a party validly creates the obligations and the Security Interests which such Obligor purports to create; and
 - (ii) without limiting the generality of paragraph (i), promptly register, file, record or enrol any Leasing Document or any Assignable Sub-charter to which such Obligor is a party with any court or authority in all Relevant Jurisdictions, pay any stamp duty, registration or similar tax in all Relevant Jurisdictions in respect of any Leasing Document or any Assignable Sub-charter to which such Obligor is a party, give any notice or take any other step which, is or has become necessary or desirable for any such Leasing Document or any Assignable Sub-charter to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which such Obligor creates;
- (h) they will, and will procure that each other Obligors will, notify the Owners promptly upon becoming aware of:
 - (i) any default by any Sub-charterer or the Charterers of the terms of any Assignable Sub- charter;
 - (ii) an event of default or termination event howsoever called under the terms of any Assignable Sub-charter entitling either (x) the Charterers to terminate such Assignable Sub-charter or (y) the relevant Sub-charterer to terminate such Assignable Sub- charter which has not been unconditionally waived by such Sub-charterer;
 - (iii) any pollution accident, major accident and/or incident to the Vessel by any reason whatsoever;
 - (iv)** any damage caused to or alteration of the Vessel by any reason whatsoever which exceed US\$1,000,000;
 - (v) any alteration or modification made to the Vessel of whatever nature;
 - (vi) any safety incidents taking place on board the Vessel;

- (vii) any casualty or occurrence as a result of which the Vessel has become or is, by the passing of time or otherwise, likely to become, a Major Casualty or a Total Loss;
- (viii) any requirement or recommendation made in relation to the Vessel by any insurer or Classification Society or by any competent authority which is not immediately complied with;
- (ix) any intended dry docking of the Vessel;
- (x) any Environmental Claim which is made against the Charterers, any Sub-charterer or any Approved Manager in connection with the Vessel or any Environmental Incident involving claim(s) exceeding US\$1,000,000;
- (xi) any claim for breach of the ISM Code or the ISPS Code being made against the Charterers, any Approved Manager or otherwise in connection with the Vessel;
- (xii) 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;
- (xiii) any requisition of the Vessel for hire;
- (xiv) any arrest or detention of the Vessel, any exercise of any lien on that Vessel or its Earnings; and
- (xv) any notice, or the Charterers becoming aware, of any claim, action, suit, proceeding or investigation against any Obligor, any of its subsidiaries or any of their respective directors, officers, employees or agents with respect to Sanctions;
- (xvi) any circumstances which could give rise to a breach of any representation or undertaking in this Charter, or any Termination Event, relating to Sanctions;
- (xvii) any Termination Event,

and will keep the Owners fully up-to-date with all developments and the Charterers will, if so requested by the Owners, provide any such certificate signed by its director(s), confirming in which that there exists no Potential Termination Event or Termination Event;

- (i) they will, and will procure that each other Obligor will, as soon as practicable after receiving the request, provide the Owners with any additional financial or other information relating:
 - (i) to themselves and/or the Vessel (including, but not limited to the condition and location of the Vessel);
 - (ii) details of the Vessel's employment status including the Vessel's employment status, operating accounts, projected employment (if the Vessel is not employed at such time) every twelve (12) months throughout the Charter Period or as soon as practicable after receiving the Owner's request; or
 - (iii) to any other matter relevant to, or to any provision of any Leasing Document or any Assignable Sub-charter to which it is a party,

which may be requested by the Owners (or the Owners' Financier (if any)) at any time;

- (j) they will comply, or procure compliance, and will procure that each other Obligor will comply or procure compliance, with all laws or regulations relating to its business, the Vessel and its ownership, employment, operation, management and registration, including, without limitation, the ISM Code, the ISPS Code, all Environmental Laws and the laws of the Vessel's registry provided that any non-compliance shall not materially adversely affect the obligations of a Obligor under each Leasing Document or any Assignable Sub-charter to which it is a party;
- (k) the Vessel shall be registered under the Flag State at all times;
- (l) the Vessel shall be maintained with the highest class required for the purpose of the trade of the Vessel with the Classification Society at all times and shall be free of all overdue recommendations and requirements;
- (m) upon request, they will provide or they will procure to be provided to the Owners the report(s) of the survey(s) conducted pursuant to Clause 7 (*Surveys on Redelivery*) of this Charter in form and substance satisfactory to the Owners;
- (n) they shall not permit the sub-chartering of the Vessel (1) on a bareboat basis (irrespective of duration) or (2) on a time charter basis exceeding thirteen (13) months (including any optional extensions thereto), other than under an Assignable Sub-charter and provided that the Charterers shall:
 - (i) assign all their rights and interests under such Assignable Sub-charter and shall use reasonable commercial efforts to procure that the Sub-charterer of such Assignable Sub-charter gives a written acknowledgment of such assignment in form and substance acceptable to the Owners and provide such documents as the Owners may require regarding the due execution of such Assignable Sub-charter; and
 - (ii) in case Assignable Sub-charter being a bareboat charter (irrespective of duration), procure the Sub-charterer of such Assignable Sub-charter to execute a general assignment to assign their rights under the Insurances, Earnings and Requisition Compensation in respect of the Vessel, in favour of the Owners, in each case, in a manner and in a form acceptable to the Owners;
- (o) intentionally deleted;
- (p) except with the Owners' prior written consent, they shall not deactivate or lay up the Vessel;
- (q) they shall not make or pay any dividend or other distribution (in cash or in kind) in respect of its share capital following the occurrence of a Termination Event which is continuing or which would result in a Termination Event;
- (r) they shall comply and shall procure that each of the other Obligors (including, in each case, procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) or (on a best effort basis) any Sub-charterer complies with all laws and regulations in respect of Sanctions.
- (s) without limiting Clause 46.1(r), they will procure that:
 - (i) the Vessel shall not be operated, employed, managed, used by or for the benefit of a Restricted Person;

- (ii) the Vessel shall not be employed in trading with any Restricted Person or in any manner contrary to Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom;
 - (iii) notwithstanding any other provision of this Charter, the Vessel shall not be permitted to call at any port in any Restricted Country or any area or country where trading in such area or country would constitute or would be reasonably expected to constitute a breach of Sanctions;
 - (iv) the Vessel shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances or in any manner which would result in any Obligor, any Sub-charterer or the Owners becoming a Restricted Person; and
 - (v) that each charterparty in respect of the Vessel shall contain, for the benefit of the Owners, language which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions and which prohibits trading to any Restricted Country;
- (t) they shall, and shall procure that each other Obligor shall (including procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) or (on a best efforts basis) any Sub-charterer shall:
- (i) comply with all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
 - (ii) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws; and
 - (iii) in respect of the Charterers, not use, or permit or authorize any person to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (u) in respect of the Charterers, not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti- Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (v) they shall, and shall procure that each other Obligor shall promptly notify the Owners of any non-compliance, by any Obligor or their respective officers, directors, employees, consultants, agents or intermediaries or (on a best efforts basis) any Sub-charterer with all laws and regulations relating to Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws (including, but not limited, to notifying the Owners in writing immediately upon being aware that any Obligor or its shareholders, directors, officers or employees, or any Sub-charterer is a Restricted Person or has otherwise become a target of Sanctions) as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws;
- (w) in respect of the management of the Vessel:

- (i) they shall ensure that the Vessel be commercially and/or technically managed under an Approved Management Agreement;
 - (ii) they shall not appoint or permit to be appointed any commercial, technical and/or crew manager of the Vessel unless it is an Approved Manager and such new manager enters into a Manager's Undertaking;
 - (iii) save with the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed), they shall not agree or enter into any transaction, arrangement, document or do or omit to do anything which will have the effect of materially varying, amending or supplementing the terms of an Approved Management Agreement; and
 - (iv) they shall ensure that, upon the occurrence of a Termination Event, the Owners shall have the right to change any of the managers of the Vessel following a fifteen (15) days' notice to the Charterers;
- (x) save with the prior written consent of the Owners, they shall not agree or enter into any transaction, arrangement, document or do or omit to do anything which will have the effect of varying, amending or supplement either the material terms of any Assignable Sub-charter (and for the purpose of this paragraph, a material term means, without limitation, any term which would adversely affect the interest of the Owners and/or the Owners' Financier (if any));
- (y) they shall ensure that all Earnings and any other amounts received by them in connection with the Vessel are paid into the Earnings Account;
- (z) they will not:
- (i) enter into any borrowing except for loans or advances from other members of the Group or affiliates which are unsecured and fully subordinated to the rights of the Owners under the Leasing Documents (in a manner acceptable to the Owners);
 - (ii) incur any liabilities or obligations to any party except for those incurred in the ordinary course of operating, chartering, repairing and maintaining the Vessel;
 - (iii) be the creditor or guarantor in respect of any loan or any form of credit to any person;
 - (iv) give or allow any to be outstanding, any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which they assume any liability of any other person other than any guarantee or indemnity given under the Leasing Documents;
 - (v) enter into any investments, any sale or leaseback agreements, any off-balance sheet transaction, other agreement or incur any other liability or obligation (including, without limitation, any Financial Indebtedness of any obligations under a guarantee) other than the Leasing Documents or any other agreement expressly allowed under the terms of the Leasing Documents;
 - (vi) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset (including, without limitation, the Vessel, its Earnings or its Insurances); and

without prejudice to the above sub-paragraphs (z) to(vi), enter into any transaction (whether with another member of the Group or otherwise) which are, in any respect, less favourable than those which they could obtain in a bargain made at arms' length;

- (aa) any transaction entered into with their Affiliates shall be on arm's length basis and in good faith;
- (bb) they will ensure and procure that:
 - (i) the Market Value of the Vessel shall be ascertained from time to time in the following circumstances:
 - (1) upon the occurrence of a Termination Event which is continuing, at any time at the request of the Owners; and
 - (2) in the absence of a Termination Event which is continuing:
 - (i) from the first anniversary of the Commencement Date, at least once every calendar year during the Charter Period, with such report to be dated no more than thirty (30) calendar days prior to every anniversary of the Commencement Date occurring within the Charter Period or on such other date as the Owners may request; and
 - (ii) the amount of the fees and expenses incurred by the Owners in connection with any matter arising out of this paragraph (bb) shall be reimbursed to the Owners;
- (cc) intentionally deleted; and
- (dd) they shall not make, nor permit to be made, any modification or repairs to, or replacement, renewal or installation of, the Vessel or equipment installed on it or alter the structure, type or performance characteristics of the Vessel unless such modifications, repairs, replacement, renewal, installation or alteration:
 - (i) is required by the Classification Society for the purposes of maintaining the Vessel's classification or is required by any applicable laws and regulations relating to the Vessel;
 - (ii) relates to the installation of exhaust gas cleaning systems (scrubbers);
 - (iii) would not:
 - (1) have an adverse effect on the Vessel's fitness for purpose;
 - (2) alter the structure, type or performance characteristics of the Vessel; and/or
 - (3) diminish the value of the Vessel or have an adverse effect on the safety or performance of the Vessel,

and if such modification, repair, replacement, renewal installation or alternation is approved or satisfies the requirements of this clause, once effected, shall form part of the Vessel and

the title of any equipment or parts replaced due to such modification, repair, replacement, renewal, installation or alternation shall vest in and remain with the Owners;

- (ee) the Vessel will not be permitted to trade in any zone which is declared a war zone by any government or the Vessel's war risks insurers, unless the Charterers have (i) obtained the written consent of the Owners (such consent not to be unreasonably withheld or delayed) prior to engaging in any such trading and (ii) (at the Charterers' expense) effected all necessary special, additional or modified insurance cover for trading in such war zone and have complied with the terms of Clause 38 (*Insurances*) any requirement as may be prescribed by the insurers; and
- (ff) the Charterers shall comply, and will procure that each other Obligor, each other member of the Group and (on best effort basis) any Sub-charterer will comply, with all Sanctions and all laws and regulations relating to such person, the Vessel and its construction, ownership, employment, operation, management and registration, including the ISM Code, the ISPS Code (including, but not limited to, the maintenance of an ISSC), all Environmental Laws, all Anti- Money Laundering Laws, Business Ethics Laws and the laws of the Vessel's registry, and in particular, they shall effect and maintain a sanctions compliance policy which, inter alia, implements the recommendations of the Sanctions Advisory, to ensure compliance with all such laws and regulations implemented from time to time, including, without limitation, they will, and will procure that each other Obligor:
 - (i) conduct their activities in a manner consistent with Sanctions;
 - (ii) have sufficient resources in place to ensure execution of and compliance with their own Sanctions policies by their personnel, e.g., direct hires, contractors, and staff;
 - (iii) ensure subsidiaries comply with the relevant policies, as applicable;
 - (iv) have relevant controls in place to monitor automatic identification system (AIS) transponders;
 - (v) have controls in place to screen and assess onboarding or offloading cargo in areas they determine to present a high risk;
 - (vi) have controls to assess authenticity of bills of lading, as necessary; and
 - (vii) have controls in place consistent with the Sanctions Advisory.

CLAUSE 46(A) – INSPECTION OF VESSEL

46(A).1 The Owners shall be entitled to inspect or survey the Vessel, its logs and records or instruct a duly authorised surveyor to carry out such survey on their behalf:

- (a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained;
- (b) in dry-dock if the Charterers have not dry-docked the Vessel in accordance with Clause 10(g);
- (c) for any purpose that the Owners deem appropriate in their absolute discretion (acting reasonably),

- (d) and the Charterers shall (at the Charterers' cost and expense) arrange for all transport, accommodation and on-site support required for such inspections or surveys.

46(A).2 The Owners shall be entitled to exercise its rights of inspection or survey as described under Clause 46(A):

- (a) if no Termination Event or Potential Termination Event has occurred and is continuing, once a year without interference or delay to the operation and trading of the Vessel with thirty (30) days prior notice to the Charterers and the Charterers shall bear the costs and expenses incurred in connection with such inspections and/or surveys (including, but not limited to, the fees, costs and expenses of any surveyor appointed by the Owners); or
- (b) if a Termination Event or Potential Termination Event has occurred and is continuing, at any time with prior written notice and for as many times as the Owners deem necessary, and the Charterers shall bear the costs incurred in connection with such inspections and/or surveys (including, but not limited to, the fees, costs and expenses of any surveyor appointed by the Owners).

CLAUSE 47 – PURCHASE OPTION

- 47.1 Provided no Termination Event has occurred and is continuing, the Charterers shall have the option to purchase the Vessel on any date falling six (6) months after the Commencement Date (the "**Purchase Option Date**"), subject always to giving the Owners no less than sixty (60) days' (or such lesser period as agreed by the Owners) prior written notice (the "**Purchase Option Notice**").
- 47.2 A Purchase Option Notice shall be signed by a duly authorised officer or attorney of the Charterers and, once delivered to the Owners, is irrevocable and the Charterers shall be bound to pay to the Owners the Purchase Option Price on the Purchase Option Date.
- 47.3 Only one Purchase Option Notice may be served throughout the duration of the Charter Period.
- 47.4 Upon the Owners' receipt in full of the Purchase Option Price, the Owners shall transfer the legal and beneficial ownership of the Vessel on an "as is where is" basis (and otherwise in accordance with the terms and conditions set out at Clauses 49.1(a) and 49.1(b)) to the Charterers or their nominees and shall execute a bill of sale and a protocol of delivery and acceptance evidencing the same and any other document strictly necessary to transfer the title of the Vessel to the Charterers (and to the extent required for such purposes the Vessel shall be deemed first to have been redelivered to the Owners).

CLAUSE 48 – PURCHASE OBLIGATION

Provided all moneys owing and payable under this Charter have been fully and irrevocably paid to the Owners, the Charterers shall be obliged to purchase from the Owners all of the Owners' beneficial and legal right, title and interest in the Vessel and all belonging to her and the Owners and the Charterers shall perform their obligations referred to in Clause 49 (*Sale of the Vessel by Purchase Option or Purchase Obligation*) and the Charterer shall pay the Purchase Obligation Price on the Maturity Date in relation thereto (unless the Owners agree otherwise in writing and upon such terms and conditions as the Owners may deem fit in their absolute discretion).

CLAUSE 49 – SALE OF THE VESSEL BY PURCHASE OPTION OR PURCHASE OBLIGATION

- 49.1 All legal and beneficial interest and title in the Vessel shall be transferred to the Charterers by the Owners upon receipt by the Owners of the Purchase Option Price or the Purchase Obligation Price or the Termination Sum pursuant to Clause 40.3 (as the case may be) on an "as is where is" basis and on the following terms and conditions:
- (a) the Charterers expressly agree and acknowledge that no condition, warranty or representation of any kind is or has been given by or on behalf of the Owners in respect of the Vessel or any part thereof, and accordingly the Charterers confirm that they have not, in entering into this Charter, relied on any condition, warranty or representation by the Owners or any person on the Owners' behalf, express or implied, whether arising by law or otherwise in relation to the Vessel or any part thereof, including, without limitation, warranties or representations as to the description, suitability, quality, merchantability, fitness for any purpose, value, state, condition, appearance, safety, durability, design or operation of any kind or nature of the Vessel or any part thereof, and the benefit of any such condition, warranty or representation by the Owners is hereby irrevocably and unconditionally waived by the Charterers to the extent permissible under applicable law, the Charterers hereby also waive any rights which they may have in tort in respect of any of the matters referred to under this clause and irrevocably agree that (i) the Owners shall have no greater liability in tort in respect of any such matter than they would have in contract after taking account of all of the foregoing exclusions; (ii) no third party making any representation or warranty relating to the Vessel or any part thereof is the agent of the Owners nor has any such third party authority to bind the Owners thereby and (iii) notwithstanding anything contained above, nothing contained herein is intended to obviate, remove or waive any rights or warranties or other claims relating thereto which the Charterers (or their nominee acceptable to the Owners) or the Owners may have against the manufacturer or supplier of the Vessel or any third party;
 - (b) the Vessel shall be free from all mortgages or any other liens, encumbrances, claims or debts whatsoever, created or permitted to exist by the Owners (save for those mortgages, liens, encumbrances or debts created under the Leasing Documents or incurred by the Charterers or arising out of or in connection with this Charter);
 - (c) the Purchase Option Price or the Purchase Obligation Price (as the case may be) shall be paid by (or on behalf of) the Charterers to the Owners on respectively the Purchase Option Date or the Maturity Date, together with unpaid amounts of Charterhire and other moneys owing by or accrued or due from the Charterers under this Charter on or prior to the Purchase Option Date or Maturity Date (as the case may be) which remain unpaid; and
 - (d) upon the Purchase Option Price or the Purchase Obligation Price (as the case may be) and all other moneys payable under this Charter being fully and irrevocably paid to the Owners on, and in accordance with, the terms set forth in this Charter (except in the case of Total Loss) the Owners agree (at the cost of the Charterers) to enter into (i) a bill of sale and (ii) a protocol of delivery and acceptance, and the Vessel shall accordingly be deemed delivered to the Charterers on the date and time set out in such protocol of delivery and acceptance (and to the extent required for such purposes the Vessel shall be deemed first to have been redelivered to the Owners).
 - (e) The Owners shall not be obliged to do anything pursuant to this Clause 49 (*Sale of the Vessel by Purchase Option or Purchase Obligation*) or other terms of this Charter which would (in the Owners' opinion (acting reasonably)) constitute a breach of any quiet enjoyment agreement to which they are a party.

CLAUSE 50 – INDEMNITIES

- 50.1 The Charterers shall upon the Owners' demand, fully indemnify the Owners against, and keep the Owners harmless from, all documented claims, expenses, liabilities, losses, taxes, fees (including, but not limited to, any tax applied to any such amounts, any interest or penalties applied to such amounts and any vessel registration and tonnage fees) suffered or incurred by or imposed on the Owners arising from this Charter and any Leasing Document or Assignable Sub-charter, whether prior to, during or after termination of this Charter and whether or not the Vessel is in the possession or the control of the Charterers, including, without limitation:
- (a) as a result of incorporating the Owners in the relevant jurisdiction selected by the Charterers or required for the purpose of flying the flag of the Vessel in a particular jurisdiction;
 - (b) in connection with delivery, possession, performance, control, registration, repair, survey, insurance, maintenance, manufacture, purchase, financing, re-financing, ownership and operation of the Vessel by the Owners;
 - (c) in connection with the prevention or release of liens or detention of or requisition, use, operation or redelivery, sale or disposal of the Vessel or any part of it;
 - (d) in connection with putting the Vessel in a re-deliverable condition in accordance with this Charter;
 - (e) as a consequence of any non-compliance or breach by any Obligor of any applicable tax laws or regulations or any losses caused to the Owners by any failure of the Charterers to comply with their obligations under Clause 51 (*No Set-off or Tax Deduction*) of this Charter (including where any such failure is occasioned by the applicable law preventing the Charterers from paying without deduction and/or from grossing up);
 - (f) all premia and other documented expenses which are reasonably incurred by (i) the Owners in connection with or with a view to effecting, maintaining or renewing lessors' or innocent owners' interest insurance and lessors' or innocent owners' additional perils (pollution) insurance or any similar protective shipowner insurance that is taken out in respect of the Vessel on such terms and conditions as the Owners may from time to time impose, and/or (ii) the Owners or the Owners' Financier (if any) in connection with or with a view to effecting, maintaining or renewing a mortgagee's interest insurance and a mortgagee's additional perils (pollution) insurance that is taken out in respect of the Vessel on such terms and conditions as the Owners or the Owners' Financier (if any) may from time to time impose. In each case, the amount of the insurances referred to in this clause shall be equal to at least one hundred and twenty per cent. (120%) of the higher of (i) the prevailing Market Value of the Vessel at the relevant time, or (ii) the Outstanding Finance Amount at the relevant time;
 - (g) all premia and documented expenses reasonably incurred by the Owners and/or the Owners' Financier (if any) in respect of any other insurances which the Owners and/or the Owners' Financier (if any) deem necessary and take out in respect of the Vessel, including, but without limitation to, any freight, demurrage and defence cover on such terms and conditions as the Owners may from time to time effect pursuant to Clause 38 (*Insurance*);

- (h) all other premia and documented expenses reasonably incurred by the Owners and/or the Owners' Financier (if any) in respect of the Insurances of the Vessel pursuant to Clause 38 (*Insurance*);
- (i) all loss or damage to the Vessel (insofar as the Owners shall not be reimbursed by the proceeds of any insurance in respect thereof) however caused occurring at any time or times before physical possession thereof is retaken by the Owners, reasonable wear and tear to the Vessel only excepted;
- (j) all losses, documented costs or charges reasonably incurred by the Owners by reason thereof in re-taking possession or otherwise in re-acquiring the Vessel pursuant to Clause 37 (*Possession of Vessel*);
- (k) all documented losses, costs, charges and expenses incurred by the Owners in collecting any Charterhire, Advance Charterhire or other payments not paid on the due date under this Charter and in remedying any other failure of the Charterers to observe the terms and conditions of this Charter;
- (l) any claims made by any person arising after the date of the letter of indemnity as referred to in the above Clause 49.1(d) in connection with the Vessel;
- (m) all losses, documented costs and expenses reasonably incurred by the Owners as a result of steps taken by the Owners under Clause 44(A).2;
- (n) all losses, documented costs and expenses reasonably incurred by the Owners in connection with any proposed modifications, repairs, replacement, installation or alteration of the Vessel pursuant to Clause 46.1(dd);
- (o) any such losses, liabilities, documented costs or expenses the Owners determine (acting reasonably) will be or has been suffered for or on account of any tax by them in respect of any Leasing Document, together with any interest, penalties, costs and expenses payable or incurred;
- (p) in connection with or following the occurrence of a Termination Event or any breach of any terms of any Leasing Document; and
- (q) all documented costs and expenses (including legal fees) incurred by the Owners in connection with the enforcement of, or the preservation of any rights under, any Leasing Document or any Security Interest created thereunder and with any proceedings instituted by or against the Owners as a consequence of entering into any Leasing Document, taking or holding any Security Interests created thereunder or enforcing those rights, including, without limitation, any losses, costs and expenses which the Owners may from time to time sustain, incur or become liable by reason of the Owners being the registered owner of the Vessel and/or being deemed by any court or authority to be an operator or controller, or in any way concerned in the operation or control, of a Vessel.

Without prejudice to its generality, this clause covers any claims, expenses, liabilities and losses which arise, or are asserted, under or in connection with any law relating to safety at sea, the ISM Code, the ISPS Code, the MARPOL Protocol, any Environmental Law or any Sanctions or in connection with any Environmental Claim.

- 50.2 Without prejudice to the above Clause 50.1, if any sum (a "**Sum**") due from an Obligor under the Leasing Documents, or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
- (a) making or filing a claim or proof against that Obligor; or
 - (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- the Charterers shall, as an independent obligation, on demand, indemnify the Owners against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- 50.3 The obligations of the Charterers under Clause 50 (*Indemnities*) and in respect of any Security Interest created pursuant to the Security Documents will not be affected or discharged by an act, omission, matter or thing which would reduce, release or prejudice any of its obligations under Clause 50 (*Indemnities*) or in respect of any Security Interest created pursuant to the Security Documents (without limitation and whether or not known to it or any Obligor) including:
- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
 - (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of the Obligor or any of its Affiliates;
 - (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, or refusal or neglect to take up or enforce, or delay in taking or enforcing any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
 - (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Leasing Document or any other document or security;
 - (f) any unenforceability, illegality or invalidity of any obligation of any person under any Security Document or any other document or security; or
 - (g) any insolvency or similar proceedings.
- 50.4 In consideration of the Charterers requesting each Other Owner to charter the relevant Other Vessel to the relevant Other Charterers under the relevant Other Charter, the Charterers hereby irrevocably and unconditionally undertake to pay immediately on demand, and on full indemnity basis, from any such Other Owner such amounts in respect of all claims, expenses, liabilities, losses, fees of every kind and nature and all other moneys due, owing and/or payable to such Other Owner under or in connection with the relevant Other Charter, and to

indemnify and hold such Other Owner harmless against all such moneys, costs, fees and expenses.

- 50.5 Notwithstanding anything to the contrary herein (but subject and without prejudice to Clause 33 (*Cancellation*)) and without prejudice to any right to damages or other claim which the Charterers may have at any time against the Owners under this Charter, the indemnities provided by the Charterers in favour of the Owners shall continue in full force and effect notwithstanding any breach of the terms of this Charter or termination of this Charter pursuant to the terms hereof or termination of this Charter by the Owners.
- 50.6 All rights which the Charterers have at any time (whether in respect of this Charter or any other transaction) against the other Obligors or any of them shall be fully subordinated to the rights of the Owners under the Leasing Documents and the Leasing Documents (as defined in each Other Charter) (collectively, for the purposes of this Clause 50.6, "**Project Leasing Documents**") and until the end of this Charter and unless the Owners otherwise direct, the Charterers shall not exercise any rights which it may have (whether in respect of this Charter or any other transaction) by reason of performance by it of its obligations under the Project Leasing Documents or by reason of any amount becoming payable, or liability arising, under this clause:
- (a) to be indemnified by the Other Charterers or the Guarantor or any of them;
 - (b) to claim any contribution from any third-party providing security for, or any other guarantor of, the Other Charterers' or the Guarantor's obligations under the Project Leasing Documents;
 - (c) to take any benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Other Charterers or the Guarantor or any of them under the Project Leasing Documents or of any other guarantee or security taken pursuant to, or in connection with, the Project Leasing Documents by any of the aforesaid parties;
 - (d) to bring legal or other proceedings for an order requiring any of the Other Charterers or the Guarantor or any of them to make any payment, or perform any obligation, in respect of any Project Leasing Document;
 - (e) to exercise any right of set-off against any of the Other Charterers or the Guarantor or any of them; and/or
 - (f) to claim or prove as a creditor of any of the Other Charterers or the Guarantor or any of them,
- and if the Charterers receive any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Owners or the Other Owners by the Other Charterers or the Guarantor or any of them under or in connection with the relevant Project Leasing Documents to be repaid in full on trust for the Owners or the Other Owners and shall promptly pay or transfer the same to the Owners or the Other Owners as may be directed by the Owners.
- 50.7 The Charterers hereby irrevocably agree to indemnify and hold harmless the Owners against any claim, expense, liability or loss incurred by the Owners (and which is notified to the Charterers) in liquidating or employing deposits from the Owners' Financier or third parties to fund the acquisition of the Vessel pursuant to the MOA, on or prior to the Commencement Date.

- 50.8 Notwithstanding anything to the contrary herein (but subject and without prejudice to Clause 33 (*Cancellation*)) and without prejudice to any right to damages or other claim which the Charterers may have at any time against the Owners under this Charter, the indemnities provided by the Charterers in favour of the Owners shall continue in full force and effect notwithstanding any breach of the terms of this Charter or termination of this Charter pursuant to the terms hereof or termination of this Charter by the Owners.

CLAUSE 51 – NO SET-OFF OR TAX DEDUCTION

- 51.1 All payments of the Charterhire, the Advance Charterhire, the Purchase Obligation Price, the Purchase Option Price, the Upfront Fee or and any other payment made from the Charterers to enable the Owners to pay all amounts under a Leasing Document shall be paid punctually:
- (a) without any form of set-off (other than as agreed under the MOA and this Charter), cross-claim or condition and in the case of the Charterhire, the Advance Charterhire or the Upfront Fee, without previous demand unless otherwise agreed with the Owners;
 - (b) free and clear of all present and future taxes, levies, duties or deduction of any nature whatsoever, whether levied now or in the future; and
 - (c) free and clear of any tax deduction or withholding unless required by law.
- 51.2 Without prejudice to Clause 51.1, if the Owners are required by law to make a tax deduction from any payment:
- (a) the Owners shall notify the Charterers as soon as they become aware of the requirement; and
 - (b) the amount due in respect of the payment shall be increased by the amount necessary to ensure that the Owners receive and retain (free from any liability relating to the tax deduction) a net amount which, after the tax deduction, is equal to the full amount which they would otherwise have received.
- 51.3 In this Clause "**tax deduction**" means any deduction or withholding for or on account of any present or future tax, other than a FATCA Deduction.

CLAUSE 52 – INCREASED COSTS

- 52.1 This Clause 52 (*Increased Costs*) applies if the Owners notify the Charterers that they consider that as a result of:
- (a) the introduction or alteration after the date of this Charter of a law or an alteration after the date of this Charter in the manner in which a law is interpreted or applied (disregarding any effect which relates to the application to payments under this Charter of a tax on the Owners' overall net income); or
 - (b) complying with any regulation (including any which relates to capital adequacy or liquidity controls or which affects the manner in which the Owners allocates capital resources to their obligations under this Charter) which is introduced, or altered, or the interpretation or application of which is altered, after the date of this Charter,

the Owners (or a parent company of them) or the Owners' Financier has incurred or will incur an "**increased cost**".

52.2 In this Clause 52, "**increased cost**" means, in relation to the Owners or the Owners' Financier:

- (a) An additional or increased cost incurred as a result of, or in connection with, as the case may be, (i) the Owners having entered into, or being a party to, this Charter, of funding the acquisition of the Vessel pursuant to the MOA or performing their obligations under this Charter or (ii) the Owner's Financier entering into the funding arrangements described under Clause 58.2(a);
- (b) a reduction in the amount of any payment to the Owners under this Charter or in the effective return which such a payment represents to the Owners on their capital;
- (c) an additional or increased cost of funding the acquisition of the Vessel pursuant to the MOA; or
- (d) a liability to make a payment, or a return foregone, which is calculated by reference to any amounts received or receivable by the Owners under this Charter,

and for the purposes of this Clause 52.2 the Owners may in good faith allocate or spread costs and/or losses among their assets and liabilities (or any class of their assets and liabilities) on such basis as they consider appropriate.

52.3 Subject to the terms of Clause 52.1, the Charterers shall pay to the Owners, on the Owners' demand, the amounts which the Owners from time to time notify the Charterers to be necessary to compensate the Owners for the increased cost.

CLAUSE 53 – FATCA

53.1 Defined terms

For the purposes of this Clause 53 (*FATCA*), the following terms shall have the following meanings:

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**FATCA**" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (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 IRS, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Deduction**" means a deduction or withholding from a payment under this Charter or the Leasing Documents required by or under FATCA.

"**FATCA Exempt Party**" means a Relevant Party that is entitled under FATCA to receive payments free from any FATCA Deduction.

"FATCA Non-Exempt Party" means any Relevant Party who is not a FATCA Exempt Party. **"Relevant Party"** means any of the parties to this Charter and the Leasing Documents.

"IRS" means the United States Internal Revenue Service or any successor taxing authority or agency of the United States government.

53.2 FATCA Information

- (a) Subject to paragraph (c) below, each Relevant Party shall within ten (10) Business Days of a reasonable request by another Relevant Party:
- (i) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party; and
 - (ii) supply to the requesting party (with a copy to all other Relevant Parties) such other form or forms (including IRS Form W-8 or Form W-9 or any successor or substitute form, as applicable) and any other documentation and other information relating to its status under FATCA (including its applicable "pass thru percentage" or other information required under FATCA or other official guidance including intergovernmental agreements) as the requesting party reasonably requests for the purpose of the requesting party's compliance with FATCA.
- (b) If a Relevant Party confirms to any other Relevant Party that it is a FATCA Exempt Party or provides an IRS Form W-8 or W-9 showing that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall so notify all other Relevant Parties reasonably promptly.
- (c) Nothing in this clause shall oblige any Relevant Party to do anything which would or, in its reasonable opinion, might constitute a breach of any law or regulation, any policy of that party, any fiduciary duty or any duty of confidentiality, or to disclose any confidential information (including, without limitation, its tax returns and calculations); provided, however, that nothing in this paragraph shall excuse any Relevant Party from providing a true, complete and correct IRS Form W-8 or W-9 (or any successor or substitute form where applicable). Any information provided on such IRS Form W-8 or W-9 (or any successor or substitute forms) shall not be treated as confidential information of such party for purposes of this paragraph.
- (d) If a Relevant Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with the provisions of this Charter or the provided information is insufficient under FATCA, then:
- (i) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of this Charter, the other Leasing Documents as if it is a FATCA Non-Exempt Party; and
 - (ii) if that party failed to confirm its applicable passthrough percentage then such party shall be treated for the purposes of this Charter, the other Leasing Documents (and payments made thereunder) as if its applicable passthrough percentage is 100%,

until (in each case) such time as the party in question provides sufficient confirmation, forms, documentation or other information to establish the relevant facts.

53.3 FATCA Deduction and gross-up by Relevant Party

- (a) If the representation made by the Charterers under Clause 45.1(n) (*Representations and Warranties*) proves to be untrue or misleading such that the Charterers are required to make a FATCA Deduction, the Charterers shall make the FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (b) If the Charterers are required to make a FATCA Deduction then the Charterers shall increase the payment due from them to the Owners to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (c) The Charterers shall promptly upon becoming aware that they must make a FATCA Deduction (or that there is any change in the rate or basis of a FATCA Deduction) notify the Owners accordingly. Within thirty (30) days of the Charterers making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Charterers shall deliver to the Owners evidence satisfactory to the Owners that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

53.4 FATCA Deduction by Owners

The Owners may make any FATCA Deduction they are required by FATCA to make, and any payment required in connection with that FATCA Deduction, and the Owners shall not be required to increase any payment in respect of which they make such a FATCA Deduction or otherwise compensate the recipient for that FATCA Deduction.

53.5 FATCA Mitigation

Notwithstanding any other provision to this Charter, if a FATCA Deduction is or will be required to be made by any party under Clause 53.3 in respect of a payment to the Owners as a result of the Owners not being a FATCA Exempt Party, the Owners shall have the right to transfer their interest in the Vessel (and this Charter) to any person nominated by the Owners and all costs in relation to such transfer shall be for the account of the Charterers.

CLAUSE 54 – GENERAL APPLICATION OF PROCEEDS

- 54.1 Any Net Trading Proceeds, Net Sales Proceeds, Total Loss Proceeds, any proceeds realized or received by the Owners in connection with the enforcement of the Security Documents (unless otherwise specified in the Security Documents), any amounts received by the Owners from the Other Charterer pursuant to Clause 50.4 of any of the Other Charters and any proceeds received by the Owners from any Other Owner (as trustee for the Owners) shall be applied in the following order of application against amounts payable under the Leasing Documents:
 - (a) firstly, in or towards any amounts outstanding under the Leasing Documents other than the Termination Sum or the Special Termination Sum (as the case may be) (including, but not limited to, any costs and expenses incurred in the enforcement of the Security Documents, to the extent these are not covered under the Termination Sum or the Special Termination Sum (as the case may be));

- (b) secondly, in or towards satisfaction of the Charterers' obligation to pay the Termination Sum or the Special Termination Sum (as the case may be) (or such portion of it that then remains unpaid) in any order of application in the amounts comprising the Termination Sum or the Special Termination Sum (as the case may be) as the Owners may determine; and
- (c) thirdly, upon satisfaction in full of all amounts payable to the Owners under the Leasing Documents, in payment of any surplus to the Charterers, but subject always to the terms of the General Assignment and subject to no actual or contingent liabilities existing at the relevant time.

CLAUSE 55 – CONFIDENTIALITY

55.1 The Parties agree to keep the terms and conditions of this Charter and any other Leasing Documents (the "**Confidential Information**") strictly confidential, provided that a Party may disclose Confidential Information in the following cases:

- (a) it is already known to the public or becomes available to the public other than through the act or omission of the disclosing Party;
- (b) it is required to be disclosed under the applicable laws of any Relevant Jurisdiction, by a governmental order, decree, regulation or rule, by an order of a court, tribunal or listing exchange of the Relevant Jurisdiction, provided that the disclosing Party shall give written notice of such required disclosure to the other Party prior to the disclosure;
- (c) it is required to be disclosed by any stock exchange and/or securities and exchange commission rules (including, but not limited to, the US Securities and Exchange Commission Rule or the Nasdaq Rules);
- (d) in filings with a court or arbitral body in proceedings in which the Confidential Information is relevant and in discovery arising out of such proceedings;
- (e) to (or through) whom a Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Leasing Document (as permitted by the terms thereof), provided that such person receiving Confidential Information shall undertake that it would not disclose Confidential Information to any other party save for circumstances arising which are similar to those described under this clause or such other circumstances as may be permitted by all Parties;
- (f) to any of the following persons on a need to know basis:
 - (i) a shareholder or an Affiliate of either Party or a party referred to in either paragraph (e) or (f) (including the employees, officers and directors thereof);
 - (ii) professional advisers retained by a disclosing party; or
 - (iii) persons advising on, providing or considering the provision of financing to the disclosing party or an Affiliate,

provided that the disclosing party shall exercise due diligence to ensure that no such person shall disclose Confidential Information to any other party save for circumstances arising which are similar to those described under this clause or such other circumstances as may be permitted by all Parties; or

- (g) with the prior written consent of all Parties.

CLAUSE 56 – PARTIAL INVALIDITY

If, at any time, any provision of a Leasing Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

CLAUSE 57 – SETTLEMENT OR DISCHARGE CONDITIONAL

- 57.1 Any settlement or discharge under any Leasing Document between the Owners and any Obligor or any other person shall be conditional upon no security or payment to the Owners by any Obligor or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.
- 57.2 If the Owners consider (acting reasonably) that an amount paid or discharged by, or on behalf of, an Obligor in purported payment or discharge of an obligation of that Obligor to the Owners under the Leasing Documents is capable of being avoided or otherwise set aside on the liquidation or administration of that Obligor or otherwise, then that amount shall not be considered to have been unconditionally and irrevocably paid or discharged for the purposes of the Leasing Documents.

CLAUSE 58 – CHANGES TO THE PARTIES

58.1 Assignment or transfer by the Charterers

The Charterers shall not assign their rights or transfer by novation any of their rights and obligations under the Leasing Documents except with the prior consent in writing of the Owners.

58.2 Assignment or transfer by the Owners

Subject to Clause 35 (*Quiet Enjoyment*) above, the Charterers acknowledge that, at any time during the Charter Period:

- (a) the Owners are entitled to enter into certain funding arrangements with their financier(s), (the "**Owners' Financier**"), in order to finance in part or in full of the Purchase Price, which funding arrangements may be secured, *inter alia*, by the relevant Financial Instruments;
- (b) the Owners may do any of the following as security for the funding arrangements referred to in paragraph (a) above, in each case, without the prior consent of the Charterers:
- (i) execute a ship mortgage over the Vessel or any other Financial Instrument in favour of an Owners' Financier;
 - (ii) assign their rights and interests to, in or in connection with this Charter and any other Leasing Document in favour of that Owners' Financier;

- (iii) assign their rights and interests to, in or in connection with the Insurances, the Earnings and the Requisition Compensation of the Vessel in favour of that Owners' Financier;
 - (iv) any other Financial Instrument in favour of the Owners' Financier; and
 - (v) enter into any other document or arrangement which is necessary to give effect to such financing arrangements; and
- (c) the Charterers undertake to comply and shall procure that the other Obligors shall comply, and provide such information and documents reasonably required to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in any Financial Instrument or as may be directed from time to time during the currency of this Charter by the Owners' Financier in conformity with any Financial Instrument. The Charterers further agree and acknowledge all relevant terms, conditions and provisions of each Financial Instrument (if any) and agree that they and any other Obligor shall acknowledge any such assignments and other security in writing in any form that may be required by the Owners' Financier.
- (d) the Owners may assign or transfer by novation (or otherwise) any of its rights and obligations under the Leasing Documents and/or sell the Vessel at any time:
- (i) to an Affiliate of the Owners or an Owners' Financier without any consent of the Charterers;
 - (ii) to another lessor or financial institution or trust, fund, leasing company or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (for the avoidance of doubt, expressly excluding any hedge fund, private equity fund or any equity owned or controlled by a competitor of the Charterers),
 - (A) with the prior written consent of the Charterers (such consent not to be unreasonably withheld or delayed) if there is no Termination Event on the date when the consent is sought; or
 - (B) without any consent of the Charterers following the occurrence of a Termination Event which is continuing; and
 - (iii) in accordance with the Charterers' exercise of the Purchase Option under Clause 47 or of the Purchase Obligation under Clause 48.
- (e) Following any change in the registered ownership of the Vessel permitted pursuant to Clause 58.2, this Charter would continue on identical terms (save for logical, consequential or mutually agreed amendments), and the Charterers hereby agree that they shall be liable to the aforesaid new owner of the Vessel for its performance of all obligations pursuant to this Charter after change of the registered ownership of the Vessel from the Owners to such new owner and shall procure that:
- (i) any other Obligor which is a party to a Leasing Document:
 - (A) remains liable to the new owner of the Vessel for its performance of all obligations pursuant to such Leasing Document; and

(B) enters into all necessary documents or takes any necessary actions required for such Leasing Document and any Security Interest created thereunder remaining in full force and effect as from the completion of the relevant sale; and

(ii) the Guarantor shall each execute a guarantee in favour of the new owners for the *inter alia*, obligations of the Charterers under this Charter, in substantially in the same form as the Guarantee (or such other form as the Guarantor and the new owners may agree).

58.3 The Charterers agree and undertake to (and will procure the other Obligor to) enter into any such usual documents as the Owners shall require to complete or perfect the assignment or transfer of the Vessel (with the benefit and burden of this Charter and other Leasing Documents) and the Owner's rights and obligations under the Leasing Documents pursuant to Clause 58.2.

58.4 Unless otherwise expressly stated in this Charter, each of the Owners and the Charterers shall bear their own costs arising from any assignment, transfer or sale of the Vessel by the Owners as permitted under this Clause 58.2.

CLAUSE 59 – MISCELLANEOUS

59.1 The Charterers waive any rights of sovereign immunity which they or any of their assets may enjoy in any jurisdiction and subjects itself to civil and commercial law with respect to their obligations under this Charter.

59.2 No term of this Charter is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to this Charter, save that the Other Owners may rely on the rights conferred on them under Clause 50.2.

59.3 This Charter and each Leasing Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Charter or that Leasing Document, as the case may be.

59.4 These additional clauses shall be read together with the Standard Bareboat Charter, and shall constitute a single instrument. In the case of any conflict between the provisions of these additional terms and the Standard Bareboat Charter, these additional terms shall prevail.

59.5 This Charter contains all the understandings and agreements of whatsoever kind and nature existing between the parties in respect of this Charter, the rights, interests, undertakings agreements and obligations of the parties to this Charter and shall supersede all previous and contemporaneous negotiations and agreements.

59.6 The termination of this Charter for any cause whatsoever shall not affect the right of the Owners to recover from the Charterers any money due to the Owners on or before the termination in consequence thereof and all other rights of the Owners (including, but not limited to, any rights, benefits or indemnities which are expressly provided to continue after the termination of this Charter) are reserved hereunder.

59.7 Nothing in this Charter creates, constitutes or evidences any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and neither party may make, or allow to be made any representation that any such relationship exists between the

parties. Neither party shall have the authority to act for, or incur any obligation on behalf of, the other party, except as expressly provided in this Charter.

- 59.8 The rights, powers and remedies provided in this Charter are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.
- 59.9 The Owners may set off any matured and/or contingent obligation due from any Obligor under the Leasing Documents (to the extent beneficially owned by the Owners) against any obligation (whether matured or not) owed by the Owners to that or any other Obligor, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, the Owners may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. Other than as explicitly set out in the Leasing Documents, no member of the Group may set off any matured and/or contingent obligation due from the Owners under the Leasing Documents (to the extent beneficially owned by any Obligor) against any obligation (whether matured or not) owed by any member of the Group to the Owners, regardless of the place of payment or currency of either obligation.

CLAUSE 60 - RECORDATION OF FINANCING CHARTER

- 60.1 Without prejudice and in addition to the Owners' rights under this Charter:
- (a) for all purposes under Section 100A of the Liberian Maritime Law (the "**Maritime Law**"), the Owners and the Charterers acknowledge and agree that (i) this Charter shall be construed as a "financing charter", as such term is defined in Section 29(4) of the Maritime Law, and (ii) this Charter is intended to be deemed under the Maritime Law as a preferred mortgage over the Vessel granted by the Charterers, as owner, in favour of the Owners, as mortgagee;
- (b) in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Charterers hereby grant, convey, mortgage, pledge, confirm, assign, transfer and set over the whole of the Vessel to the Owners, as mortgagee, as security for the performance and observance of and compliance with all their obligations as Charterers under, and the covenants, terms and conditions contained in, this Charter and the other Leasing Documents to which the Charterers are or may become a party; and
- (c) At their sole cost and expense, the Charterers shall cause this Charter to be recorded as a financing charter in accordance with the Maritime Act and will perform all such acts as may be reasonably requested by the Owners to accomplish the said recordation. For the purposes of recording this Charter under Section 100A of the Maritime Law as a financing charter:
- (i) the name of the Vessel is m.v. "Goodship";
 - (ii) the official number of the Vessel is 20111;
 - (iii) the date of this Charter is _____ 2023;
 - (iv) the name and address of the Owners are:

GIANT 5 HOLDING LIMITED

6/F., Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong;

- (v) the name and address of the Charterers are:

GOOD MARITIME CO.

80 Broad Street, Monrovia, Liberia

- (vi) the maximum aggregate of the nominal amount of all charterhire payments, termination payments, purchase obligation, and purchase or put option amounts which could under any circumstances be due and payable under this Standard Bareboat Charter and the other Leasing Documents, exclusive of any interest, indemnities, expenses or fees, is US\$30,000,000 which is the total amount secured hereby.
- (d) The Charterers will place and at all times retain, a properly certified copy of this Charter on board the Vessel with the Vessel's papers and will cause such certified copy of this Charter and the Vessel's registration document to be exhibited to any and all persons having business therewith which might give rise to any lien thereon, other than liens for crew's wages, general average and salvage. In addition, the Charterers will place and keep prominently displayed in the chart room and in the master's cabin of the Vessel in a conspicuous place, a notice, framed under glass, printed in plain type of such size that the paragraph of reading material shall cover a reasonable space acceptable to the Owners reading as follows:

"THIS VESSEL IS OWNED BY GIANT 5 HOLDING LIMITED AND IS UNDER CHARTER TO GOOD MARITIME CO. PURSUANT TO THE TERMS OF THE STANDARD BAREBOAT CHARTER DATED AS OF _____ (THE "CHARTER"). UNDER THE TERMS OF THE CHARTER, WHICH IS A FINANCING CHARTER UNDER THE MARITIME LAWS OF THE REPUBLIC OF LIBERIA, NEITHER THE CHARTERERS, NOR ANY SUB-CHARTERER, NOR THE MASTER NOR ANY OTHER PERSON HAS THE RIGHT, POWER OR AUTHORITY TO CREATE, INCUR OR PERMIT TO BE PLACED OR IMPOSED UPON THIS VESSEL ANY LIEN WHATSOEVER OTHER THAN PERMITTED SECURITY INTERESTS AS DEFINED IN THE CHARTER."

- (e) The Charterers hereby consent and agree, at their sole cost and expense, to the recordation of the Charter under 100A of the Maritime Law and will perform all such acts as may be reasonably requested by the Owners to accomplish said recordation.
- (f) Without prejudice to Clauses 60.1(a) to 60.1(e) above, to the extent law other than English law or Liberian law is deemed to apply to this Charter and the Charterers are deemed owners of the Vessel, the Charterers and Owners hereby further agree as follows:
- (i) For the purpose of securing the obligations of the Charterers under this Charter and the other Leasing Documents to which the Charterers are or may become a party, the Owners and Charterers intend and agree that (i) this Charter shall be deemed to be a security agreement within the meaning of Article 9 of the Uniform Commercial Code (the "UCC") of the State of New York or of any other state of the United States of America is found to be applicable to the Charter, and (ii) pursuant to sub-paragraph of this paragraph (f) below, this Charter also creates a "security interest" under Section 1-203 of the UCC in all of the Charterers' right, title and interest in, to and under the Vessel and the Leasing Documents to which the Charterers are or may become a party (collectively, the "Collateral").

- (ii) To secure the obligations of the Charterers under this Charter and the other Leasing Documents to which the Charterers are or may become a party, the Charterers hereby grant to the Owners a lien on and security interest in and mortgage lien on all of the Collateral. The Charterers promptly shall take such action as may be necessary or advisable in the Owners' opinion to ensure that the lien, security interest and mortgage on the Collateral will be a perfected lien, security interest and mortgage of first priority under applicable law and will be maintained as such until payment and performance in full of all the obligations of the Charterers under the Leasing Documents to which the Charterers are or may become a party. Upon the occurrence and during the continuance of a Termination Event, the Owners shall have all rights and remedies under Clause 44 (*Termination Events*) of this Charter or otherwise provided to a secured creditor upon a default under the UCC or provided to a mortgagee of a ship under applicable law.
- (b) The Charterers hereby consent and agree, at their sole cost and expense, to the filing of such UCC financing statements as the Owners may deem reasonably necessary to perfect the security interest intended to be created hereby and will perform all such acts as may be reasonably requested by the Owners to accomplish said perfection.

CLAUSE 61 - DEFINITIONS

61.1 In this Charter the following terms shall have the meanings ascribed to them below:

"Acceptance Certificate" means a certificate substantially in the form set out in Schedule 1 to be signed by the Charterers at Delivery.

"Account Bank" means ALPHA BANK S.A. or such other bank approved by the Owners

"Account Security" means the account security executed or to be executed by the Charterers in favour of the Owners over the Earnings Account in agreed form.

"Advance Charterhire" means the difference between the Purchase Price and the Finance Amount.

"Affiliate" means in relation to any person, a subsidiary of that person or a Holding Company of that person or any other subsidiary of that Holding Company.

"Anti-Money Laundering Laws" means all applicable financial record-keeping and reporting requirements, anti-money laundering statutes (including all applicable rules and regulations thereunder) and all applicable related or similar laws, rules, regulations or guidelines, of all jurisdictions including and without limitation, the United States of America, the European Union, the United Kingdom and the People's Republic of China and which in each case are (a) issued, administered or enforced by any governmental agency having jurisdiction over any Obligor or any Sub-charterer or the Owners; (b) of any jurisdiction in which any Obligor or any Sub-charterer or the Owners conduct business; or (c) to which any Obligor or any Sub-charterer or the Owners is subjected or subject to.

"Anti-Terrorism Financing Laws" means all applicable anti-terrorism laws, rules, regulations or guidelines of any jurisdiction, including and not limited to the United States of America or the People's Republic of China which are: (a) issued, administered or enforced by any governmental agency, having jurisdiction over any Obligor or any Sub-charterer or the Owners; (b) of any jurisdiction in which any Obligor or the Owners conduct business; or (c) to which any Obligor or any Sub-charterer or the Owners are subjected or subject to.

"Approved Commercial Manager" means:

- (a) United Management Corp., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960;
- (b) Seanergy Management Corp., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960; or
- (c) Fidelity Marine Inc., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960,

or any other Affiliates of the Charterers or other international and reputable manager which may, with the prior written approval of the Owners (such approval not to be unreasonably withheld or delayed) be appointed as a commercial manager of the Vessel, collectively, the **"Approved Commercial Managers"**.

"Approved Managers" means collectively the Approved Commercial Manager and the Approved Technical Manager, each of any of them, as the context may require, an **"Approved Manager"**.

"Approved Management Agreement" means:

- (a) the commercial management agreement in respect of the Vessel dated 5 April 2023 and entered into between United Management Corp. and Fidelity Marine Inc., as amended and supplemented from time to time, including by a deed of accession dated 5 April 2023 made by the Charterers in favour of Fidelity Marine Inc.;
- (b) the commercial management agreement in respect of the Vessel dated 5 April 2023 and entered into between United Management Corp. and Seanergy Management Corp., as amended and supplemented from time to time;
- (c) the ship technical management agreement in respect of the Vessel dated 15 September 2020 and initially entered into between Good Ocean Navigation Co. and Seanergy Shipmanagement Corp., as amended, novated and supplemented from time to time, including by the novation agreement dated 7 February 2023 entered into between Good Ocean Navigation Co. as outgoing owner, the Charterers as incoming owner and Seanergy Shipmanagement Corp. as manager;
- (d) the ship technical management agreement in respect of the Vessel dated 24 June 2020 and initially entered into between Good Ocean Navigation Co. and V. Ships Greece Ltd., as amended, novated and supplemented from time to time, including by the novation agreement dated 30 January 2023 entered into between Good Ocean Navigation Co. as outgoing owner, the Charterers as incoming owner and V. Ships Greece Limited as manager;

or, in each case any such other commercial, technical and/or crew management agreement in respect of the Vessel as may be approved by the Owners in writing, collectively, the **"Approved Management Agreements"**.

"Approved Technical Manager" means:

- (a) V. Ships Greece Ltd., a company incorporated and validly existing under the laws of Bermuda whose registered address is at 3rd Floor, Par-La-Ville Place, 14 Par-La-Ville Road, Hamilton HM 08, Bermuda;
- (b) Seanergy Shipmanagement Corp., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960; or
- (c) any or any other Affiliates of the Charterers or other international and reputable manager which may, with the prior written approval of the Owners be appointed as a technical manager of the Vessel, collectively, the **"Approved Technical Managers"**.

"Approved Valuer" means Arrow, Fearnleys, Clarksons, Maersk, Barry Rogliano Salles, Howe Robinson, Weselmann, Braemar, Lorentzen & Stemoco, BRS, Grieg Shipbrokers, Galbraiths, Simpson Spence Young (SSY), Seaborne Valuation or such other independent and reputable shipbroker nominated by the Charterers and approved by the Owners.

"Assignable Sub-charter" means, any charter or any other form of employment contract relating to the Vessel, whether or not already in existence (i) on a bareboat basis (irrespective of duration) or (ii) on a time charter basis with a duration exceeding or capable of exceeding thirteen (13) months (inclusive of options to renew).

"Associated Vessel" means any ship or vessel (including, but not limited to, the Vessel and the Other Vessels) from time to time wholly leased, hired, chartered or financed under any lease, hire purchase agreement, charter or any other financing arrangement by Affiliates of the Owners and/or any Other Owner to subsidiaries or Affiliates of the Guarantor.

"Breakfunding Costs" means all breakfunding costs and expenses incurred or payable by the Owners when a repayment or prepayment under the relevant funding arrangement entered into by the Owners for the purpose of financing the Purchase Price do not fall on a Payment Date.

"Business Day" means a day on which banks are open for business in Shanghai, Hong Kong, New York, Athens and:

- (a) in respect of a day on which a payment is required to be made or other dealing is due to take place under a Leasing Document or an Assignable Sub-charter in Dollars, also a day on which commercial banks are open in New York City; and
- (b) in relation to the fixing of an interest rate, also a day (other than a Saturday or Sunday) which is a US Government Securities Business Day.

"Business Ethics Laws" means any laws, regulations and/or other legally binding requirements or determinations in relation to corruption, fraud, collusion, bid-rigging or anti-trust, human rights violations (including forced labour and human trafficking) which are applicable to any

Obligor or any Sub-charterer or the Owners or to any jurisdiction where activities are performed and which shall include but not be limited to (i) the United Kingdom Bribery Act 2010 and (ii) the United States Foreign Corrupt Practices Act 1977 and all rules and regulations under each of (i) and (ii).

"Buyers" means the Owners acting in their capacity as buyer of the Vessel under the MOA. **"Cancelling Date"** has the meaning given to such term in the MOA.

"Change of Control" occurs, if, at any time:

- (a) the Charterers cease to be wholly legally and beneficially owned or controlled by the Guarantor;
- (b) any group of the existing members of the board of directors of the Guarantor, as at the date of this Charter, which ordinarily comprises a majority of the board of directors of the Guarantor, does not ordinarily comprise a majority of the board of directors of the Guarantor;
- (c) the Disclosed Person ceases to own legal and ultimately beneficially at least 49.99% of the voting power of the issued and outstanding share capital, of the Guarantor;
- (d) a person or persons acting in concert (other than the Disclosed Person):
 - (i) have the right of the ability to control, either directly or indirectly, the affairs, or composition of the majority of the board of directors (or equivalent of it), of the Guarantor; or
 - (ii) own legally and ultimately beneficially more than the voting power of the issued and outstanding share capital of the Guarantor which is owned by the Disclosed Person; or
- (e) the Disclosed Person ceases to be the Chief Executive Officer of the Guarantor.

"Charter Period" means the period commencing on the Commencement Date and described in Clause 32.2 unless it is either terminated earlier or extended in accordance with the provisions of this Charter.

"Charterhire" means each of, or as the context may require, all of the monthly instalments of hire payable under this Charter comprising of a Fixed Charterhire element and a Variable Charterhire element.

"CISADA" means the United States Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 as it applies to non-US persons.

"Classification Society" means DNV or such other classification society as may be approved in writing by the Owners.

"Commencement Date" means the date on which Delivery takes place.

"Delivery" means the delivery of the legal and beneficial interest in the Vessel from the Owners to the Charterers hereunder.

"Disclosed Person" means the holder of the Series B preferred shares of the Guarantor as communicated by the Charterers to the Owners prior to the signing of this Charter.

"Dollars", "US\$" and "\$" mean the lawful currency for the time being of the United States of America.

"Earnings" means all moneys whatsoever which are now, or later become, payable (actually or contingently) and which arise out of the use or operation of the Vessel, including (but not limited to):

- (a) all freight, hire and passage moneys, compensation payable in the event of requisition of the Vessel for hire, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of the Vessel; and
- (b) if and whenever the Vessel is employed on terms whereby any moneys falling within paragraph (a) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to the Vessel.

"Earnings Account" means, an account designated as an "Earnings Account" in the name of the Charterers with the Account Bank or any other replacement earnings account in the name of the Charterers with any other bank which may, with the prior written consent of the Owners, be opened.

"Environmental Claim" means:

- (a) any claim by any governmental, judicial or regulatory authority which arises out of an Environmental Incident or which relates to any Environmental Law; or
- (b) any claim by any other person which relates to an Environmental Incident,

and **"claim"** means a claim for damages, compensation, fines, penalties or any other payment; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset.

"Environmental Incident" means:

- (a) any release of Environmentally Sensitive Material from the Vessel; or
- (b) any incident in which Environmentally Sensitive Material is released from a vessel other than the Vessel and which involves a collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, in connection with which the Vessel is actually liable to be arrested, attached, detained or injuncted and/or the Vessel and/or the Owners and/or the Charterers and/or any Sub-charterer and/or any other operator or manager of the Vessel is at fault or otherwise liable to any legal or administrative action; or
- (c) any other incident involving the Vessel in which Environmentally Sensitive Material is released otherwise than from the Vessel and in connection with which the Vessel is actually arrested and/or where the Owners and/or the Charterers and/or any Sub-

charterer and/or any other operator or manager of the Vessel is at fault or otherwise liable to any legal or administrative action.

"Environmental Law" means any law relating to pollution or protection of the environment, to the carriage or releases of Environmentally Sensitive Material.

"Environmentally Sensitive Material" means oil, oil products and any other substances (including any chemical, gas or other hazardous or noxious substance) which are (or are capable of being or becoming) polluting, toxic or hazardous.

"Escrow Agent" means Watson Farley & Williams LLP acting through its office at Suites 4610- 4619, Jardine House, 1 Connaught Place, Hong Kong.

"Escrow Agreement" means the escrow agreement made or to be made between, inter alia, the Charterers, the Owners, the Existing Financier and the Escrow Agent setting out the terms of appointment of the Escrow Agent and the manner in which the Escrow Agent will hold and release the Net Purchase Price (as defined in the MOA).

"Existing Facility Agreement" means the facility agreement dated 8 August 2022 as amended and supplemented by a supplemental agreement dated 26 October 2022, a second supplemental agreement dated 21 December 2022 and as further amended and restated by a deed of accession, amendment and restatement dated 30 January 2023 and a second deed of accession, amendment and restatement dated 9 August 2023 entered into between, inter alia, the Existing Financier as security agent, Kroll Agency Services Limited as facility agent and the Sellers as borrower.

"Existing Financier" has the meaning given to that term in the MOA.

"Fee Letter" means any fee letter dated on or around the date hereof setting out the upfront fee or other fee payable by the Charterers to the Owners pursuant to Clause 41.1.

"Finance Amount" means US\$10,000,000.

"Financial Indebtedness" means, in relation to a person (the **'debtor'**), a liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;
- (b) under any loan stock, bond, note or other security issued by the debtor;
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;
- (d) under a financial lease, a deferred purchase consideration arrangement (other than deferred payments for assets or services obtained on normal commercial terms in the ordinary course of business) or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any foreign exchange transaction, any interest or currency swap or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount; or

(f) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within paragraphs (a) to (e) if the references to the debtor referred to the other person;

"Financial Instruments" means any mortgage, deed of covenant, the general assignment or such other financial security instruments as may be granted to the Owners' Financier as security for the obligations of the Owners in relation to the financing or refinancing of the acquisition of the Vessel.

"Fixed Charterhire" has the meaning given to such term in Clause 36.3.

"Flag State" means the flag state as stated in Box 5 of this Charter or such other flag state as may be approved in writing by the Owners (such approval not to be unreasonably withheld or delayed).

"Funding Rate" means any individual rate notified by the Owners to the Charterers pursuant to Clause 36.17(ii).

"General Assignment" means the general assignment, in agreed form, executed or to be executed by the Charterers in favour of the Owners in respect of the Vessel, pursuant to which the Charterers shall, *inter alia*, assign its rights in relation to (i) Insurances, Earnings and Requisition Compensation and (ii) any Assignable Sub-charter, in favour of the Owners.

"Group" means the Guarantor and its subsidiaries (whether directly or indirectly owned) from time to time.

"Guarantee" means a guarantee executed by the Guarantor in favour of the Owners on or about the date of this Charter.

"Guarantor" mean United Maritime Corporation, a corporation incorporated under the laws of the Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 acting in its capacity as guarantor in connection with, amongst others, the Charterers' obligations in connection with this Charter.

"Historic Term SOFR" means, in relation to a Term, the most recent applicable Term SOFR for three (3) months and which is as of a day which is no more than three (3) US Government Securities Business Days before the Quotation Day.

"Holding Company" means, in relation to a person, any other person in relation to which it is a subsidiary.

"IAPPC" means a valid international air pollution prevention certificate for the Vessel issued pursuant to the MARPOL Protocol.

"Initial Sub-charter" means the time charter party of the Vessel dated 29 September 2023 and made between the Charterers as owners and the Initial Sub-charter as charterers, as amended and supplemented from time to time.

"Initial Sub-charterer" means Solebay Shipping Cape Company Limited, a company incorporated and existing under the laws of Hong Kong with its registered address at 21/F, Yat Chau Building, Central, Hong Kong.

"Insurances" means:

- (a) all policies and contracts of insurance, including entries of the Vessel in any protection and indemnity or war risks association, which are effected in respect of the Vessel or otherwise in relation to it whether before, on or after the date of this Charter; and
- (b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Charter.

"Interest Rate" means, in relation to each Term and subject to Clause 36.17, the percentage rate of interest per annum which is the aggregate of (i) the applicable Reference Rate for such Term and (ii) Margin.

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

- (a) either:
 - (i) the most recent applicable Term SOFR (as of a day which is not more than three (3) US Government Securities Business Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than three (3) months; or
 - (ii) if no such Term SOFR is available for a period which is less than three (3) months, SOFR for a day which is no more than five (5) US Government Securities Business Days (and no less than two (2) US Government Securities Business Days) before the Quotation Day; and
- (b) the most recent applicable Term SOFR (as of a day which is not more than three (3) US Government Securities Business Days before the Quotation Day) the shortest period (for which Term SOFR is available) which exceeds three (3) months.

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

- (a) either:
 - (i) the applicable Term SOFR (as of the Quotation Day in respect of that Term) for the longest period (for which Term SOFR is available) which is less than three (3) months; or
 - (ii) if no such Term SOFR is available for a period which is less than three (3) months, SOFR for the day which is two (2) US Government Securities Business Days before the Quotation Day; and
- (b) the applicable Term SOFR (as of the Quotation Day in respect of that Term) for the shortest period (for which Term SOFR is available) which exceeds three (3) months.

"**ISM Code**" means the International Safety Management Code (including the guidelines on its implementation), adopted by the International Maritime Organisation Assembly as Resolutions A.741 (18) and A.788 (19), as the same may be amended or supplemented from time to time (and the terms "**safety management system**", "**Safety Management Certificate**" and "**Document of Compliance**" have the same meanings as are given to them in the ISM Code).

"**ISPS Code**" means the International Ship and Port Security Code as adopted by the Conference of Contracting Governments to the Safety of Life at Sea Convention 1974 on 13 December 2002 and incorporated as Chapter XI-2 of the Safety of Life at Sea Convention 1974, as the same may be supplemented or amended from time to time.

"**ISSC**" means an International Ship Security Certificate issued under the ISPS Code.

"**Leasing Documents**" means this Charter, the MOA, the Fee Letter and the Security Documents.

"**Major Casualty**" means any casualty to the Vessel in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds US\$750,000 or the equivalent in any other currency.

"**Manager's Undertakings**" means, collectively, the letter of undertaking, in agreed form, to be executed by each Approved Manager, each of any of them, as the context may require, the "**Manager's Undertaking**".

"**Margin**" means three point three per cent. (3.3%) per annum.

"**Market Value**" means, in relation to the Vessel, the valuation shown by a valuation report or certificate addressed to the Owners and prepared:

- (a) at the cost of the Charterers;
- (b) on a date no earlier than thirty (30) days prior to the relevant date of determination;
- (c) by Approved Valuers;
- (d) without physical inspection of the Vessel or other vessel; and
- (e) 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 or such other basis as may be agreed by the Owners.

"**MARPOL Protocol**" means Annex VI (Regulations for the Prevention of Air Pollution from Ships) to the International Convention for the Prevention of Pollution from Ships 1973 (as amended in 1978 and 1997).

"**Material Adverse Effect**" means, in the reasonable opinion of the Owners, a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of any Obligor; or

- (b) the ability of any Obligor to perform its obligations under any Leasing Document or any Assignable Sub-charter to which it is a party; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security Interests granted pursuant to any of the Leasing Documents or any Assignable Sub-charter or the rights or remedies of the Owners under any of the Leasing Documents or any Assignable Sub-charter;

"Maturity Date" means the date falling thirty-six (36) months from the Commencement Date.

"MOA" means the memorandum of agreement dated on or about the date of this Charter and made between the Owners (in their capacity as buyers) and the Charterers (in their capacity as sellers), pursuant to which the Charterers agree to sell and the Owners agree to purchase the Vessel upon the terms and conditions set out therein.

"Net Sales Proceeds" has the meaning given to such term in Clause 40.4(b)(ii).

"Net Trading Proceeds" has the meaning given to such term in Clause 40.4(b)(i).

"Obligor" means any of the Charterers, the Other Charterers, the Guarantor and the Approved Managers (other than a Third Party Approved Manager) and each other person that may be a party to a Leasing Document from time to time (other than the Owners or their Affiliates) and any other party that provides security for the Leasing Documents.

"Original Financial Statements" means, with respect to the Guarantor, its audited consolidated annual financial reports for the financial year ended 31 December 2022, in form and substance satisfactory to the Owners.

"Original Jurisdiction" means, in relation to each Obligor, the jurisdiction under whose laws they are incorporated as at the date of this Charter.

"Other Charter" means, in relation to each Other Vessel, a bareboat charter entered into or to be entered into on or about the date of this Charter between the relevant Other Owner, as owner, and the corresponding Other Charterer, as demise owner, and collectively, the **"Other Charters"**.

"Other Charterer" means, in relation to each Other Vessel, the entity designated under the column headed "Project Charterers" in Schedule 3 and corresponding to such Other Vessel, and collectively, the **"Other Charterers"**.

"Other Leasing Documents" means, collectively, the "Leasing Documents" as defined in each Other Charter.

"Other Owner" means, in relation to each Other Vessel, the entity designated under the column headed "Project Owners" in Schedule 3 and corresponding to such Other Vessel, and collectively, the **"Other Owners"**.

"Other Vessel" means each or, as the context may require, any of the vessels designated under the column headed "Project Vessels" in Schedule 3 (other than the Vessel), and collectively, the **"Other Vessels"**.

"Outstanding Finance Amount" means, on any relevant date, (i) the Finance Amount minus (ii) the aggregate Fixed Charterhire which have been paid by the Charterers and received by the Owners as at such date.

"Owners' Financier" shall have the meaning as defined under Clause 58.2(a). **"Owners' Sale"** shall have the meaning as defined under Clause 40.4(b)(ii). **"Party"** means any party to this Charter.

"Payment Date" means each of, or as the context may require, any of:

- (a) in respect of the first Charterhire instalment, the date falling one (1) month after the Commencement Date;
- (b) each date falling at monthly intervals during the Charter Period after the date described in paragraph (a) above; and
- (c) the Maturity Date,

such that there are a total of thirty-six (36) Payment Dates during the Charter Period.

"Payment Notice" has the meaning given to that term in the MOA.

"Permitted Security Interests" means:

- (a) Security Interests created by a Leasing Document or a Financial Instrument;
- (b) liens for unpaid master's and crew's wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime, ownership and management practice;
- (c) liens for salvage provided such liens do not secure amounts more than thirty (30) days overdue;
- (d) liens for master's disbursements incurred in the ordinary course of trading provided such liens do not secure amounts more than thirty (30) days overdue;
- (e) any other liens arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Vessel provided such liens do not secure amounts more than thirty (30) days overdue;
- (f) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the Charterers are prosecuting or defending such action in good faith by appropriate steps; and
- (g) Security Interests arising by operation of law in respect of taxes which are not overdue or for payment of taxes which are overdue for payment but which are being contested by the Owners or the Charterers in good faith by appropriate steps and in respect of which adequate reserves have been made.

"Potential Termination Event" means, an event or circumstance which, with the giving of any notice, the lapse of time, a determination of the Owners and/or the satisfaction of any other condition, would constitute a Termination Event.

"Prepositioning Date" shall have the same meaning as defined under the MOA.

"Purchase Obligation" means the purchase obligation referred to in Clause 48 (*Purchase Obligation*).

"Purchase Obligation Price" means US\$5,000,000.

"Purchase Option" means the early purchase option which the Charterers are entitled to exercise pursuant to Clause 47 (*Purchase Option*).

"Purchase Option Date" has the meaning given to that term in Clause 47.1.

"Purchase Option Notice" has the meaning given to that term in Clause 47.1 (*Purchase Option*).

"Purchase Option Price" means the aggregate of:

- (a) the Outstanding Finance Amount as at the Purchase Option Date together with a fee calculated at the rate of (i) two per cent. (2%) of such Outstanding Finance Amount if the Purchase Option is exercised on a date falling six (6) months after the Commencement Date and until (including) the first (1st) anniversary of the Commencement Date, (ii) one point five per cent. (1.5%) of such Outstanding Finance Amount if the Purchase Option is exercised after the first (1st) anniversary of the Commencement Date and until (including) the second (2nd) anniversary of the Commencement Date and (iii) zero per cent. (0%) if the Purchase Option is exercised after the second (2nd) anniversary of the Commencement Date;
- (b) any amounts of interest accrued from the last Payment Date up to and including the Purchase Option Date;
- (c) any accrued but unpaid Variable Charterhire as at the Purchase Option Date;
- (d) any Breakfunding Costs and any other costs, expenses and fees payable by the Owners to the Owner's Financier under the relevant Financial Instruments but excluding any Swap Costs;
- (e) any documented legal costs, expenses reasonably incurred by the Owners and in connection with the exercise of the Purchase Option under Clause 47 (*Purchase Option*);
- (f) any other reasonable and documented costs, expenses, losses and liabilities and by the Owners under the Leasing Documents as a result of the exercise of the Purchase Option under Clause 47 (*Purchase Option*) (including, but not limited to, the release of securities and the cost of redelivery); and
- (g) all other amounts due and outstanding under this Charter and the other Leasing Documents together with any applicable interest thereon.

"Published Rate" means Term SOFR for three (3) months.

"Published Rate Replacement Event" means, in relation to a Published Rate:

- (a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Owners, materially changed;
- (b)
 - (i)
 - (A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or
- (c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Owners) temporary;
 - (ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than a reasonable time period as determined by the Owners; or
- (d) in the opinion of the Charterers and the Owners (each acting reasonably), that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Charter.

"Purchase Price" means the aggregate amount which has been paid by the Owners (in their capacity as Buyers) to the Charterers (in their capacity as Sellers) for the purchase of the Vessel pursuant to clause 18 (*payment of purchase price*) of the MOA.

"Quotation Day" means in relation to a Term for which an Interest Rate is to be determined, two (2) US Government Securities Business Days before the first day of that Term unless market practice differs in the relevant syndicated loan market in which case the Quotation Day will be determined by the Owners in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

"Reference Rate" means, in relation to a Term:

- (a) the applicable Term SOFR for three (3) months as of the relevant Quotation Day; or
- (b) as otherwise determined pursuant to Clause 36.13,

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

"Relevant Jurisdiction" means, in relation to each Obligor:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any property owned by it and charged under a Leasing Document or an Assignable Sub-charter is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) any jurisdiction whose laws govern the perfection of any of the Leasing Documents the Assignable Sub-charter entered into by it creating a Security Interest.

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"Replacement Reference Rate" means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Published Rate by:
 - (i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate);
 - (ii) any Relevant Nominating Body; or

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 Owners and the Charterer, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to a Published Rate; or
- (c) in the opinion of the Owners and the Charterer, an appropriate successor or alternative to a Published Rate.

"Reporting Time" means close of business in Shanghai on the date falling two (2) Business Days after the Quotation Day for the relevant Term.

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

"Restricted Country" means any country or territory whose government is the target of Sanctions or that is or whose government is, subject to comprehensive country-wide or territory-wide Sanctions (including, without limitation, as regards United States Sanctions, Cuba, Syria, Iran, North Korea, Crimea and Venezuela).

"Restricted Person" means any person who is the subject of Sanctions (whether designated by name or by reason of being included in a class of persons to whom any applicable Sanctions apply in accordance with their terms) or against whom Sanctions are directed, including, without limitation, as a result of being (a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions, or (b) organized under the laws of, or a citizen or resident of, any Restricted Country, or otherwise a target of Sanctions.

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

- (a) imposed, administered, enacted or enforced by law or regulation of the United Kingdom, the Council of the European Union, the People's Republic of China, the United Nations or its Security Council or the US (including, but not limited to, "secondary sanctions" imposed by the US), the Hong Kong SAR, the Flag State or any government, official institution or agency of any of the foregoing, whether or not any Obligor or any Sub-charterer is legally bound to comply with the foregoing; or
- (b) otherwise imposed by any law or regulation binding on any Obligor or any Sub-charterer or to which an Obligor or a Sub-charterer is subject.

"Sanctions Advisory" means the Sanctions Advisory for the Maritime Industry, Energy and Metals Sectors, and Related Communities issued May 14, 2020 by the US Department of the Treasury, Department of State and Coast Guard, as may be amended or supplemented, and any similar future advisory.

"Security Documents" means the Account Security, the Guarantee, the General Assignment, the Shares Security Deed, the Manager's Undertakings and any other security documents granting a Security Interest in respect of the obligations of the Charterers under or in connection with this Charter.

"Security Interest" means:

- (a) a mortgage, charge (whether fixed or floating) or pledge, any maritime or other lien or any other security interest of any kind;
- (b) the security rights of a plaintiff under an action *in rem*; or
- (c) any other right which confers on a creditor or potential creditor a right or privilege to receive the amount actually or contingently due to it ahead of the general unsecured creditors of the debtor concerned; however this paragraph (c) does not apply to a right of set off or combination of accounts conferred by the standard terms of business of a bank or financial institution.

"Sellers" means the Charterers acting in their capacity as seller of the Vessel under the MOA.

"Shares Security Deed" means the shares security deed executed or to be executed by the Guarantor in favour of the Owners over the shares in the Charterers in agreed form.

"SOFR" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"Special Termination Sum" means, in respect of any date (for the purposes of this definition only, the **Relevant Date**), the aggregate of:

- (a) the Outstanding Finance Amount as at the Relevant Date;
- (b) any accrued but unpaid Variable Charterhire and/or any default interest as at the Relevant Date;
- (c) any Breakfunding Costs and any other costs, expenses and fees payable by the Owners to the Owner's Financier under the relevant Financial Instruments but excluding any Swap Costs;
- (d) any reasonable and documented costs, expenses, losses and liabilities incurred by the Owners in connection with the termination of this Charter under Clause 44(A); and
- (e) all other outstanding amounts payable under this Charter and other Leasing Documents together with any applicable interest thereon.

"Sub-charter" means, as the context requires, any sub-charter or other form of contract for employment in respect of the Vessel (including, but not limited to, any Assignable Sub-charter) entered or to be entered into by the Charterers (as disponent owners) and any other Sub-charterer, whether or not already in existence.

"Sub-charterer" means the charterer under a Sub-charter.

"Swap Costs" means any amount payable by the Owners or costs incurred by the Owners (after netting out any gains) as a result of the termination or close-out of any Treasury Transaction entered into in connection with the Leasing Documents.

"Term" means each consecutive one (1) month's period falling during the Charter Period, provided that:

- (a) the first Term shall commence on (and include) the Commencement Date and end on (and include) the first Payment Date;
- (b) each subsequent Term (apart from the final Term) shall commence on (and include) the date falling immediately after the last day of the previous Term;
- (c) any Term which would otherwise overrun a Payment Date shall instead end on (and include) that Payment Date; and
- (d) the final Term shall end on (and include) the Maturity Date.

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

"**Termination Event**" means any event described in Clause 44 (*Termination Events*).

"**Termination Notice Date**" shall have the meaning as defined under Clause 44.2.

"**Termination Sum**" means, in respect of any date (for the purposes of this definition only, the **Relevant Date**"), the aggregate of (without double counting amounts that may be included in more than one sub-paragraph below):

- (a) the Outstanding Finance Amount as at the Relevant Date together with a fee calculated at the rate of three per cent. (3%) of such Outstanding Finance Amount;
- (b) any accrued but unpaid Variable Charterhire as at the Relevant Date;
- (c) any Breakfunding Costs and any other costs, expenses and fees payable by the Owners to the Owner's Financier under the relevant Financial Instruments but excluding any Swap Costs;
- (d) any and all costs, expenses, losses and liabilities incurred by the Owners in connection with the termination of this Charter under Clause 44 (*Termination Events*); and
- (e) any and all costs, expenses, losses and liabilities incurred by the Owners (and the Owners' Financier (if any)), and in locating, repossessing, recovering, repositioning, berthing, insuring and maintaining the Vessel and/or in collecting any payments due under this Charter and/or in obtaining the due performance of the obligations of the Charterers under this Charter or the other Leasing Documents;
- (f) all other outstanding amounts payable under this Charter and other Leasing Documents together with any applicable interest thereon (including, but not limited to, any default interest on any amount owing under paragraphs (a) to (e) above).

"**Third Party Approved Manager**" means any Approved Manager which is not owned or controlled by the Guarantor.

"**Total Loss**" means:

- (a) in the case of an actual loss of the Vessel, the date on which it occurred or, if that is unknown, the date when the Vessel was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of the Vessel, 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 Owners with the insurers in which the insurers agree to treat the Vessel as a Total Loss;
- (c) in the case of any expropriation, confiscation, requisition or acquisition of the Vessel whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority (excluding a requisition for hire for a fixed period not exceeding one (1) year without any right to an extension), on the date on which the expropriation, confiscation, requisition or, as the case may be, the acquisition of the Vessel is completed by delivery of the Vessel to the relevant government or official authority or the person or persons claiming to be or to represent the relevant government or official authority, unless it is redelivered within forty-five (45) days to the full control of the Owners or the Charterers; and
- (d) in the case of any arrest, condemnation, capture, seizure or detention of the Vessel (including any hijacking or theft), unless it is redelivered within forty-five (45) days to the full control of the Owners or the Charterers, the date falling on the expiration of such days.

"Total Loss Payment Date" shall have the meaning given to that term in Clause 40.9.

"Total Loss Proceeds" means the proceeds of any policy or contract of insurance or any Requisition Compensation in each case arising in respect of a Total Loss.

"Treasury Transaction" means any derivative transaction entered into in connection with protection against or benefit from any fluctuation in price or rate.

"Upfront Fee" has the meaning given to that term in Clause 41.1.

"US" means United States of America.

"US Government Securities Business Day" means any day other than:

- (a) a Saturday or a Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"**US Tax Obligor**" means (a) a person which is resident for tax purposes in the United States of America or (b) a person some or all of whose payments under the Leasing Documents are from sources within the United States for United States federal income tax purposes.

"**Variable Charterhire**" means, in relation to a Payment Date, a variable element of charterhire which shall be an amount calculated by applying the applicable Interest Rate for the relevant Term to the Outstanding Finance Amount prevailing on the first day of the relevant Term (which for the avoidance of doubt, shall be the Finance Amount in respect of the first Charterhire instalment), for the actual number of days elapsed within the relevant Term.

"**Vessel**" means the 180K dwt bulk carriers (Capesize) named m.v. "Goodship" registered under the Flag State with IMO number 9311476.

61.2 In this Charter:

"**agreed form**" means, in relation to a document, such document in a form agreed in writing between the Owners and the Charterers and, if required by the Owners in their sole discretion, the Owners' Financier;

"**asset**" includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

"**company**" includes any partnership, joint venture and unincorporated association;

"**consent**" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

"**contingent liability**" means a liability which is not certain to arise and/or the amount of which remains unascertained;

"**continuing**" means, in relation to any Termination Event, a Termination Event which has not been waived by the Owners and in relation to any Potential Termination Event, a Potential Termination Event which has not been waived by the Owners or remedied to the satisfaction of the Owners;

"**control**" over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

- (a) cast, or control the casting of, more than fifty one percent (51%) per cent, of the maximum number of votes that might be cast at a general meeting of such company; or
- (b) appoint or remove all, or the majority, of the directors or other equivalent officers of such company; or
- (c) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;

"**document**" includes a deed; also a letter, fax or telex;

"expense" means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;

"law" includes any order or decree, any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

"legal or administrative action" means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

"liability" includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

"months" shall be construed in accordance with Clause 61.3;

the Owners' **"cost of funds"** in relation to the Outstanding Finance Amount or any part thereof is a reference to the average cost (determined either on an actual or a notional basis) which the Owners would incur if they were to fund or finance, from whatever source(s) they may reasonably select, an amount equal to the amount of the Outstanding Finance Amount or any part thereof for a period equal in length to the Term of the Outstanding Finance Amount or any part thereof;

"person" includes any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

"policy", in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

"protection and indemnity risks" means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Clubs including pollution risks, extended passenger cover and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02 or 1/11/03), clause 8 of the Institute Time Clauses (Hulls)(1/10/83) or clause 8 of the Institute Time Clauses (Hulls) (1/11/1995) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

"regulation" includes any regulation, rule, official directive, request or guideline whether or not having the force of law of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

"subsidiary" has the meaning given in Clause 61.4; and

"tax" includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine.

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

- (a) on the Business Day preceding the numerically corresponding day if the numerically corresponding day is not a Business Day; or
- (b) on the last Business Day in the relevant calendar month, if the period started on the last Business Day in a calendar month or if the last calendar month of the period has no numerically corresponding day;

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

61.4 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,
- (e) and any company of which S is a subsidiary is a parent company of S.

61.5 In this Charter:

- (a) references to a Leasing Document or any other document being in the form of a particular appendix or to any document referred to in the recitals include references to that form with any modifications to that form which the Owners approve;
- (b) references to, or to a provision of, a Leasing Document or any other document are references to it as amended or supplemented, whether before the date of this Charter or otherwise;
- (c) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Charter or otherwise;
- (d) words denoting the singular number shall include the plural and vice versa; and
- (e) references 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 Owners after consultation with the Charterers.

61.6 **Headings.** In interpreting a Leasing Document or any provision of a Leasing Document, all clauses, sub-clauses and other headings in that and any other Leasing Document shall be entirely disregarded.

SCHEDULE 1

ACCEPTANCE CERTIFICATE

GOOD MARITIME CO. (the "**Charterers**") hereby acknowledges that at _____ hours on _____, there was delivered to, and accepted by, the Charterers the Vessel known as m.v. "Goodship", registered in the name of **GIANT 5 HOLDING LIMITED** (the "**Owners**") under the flag of the Republic of Liberia with IMO number 9311476 under a bareboat charter dated _____ (the "**Charter**") and made between the Owners and the Charterers and that Delivery (as defined in the Charter) thereupon took place and that, accordingly, the Vessel is and will be subject to all the terms and conditions contained in the Charter.

The Charterers warrant that the representations and warranties made by them in Clause 45 (*Representations and Warranties*) of the Charter remain correct and that no Termination Event (as defined in the Charter) has occurred and is continuing at the date of this Acceptance Certificate.

Name:
Title:
for and on behalf of
GOOD MARITIME CO.
Date:

SCHEDULE 2

Part A

The following are the documents referred to in Clause 34.2(f)(i):

1 Corporate Authority

- 1.1 A copy of the constitutional documents of the Charterers and the Guarantor.
- 1.2 If required, a copy of the resolutions of the board of directors (or equivalent) of the Charterers and the Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Leasing Documents to which it is a party and resolving that it execute the Leasing Documents to which it is a party;
 - (b) authorizing a specified person or persons to execute the Leasing Documents to which it is a party on its behalf; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under, or in connection with, the Leasing Documents to which it is a party.
- 1.3 If required, a copy of the power of attorney of any party to a Leasing Document authorising a specified person or persons to execute the Leasing Documents to which it is a party.
- 1.4 If required, a specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2 above.
- 1.5 If required, a copy of the resolutions signed by all the holder(s) of the issued shares of the Charterers, approving the terms of, and the transactions contemplated by such Leasing Documents.
- 1.6 A certificate of an officer or authorised signatory of each of the Charterers and the Guarantor certifying that each copy document relating to it specified in this Part A of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Charter.

2 Leasing Documents

- 2.1 Duly executed copies of each Leasing Document (other than the Account Security, the General Assignment, the Manager's Undertakings and the Shares Security Deed) and of each document to be delivered under each of them.
- 2.2 Agreed forms of the Account Security, the General Assignment, the Manager's Undertakings and the Shares Security Deed and of each document to be delivered under each of them.

3 Vessel Documents

- 3.1 A copy of each executed Approved Management Agreement establishing that the Vessel will, as from the Commencement Date, be managed by the relevant Approved Manager and approved by the Owners.

- 3.2 A copy of the Document of Compliance of the relevant Approved Technical Manager.
- 3.3 A copy of the Vessel's class certificate evidencing that the Vessel maintains such classification (free of any overdue recommendations and conditions) as is acceptable to the Owners.
- 3.4 Copies of the Vessel's Safety Management Certificate (together with any other details of the applicable safety management system which the Owners may require) and of any other documents required under the ISM Code and the ISPS Code (including, without limitation, an ISSC and IAPPC).

4 Legal opinions

- 4.1 An agreed form legal opinion by English law legal advisers to the Owners on such matters on the laws of England in relation to the documents listed in paragraphs 2.1 and 2.2 of Part A of this Schedule, in form and substance acceptable to the Owners.
- 4.2 Agreed forms of legal opinions by lawyers appointed by the Owners on such matters relating to the documents listed in paragraphs 2.1 and 2.2 of Part A of this Schedule, concerning the laws of the Republic of the Marshall Islands, the Republic of Liberia and Greece and such other relevant jurisdictions as the Owners may require, in form and substance acceptable to the Owners.

5 Initial Sub-charter

- 5.1 A copy of the Initial Sub-charter (and any addendums thereto).
- 5.2 Evidence to the satisfaction of the Owners that the Initial Sub-charterer consents to the sale and leaseback of the Vessel contemplated by the Leasing Documents.

6 Escrow Agreement

A copy of the executed Escrow Agreement.

7 Vessel Insurances

- 7.1 Agreed form of letters of undertaking and certificates of entry (as the case may be) relating to insurances as set out in Clause 38 (*Insurance*) acknowledged by the relevant insurer, insurance broker, protection and indemnity association or war risks association (as the case may be).
- 7.2 An insurance report or certificate by an insurance broker or consultant appointed by the Owners (but at the cost of the Charterers) in an agreed form acceptable to the Owners.

8 Payment Notice

A duly completed Payment Notice to be received by the Owners not later than five (5) Business Days prior to the Prepositioning Date.

9 Deed of Release

An agreed form deed of release discharging (i) all of the Charterers' obligations under the Existing Facility Agreement and documents conferring Security Interests entered into in connection with the Existing Facility Agreement and (ii) all Security Interests encumbering the Vessel or any part thereof (if any), in such form as is satisfactory to the Owners.

10 Others

- 10.1 A copy of the duly executed commercial invoice of the Vessel.
- 10.2 Copies of the Original Financial Statements.
- 10.3 Evidence that the Earnings Account has been or will be opened.
- 10.4 Evidence that any fees, costs and expenses then due from the Charterers to the Owners under the Leasing Documents have been paid and received by, or will be paid and received by, the Owners.
- 10.5 Such evidence relating to the Charterers or the Guarantor as the Owners may reasonably require for their (or their financiers) to be able to satisfy each of their "know your customer" or similar identification procedures in relation to the Leasing Documents.
- 10.6 A copy of any other consents, approvals, authorization or other document, opinion or assurance which the Owners consider to be reasonably necessary or desirable in connection with the entry into and performance of the transactions contemplated by any of the documents listed in paragraph 2 of Schedule 2, Part A or for the validity and enforceability of such documents.
- 10.7 If required, evidence that any process agent referred to under the Leasing Documents has accepted its appointment.
- 10.8 Such other information and documents as the Owners may reasonably require by giving notice to the Charterers.
- 10.9 If the Owners so require, in relation to any of the documents referred to in this Schedule 2 Part A, an English translation of that document (with such cost to be borne by the Charterers).

Part B

The following are the documents referred to in Clause 34.2(f)(ii):

1 Bringdown Certificate

If required, a certificate of an authorised signatory of the Charterers and the Guarantor certifying that each document which they are required to provide under Part A of Schedule 2 of this Charter, is correct, complete and in full force and effect as at the Commencement Date.

2 Deed of Release

Duly executed copy of the deed of release referred to in paragraph 9 of Schedule 2, Part A of this Charter.

3 Security Documents

Duly executed copies of each of the Account Security, the General Assignment, the Manager's Undertakings and the Shares Security Deed and of each document to be delivered under each of them.

4 Vessel Documents

Documentary evidence that the Vessel:

- (a) is or will be definitively and permanently registered in the name of the Owners under the Flag State;
- (b) is or will be in the absolute and unencumbered ownership of the Owners; and
- (c) has been or will be unconditionally delivered by the Charterers to the Owners pursuant to the terms of the MOA, where such documents shall include without limitation:
 - (i) a copy of the certificate or transcript issued by the competent authorities of the Flag State on the date of Delivery evidencing the Charterers' (as sellers under the MOA) ownership of the Vessel and that the Vessel is free from registered encumbrances and mortgages;
 - (ii) the original (if required by the Flag State) or a copy of the bill of sale in a form recordable in the Flag State, transferring title of the Vessel by the Charterers (as sellers under the MOA) to the Owners (as buyers under the MOA) and stating that the Vessel is free from all mortgages, encumbrances and maritime liens (whether maritime or otherwise) or any other debts whatsoever, duly notarially attested and legalised or apostilled as may be required by the Flag State; and
 - (iii) a copy of the protocol of delivery and acceptance duly executed by the Charterers and Owners.
- (d) Any additional documents as may be required by the competent authorities of the Flag State for the purpose of registering the Vessel in the name of the Owners as registered owner.

5 Others

- 5.1 Evidence that any fees, costs and expenses then due from the Charterers to the Owners under the Leasing Documents have been paid and received by, or will be paid and received by, the Owners, on Delivery of the Vessel.
- 5.2 If the Owners so require, in relation to any of the documents referred to in this Schedule 2 Part B, an English translation of that document (with such cost to be borne by the Charterers).
- 5.3 Such other information or documents as the Owners may reasonably require by giving notice to the Charterers.

Part C

The following are the documents referred to in Clause 34.2(f)(iii):

1 Registration of security

Documentary evidence that, if applicable, the Security Interests intended to be created by the Security Documents have been duly perfected within the time periods as set out under applicable law.

2 Legal opinions

Not later than five (5) Business Days after the date that (i) the Delivery under this Charter and (ii) the "Delivery" as defined under each Other Charter have all taken place, issued signed copies of the legal opinions referred to in paragraphs 4.1 and 4.2 of Schedule 2, Part A of this Charter.

3 Insurances

- (a) Not later than fifteen (15) Business Days after the Commencement Date, receipt of copies of the executed letters of undertaking and certificates of entry (as the case may be) relating to insurances as set out in Clause 38 (*Insurance*) acknowledged by the relevant insurer, insurance broker, protection and indemnity association or war risks association (as the case may be), each in the agreed form under paragraph 5 of Schedule 2, Part A of this Charter.
- (b) Not later than twenty (20) Business Days after the Commencement Date, the issued insurance report in the form agreed under paragraph 5 of Schedule 2, Part A of this Charter.

SCHEDULE 3

PROJECT VESSELS

Project Vessels	IMO Number	Project Owners (jurisdiction of incorporation)	Project Charterers (jurisdiction of incorporation)
M.V. "TRADERSHIP"	9310135	GIANT 4 HOLDING LIMITED	TRADERS MARITIME CO.
M.V. "GOODSHIP"	9311476	GIANT 5 HOLDING LIMITED	GOOD MARITIME CO.
M.V. "GLORIUSHIP"	9266944	GIANT 6 HOLDING LIMITED	SEA GLORIUS SHIPPING CO.

EXECUTION PAGE

OWNERS

SIGNED)
for and on behalf of)
GIANT 5 HOLDING LIMITED)
acting by Cao Jiong) /s/ Cao Jiong
its attorney-in-fact)
in the presence of:)

/s/ Sun Linzi

Witness:

Name: Sun Linzi

Address: Room 6006, 6th Floor, No.15
Second East Zhongshan Road,
Shanghai, P.R. China 200002

CHARTERERS

EXECUTED)
for and on behalf of)
GOOD MARITIME CO.)
acting by Stavros Gyftakis) /s/ Stavros Gyftakis
being its attorney-in-fact)
witnessed by:)

/s/ Maria Moschopoulou

Witness:

Name: Maria Moschopoulou

Address: 154 Vouliagmenis Avenue, 16674,
Glyfada, Greece

EXECUTION VERSION

DATED 15 November 2023

UNITED MARITIME CORPORATION
as Guarantor

and

GIANT 5 HOLDING LIMITED
as Owner

GUARANTEE

relating to
a bareboat charter in respect of m.v. "Goodship"

WATSON FARLEY
&
WILLIAMS

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THIS GUARANTEE is made on 15 November 2023

BETWEEN

- (1) **UNITED MARITIME CORPORATION**, a corporation incorporated and existing under the laws of the Republic of the Marshall Islands with entity number 112801 and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH 96960 (the "**Guarantor**")
- (2) **GIANT 5 HOLDING LIMITED**, a company incorporated and existing under the laws of Hong Kong with registration number 3304174 and having its registered office at 6/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong (the "**Owner**", which expression includes its successors and assigns)

BACKGROUND

- (A) By a memorandum of agreement dated 15 November 2023 (as amended and supplemented from time to time, the "**MOA**") and made between (i) Good Maritime Co. (the "**Bareboat Charterer**") as seller and (ii) the Owner as buyer, the Bareboat Charterer has agreed to sell and deliver and the Owner has agreed to purchase and accept the legal and beneficial title of the Vessel pursuant to the terms and conditions contained therein.
- (B) By a bareboat charterparty dated 15 November 2023 (as amended and supplemented from time to time, the "**Bareboat Charter**") and made between (i) the Bareboat Charterer as bareboat charterer and (ii) the Owner as owner, the Owner has agreed to bareboat charter the Vessel to the Bareboat Charterer pursuant to the terms and conditions contained therein.
- (C) The Guarantor directly holds 100 per cent. of the issued shares of the Bareboat Charterer.
- (D) It is one of the conditions precedent to the purchase of the Vessel by the Owner from the Bareboat Charterer under the MOA and the subsequent chartering of the Vessel by the Owner to the Bareboat Charterer under the Bareboat Charter that the Guarantor enters into this Guarantee.
- (E) This Guarantee is the "Guarantee" referred to in the Bareboat Charter.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Defined expressions

Words and expressions defined in the Bareboat Charter shall have the same meanings when used in this Guarantee unless the context otherwise requires.

1.2 Construction of certain terms

In this Guarantee:

"**bankruptcy**" includes a liquidation, receivership or administration and any form of suspension of payments, arrangement with creditors or reorganisation under any corporate or insolvency law of any country.

"Code" means the US Internal Revenue Code of 1986.

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

"Party" means a party to this Guarantee.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Bareboat Charterer to the Owner under or in connection with any Leasing Documents or any judgment or any arbitral award relating to any Leasing Documents and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country.

"Security Period" means the period commencing on the date hereof and ending on the date on which the Owner is satisfied that the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

1.3 "References to "Bareboat Charterer"

References to the Bareboat Charterer under this Guarantee shall, for the avoidance of doubt, include reference to the Bareboat Charterer in its various capacities under the Leasing Documents.

1.4 Application of construction and interpretation provisions of Bareboat Charter

Clauses 61.2 to 61.6 of the Bareboat Charter apply, with any necessary modifications, to this Guarantee.

2 GUARANTEE

2.1 Guarantee and indemnity

The Guarantor unconditionally and irrevocably:

- (a) guarantees the due payment of all amounts payable by the Bareboat Charterer under or in connection with the Leasing Documents (or any of them) to which the Bareboat Charterer is a party;
- (b) guarantees the punctual performance by the Bareboat Charterer of all the Bareboat Charterer's obligations under or in connection with the Leasing Documents (or any of them) to which the Bareboat Charterer is a party;
- (c) undertakes to pay to the Owner, within three (3) Business Days from the Owner's demand as if it was the principal obligor, any such amount which is not paid by the Bareboat Charterer when due and payable under or in connection with the Leasing Documents (or any of them), taking into account any grace period for such payment as may be applicable under the terms of the Leasing Documents; and
- (d) undertakes to fully indemnify, as an independent and primary obligation, the Owner within three (3) Business Days from its demand in respect of all documented claims, expenses,

liabilities, costs and losses which are made or brought against or incurred by the Owner as a result of or in connection with any obligation or liability of the Bareboat Charterer under the Leasing Documents to which the Bareboat Charterer is a party and/or any obligation or liability guaranteed by the Guarantor being or becoming unenforceable, invalid, void or illegal; and the amount recoverable under this indemnity shall be equal to the amount which the Owner would otherwise have been entitled to recover under the Leasing Documents to which the Bareboat Charterer is a party.

2.2 No limit on number of demands

The Owner may serve more than one demand under Clause 2.1 (*Guarantee and indemnity*).

2.3 Guarantee of whole amount

This Guarantee shall be construed and take effect as a guarantee of all amounts due to the Owner under the Leasing Documents (or any of them) to which the Bareboat Charterer is a party.

3 LIABILITY AS PRINCIPAL AND INDEPENDENT DEBTOR

3.1 Principal and independent debtor

The Guarantor shall be liable under this Guarantee as a principal and independent debtor and accordingly it shall not have, as regards this Guarantee, any of the rights or defences of a surety.

3.2 Waiver of rights and defences

Without limiting the generality of Clause 3.1 (*Principal and independent debtor*), the Guarantor shall neither be discharged by, nor have any claim against the Owner in respect of:

- (a) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (b) any amendment or supplement being made to any Leasing Document;
- (c) any arrangement or concession (including a rescheduling or acceptance of partial payments) relating to, or affecting, any Leasing Document;
- (d) any release or loss (even though negligent) of any right or Security Interest created by any Leasing Document;
- (e) any failure (even though negligent) promptly or properly to exercise or enforce any such right or Security Interest, including a failure to realise for its full market value an asset covered by such a Security Interest;
- (f) any Leasing Document being or later becoming void, unenforceable, illegal or invalid or otherwise defective in whole or in part for any reason, including a neglect to register it; or
- (g) any insolvency or similar proceedings.

4 EXPENSES

4.1 Costs of preservation of rights, enforcement etc.

The Guarantor shall pay to the Owner on its demand the amount of all documented expenses (including, without limitation, out of pocket expenses and legal fees) incurred by the Owner in connection with the enforcement of, or the preservation of any rights under this Guarantee or any other Leasing Document, including any advice, claim or proceedings relating to this Guarantee or any other Leasing Document.

4.2 Fees and expenses payable under Bareboat Charter

Clause 4.1 (*Costs of preservation of rights, enforcement etc.*) is without prejudice to the Guarantor's liabilities in respect of the Bareboat Charterer's obligations under clause 41 (*Fees and Expenses*) of the Bareboat Charter.

5 ADJUSTMENT OF TRANSACTIONS

The Guarantor shall pay to the Owner within three (3) Business Days from its demand any amount which the Owner is required, or agrees, to pay pursuant to any claim by, or settlement with, a trustee in bankruptcy of the Bareboat Charterer on the ground that the Bareboat Charter (as the case may be), or a payment by the Bareboat Charterer or other Obligor, was invalid or on any similar ground.

6 PAYMENTS

6.1 Method of payments

Any amount due under this Guarantee shall be paid:

- (a) in immediately available funds;
- (b) to such account as the Owner may from time to time notify to the Guarantor;
- (c) without any form of set-off, cross-claim or condition; and
- (d) free and clear of any tax deduction or withholding for or on account of any tax payable under the laws of its Relevant Jurisdictions except a tax deduction or withholding which the Guarantor is required by law to make.

6.2 Grossing-up for taxes

If the Guarantor is required by law to make a tax deduction, the amount due to the Owner shall be increased by the amount necessary to ensure that the Owner receives and retains a net amount which, after the tax deduction, is equal to the full amount that it would otherwise have received.

6.3 Indemnity and evidence of payment of taxes

- (a) The Guarantor shall fully indemnify the Owner on the Owner's demand in respect of all documented claims, expenses, liabilities and losses incurred by the Owner by reason of any failure of the Guarantor to make any tax deduction or by reason of any increased payment not

being made on the due date for such payment in accordance with Clause 6.2 (*Grossing-up for taxes*).

- (b) Within thirty (30) days after making tax deduction, the Guarantor shall deliver to the Owner any receipts, certificates or other documentary evidence satisfactory to the Owner that the tax had been paid to the appropriate taxation authority.

7 INTEREST

7.1 Accrual of interest

Any amount due under this Guarantee shall carry interest following the date on which the Owner demands payment of it from the Guarantor until it is actually paid, unless interest on that same amount also accrues under the relevant Leasing Document.

7.2 Calculation of interest

Interest under this Guarantee shall be calculated and accrue at the rate described in clauses

36.10 and 36.11 of the Bareboat Charter and otherwise in accordance with the terms thereof.

7.3 Guarantee extends to interest payable under Leasing Documents

For the avoidance of doubt, it is confirmed that this Guarantee covers all interest payable under the Leasing Documents.

8 SUBORDINATION

8.1 Subordination of rights of Guarantor

Until the end of the Security Period, all rights which the Guarantor at anytime has (whether in respect of this Guarantee or any other transaction) against the Bareboat Charterer or any other Obligor or their respective assets shall be fully subordinated to the rights of the Owner under the Leasing Documents (or any of them), and in particular, the Guarantor shall not:

- (a) claim, or in a bankruptcy of the Bareboat Charterer or any other Obligor prove for, any amount payable to the Guarantor by the Bareboat Charterer or any other Obligor, whether in respect of this Guarantee or any other transaction;
- (b) take or enforce any Security Interest for any such amount;
- (c) claim to set-off any such amount against any amount payable by the Guarantor to the Bareboat Charterer or any other Obligor; or
- (d) claim any subrogation or other right in respect of any Leasing Document or any sum received or recovered by the Owner under the Leasing Documents.

9 ENFORCEMENT

9.1 No requirement to commence proceedings against Bareboat Charterer

The Owner will not need to commence any proceedings under, or enforce any Security Interest created by any Leasing Document before claiming or commencing proceedings under this Guarantee.

9.2 Conclusive evidence of certain matters

However, as against the Guarantor:

- (a) any judgment or order of a court in England or any other Relevant Jurisdiction or award of an arbitration in London in connection with any other Leasing Document; and
- (b) any statement or admission of any other Obligor in connection with any Leasing Document, shall be binding and conclusive as to all matters of fact and law to which it relates.

9.3 Suspense account

The Owner may, for the purpose of claiming or proving in an insolvency of any Obligor, place any sum received or recovered under or by virtue of this Guarantee on a separate interest bearing suspense or other nominal account without applying it in satisfaction of the Bareboat Charterer's or Guarantor's obligations under any Leasing Document.

10 REPRESENTATIONS AND WARRANTIES

10.1 General

The Guarantor represents and warrants to the Owner, as at the date of this Guarantee, and on each day henceforth until the last day of the Security Period, as follows.

10.2 Status

- (a) The Guarantor is duly incorporated and validly existing and in good standing under the laws of the Republic of the Marshall Islands.
- (b) The Guarantor is not a FATCA FFI or a US Tax Obligor.
- (c) The Bareboat Charterer is wholly legally and beneficially owned and controlled by the Guarantor.
- (d) There has been no Change of Control.
- (e) The shares of the Guarantor are trading on the Nasdaq Capital Market.
- (f) The Guarantor is an entity reporting with the Nasdaq Capital Market.

10.3 Corporate power

The Guarantor has the corporate capacity, and has taken all corporate action and obtained all consents, approvals, authorisations, licenses or permits necessary for it:

- (a) to execute this Guarantee or any other Leasing Document to which it is a party; and
- (b) to make all the payments contemplated by, and to comply with and perform its obligations under, this Guarantee or any other Leasing Document to which it is a party.

10.4 No conflicts

The entry into and the performance by the Guarantor of, and the transactions contemplated by, this Guarantee and the other Leasing Documents to which it is a party do not and will not conflict with:

- (a) any law or regulation applicable to it; or
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or constitute a default or termination event (however described) under any such agreement or instrument.

10.5 Consents in force

All the consents, approvals, authorisations, licenses or permits referred to in Clause 10.3 (*Corporate power*) remain in force and nothing has occurred which makes any of them liable to revocation.

10.6 Legal validity

This Guarantee and the other Leasing Documents to which the Guarantor is a party constitute the Guarantor's legal, valid and binding obligations enforceable against the Guarantor in accordance with its respective terms and any relevant insolvency laws affecting creditors' rights generally.

10.7 No third party Security Interests

Without limiting the generality of Clause 10.6 (*Legal validity*), at the time of the execution and delivery of this Guarantee and any other Security Document to which the Guarantor is a party:

- (a) the Guarantor will have the right to create all the Security Interests which such Security Documents purport 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 withholding taxes

All payments which the Guarantor is liable to make under this Guarantee and the other Leasing Documents to which it is a party may be made by it without deduction or withholding for or on account of any tax payable under the laws of the Relevant Jurisdiction of the Guarantor.

10.9 No default

No Termination Event or Potential Termination Event has occurred, or is continuing or might reasonably be expected to result from the entry into and performance of this Guarantee or any other Leasing Document.

10.10 Information

All information which has been provided in writing by or on behalf of the Guarantor to the Owner in connection with any Leasing Document satisfies the requirements of Clause 11.2

(Information provided to be accurate); all audited and unaudited accounts which have been so provided satisfies the requirements of Clause 11.4 (*Form of financial statements*); and there has been no material adverse effect in the financial position or state of affairs of the Guarantor from that disclosed in the latest of those accounts.

10.11 No litigation

No legal or administrative action involving the Guarantor involving claim(s) amounting to more than US\$ 5,000,000 has been commenced or taken.

10.12 Pari passu

The obligations of the Guarantor under this Guarantee and each other Leasing Document to which the Guarantor is a party, are the direct, general and unconditional obligations of the Guarantor and rank at least pari passu with all other present and future unsecured and unsubordinated creditors of it save for any obligation which is mandatorily preferred by law and not by virtue of any contract.

10.13 Sanction

- (a) Neither the Guarantor, nor any of its respective Affiliates, members, directors, officers, employees or agents, nor (to the best of its knowledge) any Sub-charterer:
- (i) is a Restricted Person;
 - (ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Restricted Person;
 - (iii) owns or controls a Restricted Person; or
 - (iv) has a Restricted Person serving as a director, officer or, to the best of its knowledge, employee.
- (b) The Guarantor and its respective directors, officers, employees and agents and (to the best of its knowledge) any Sub-charterer is in compliance with all Sanctions laws, and none of them have been or are currently being investigated on compliance with Sanctions, they have not received notice or are aware of any claim, action, suit or proceeding against any of them with respect to Sanctions and they have not taken any action to evade the application of Sanctions.

10.14 Anti-Money Laundering and other Laws

The Guarantor, each other Obligor and (to the best of its knowledge) any Sub-charterer is not in breach of any laws or regulations relating to the Vessel and its ownership, employment, operation, management and registration, including the ISM Code, the ISPS Code, all Environmental Laws, the laws of the Vessel's registry and in particular, all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws and each of the Guarantor, other Obligor and (to the best of its knowledge) Sub-charterer has instituted and maintained systems, controls, policies and procedures designed to:

- (a) prevent and detect incidences of bribery and corruption, money laundering and terrorism financing; and

- (b) promote and achieve compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws.

10.15 No immunity

Neither the Guarantor nor any of its assets, in each case, has any right to immunity from set off, legal proceedings, attachment prior to judgement or other attachment or execution of judgement on the grounds of sovereign immunity or otherwise.

10.16 No insolvency

The Guarantor is not insolvent or in liquidation or administration or subject to any other formal or informal insolvency procedure, and no receiver, administrative receiver, administrator, liquidator, trustee or analogous officer has been appointed in respect of it or all or material part of its assets.

10.17 Provisions of Leasing Documents

The Guarantor is fully familiar with and agrees with all provisions of the Leasing Documents to which the Bareboat Charterer is a party.

10.18 No waiver

No oral or written statement has been made to the Guarantor by or on behalf of the Owner or any other person which could be construed as a waiver of any provisions of this Guarantee or a statement of intention not to enforce this Guarantee in accordance with its terms.

11 UNDERTAKINGS

11.1 General

The Guarantor undertakes with the Owner to comply with the following provisions of this Clause 11 (*Undertakings*) commencing from the date hereof and up to the last day of the Security Period, except as the Owner may otherwise permit.

11.2 Information provided to be accurate

All financial and other information which is provided in writing by or on behalf of the Guarantor under or in connection with this Guarantee will be true and not misleading and will not omit any material fact or consideration.

11.3 Provision of financial statements

The Guarantor will send to the Owner:

- (a) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Guarantor (beginning with the financial year ending 31 December 2022), the audited consolidated annual financial reports of the Guarantor for that financial year; and
- (b) as soon as possible, but in no event later than ninety (90) days after the end of each half-year of the Guarantor, the unaudited consolidated half-yearly accounts of the Guarantor certified as to their correctness by a director of the Guarantor.

11.4 Form of financial statements

All accounts (audited and unaudited) delivered under Clause 11.3 (*Provision of financial statements*) will:

- (a) be prepared in accordance with all applicable laws and generally accepted accounting principles consistently applied;
- (b) give a true and fair view of (in respect of the audited and unaudited accounts) or fairly representing (in the case of the management accounts) the state of affairs of the Guarantor at the date of those accounts and of their profit for the period to which those accounts relate;
- (c) fully disclose or provide for all significant liabilities of the Guarantor and its subsidiaries; and
- (d) if not in the English language, be accompanied by an English translation duly certified as to its correctness.

11.5 Consents

The Guarantor will maintain in force and promptly obtain or renew, and will, upon the request of the Owner, promptly send certified copies to the Owner of, any necessary consents, approvals, authorisations, licenses or permits of any regulatory body or authority required:

- (a) for the Guarantor to perform its obligations under this Guarantee and any other Leasing Document to which it is a party; and
- (b) for the validity or enforceability of this Guarantee and any other Leasing Document to which it is a party,

and the Guarantor will comply with the terms of all such consents, approvals, authorisations, licenses or permits.

11.6 Maintenance of Security Interests

The Guarantor will at their own cost:

- (a) ensure that any Leasing Document to which it is a party validly creates the obligations and the Security Interests which it purports to create; and
- (b) without limiting the generality of paragraph (a), promptly register, file, record or enrol any Leasing Document to which it is a party with any court or authority in all relevant jurisdictions, pay any stamp duty, registration or similar tax in all relevant jurisdictions in respect of any Leasing Document to which it is a party, give any notice or take any other step which, is or has become necessary or desirable for any such Leasing Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which it creates.

11.7 Notification of default

The Guarantor will promptly notify the Owner:

- (a) any circumstances which could give rise to a breach of any representation or undertaking in the Bareboat Charter, or any Termination Event, relating to Sanctions;

- (b) any Termination Event; or
- (c) any matter which indicates that a Termination Event may have occurred, and will thereafter keep the Owner fully up-to-date with all developments.

11.8 Maintenance of status

The Guarantor will maintain its separate corporate existence as a corporation and remain in good standing under the laws of the Republic of the Marshall Islands.

11.9 Negative Pledge

The Guarantor shall not, and shall procure none of its subsidiaries will create or permit to arise any Security Interest over any asset which is subject to the Security Interest created under any Leasing Documents present or future except the Permitted Security Interests.

11.10 Pari passu

The Guarantor shall procure that its liabilities under this Guarantee will rank at least pari passu with all its other present and future unsecured liabilities, except for liabilities which are mandatorily preferred by law.

11.11 No disposal of assets, change of business

The Guarantor:

- (a) shall not make any substantial change to the nature of its business or its corporate structure from that existing at the date of this Guarantee; and
- (b) shall procure that the Bareboat Charterer will not transfer, lease (other than in relation to the chartering of the Vessel pursuant to the terms of the Bareboat Charter) or otherwise enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.

11.12 No payment of dividend

The Guarantor shall not declare, make or pay any dividend or other distribution (or interest on any unpaid dividend or other distribution) (whether in cash or in kind) on or in respect of its share capital (including any class of its share capital) unless:

- (a) at the relevant time no Termination Event has occurred and is continuing; and
- (b) a Termination Event would not occur as a direct result of such payment or distribution.

11.13 No merger etc.

The Guarantor shall not, and shall procure that no other Obligor (other than a Third Party Approved Manager) will, enter into any form of merger, amalgamation, demerger or corporate reconstruction without the Owner's prior written consent.

11.14 Maintenance of ownership of Bareboat Charterer

The Guarantor shall remain the ultimate corporate beneficial owner of all the issued and allotted share capital of the Bareboat Charterer.

11.15 Sanctions

The Guarantor shall comply, and shall procure that each other Obligor (including, in each case, procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity or (on a best effort basis) any Sub-charterer to do the same) complies, with all applicable laws and regulations in respect of Sanctions.

11.16 Trading not contrary to Sanctions

Without limiting Clause 11.15 (*Sanctions*), the Guarantor will procure that:

- (a) the Vessel shall not be operated, employed, managed, used by or for the benefit of a Restricted Person;
- (b) the Vessel shall not be employed in trading with any Restricted Person or in any manner contrary to Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom;
- (c) notwithstanding any provision of the Bareboat Charter, the Vessel shall not be permitted to call at any port in any Restricted Country or any area or country where trading in such area or country would constitute or would be reasonably expected to constitute a breach of Sanctions;
- (d) the Vessel shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances or in any manner which would result in any Obligor, any Sub-charterer or the Owner becoming a Restricted Person; and
- (e) that each charterparty in respect of the Vessel shall contain, for the benefit of the Owners, language which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions and which prohibits trading to any Restricted Country.

11.17 Compliance with Anti-Money Laundering Laws and other Laws.

The Guarantor:

- (a) shall, and shall procure that each other Obligor shall, promptly notify the Owner of any non-compliance, by any Obligor or their respective officers, directors, employees, consultants, agents or intermediaries or (on a best efforts basis) any Sub-charterer, with all laws and regulations relating to Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws;
- (b) shall, and shall procure that each other Obligor shall (including procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) or (on a best effort basis) any Sub-charterer shall:

- (i) comply with all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
 - (ii) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws; and
 - (iii) procure the Bareboat Charterer, not to use, or permit or authorize any person to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (c) procure that the Bareboat Charterer do not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws.

12 JUDGMENTS AND CURRENCY INDEMNITY

12.1 Judgments relating to Leasing Documents

This Guarantee shall cover any amount payable by the Bareboat Charterer under or in connection with any judgment relating to any Leasing Document.

12.2 Currency indemnity

If any sum (a "**Sum**") due from the Guarantor to the Owner under this Guarantee or under any order, judgment or award given or made relating to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (a) making or filing a claim or proof against the Guarantor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings; or

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

In this Clause 12.2 (*Currency indemnity*), the "**available rate of exchange**" means the rate at which the Owner is able at the opening of business (Shanghai time) on the Business Day after it receives the Sum concerned to purchase the First Currency with the Second Currency.

13 SET-OFF

13.1 Application of credit balances

The Owner may, following the occurrence of a Termination Event which is continuing, without prior notice, but notifying the Guarantor afterwards:

- (a) apply any balance (whether or not then due) which at any time stands to the credit of any account in the name of the Guarantor at any office in any country of either an affiliate of the Owner or the Owner's financiers in or towards satisfaction of any sum then due from the Guarantor to the Owner under this Guarantee and any other Security Document; and
- (b) for that purpose:
 - (i) break, or alter the maturity of, all or any part of a deposit of the Guarantor;
 - (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 Owner considers appropriate.

13.2 Existing rights unaffected

The Owner shall not be obliged to exercise any of its rights under Clause 13.1 (*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 the Owner is entitled (whether under the general law or any document).

14 SUPPLEMENTAL

14.1 Continuing guarantee

This Guarantee shall remain in force as a continuing security at all times from the date of this Guarantee up to the last day of the Security Period.

14.2 Rights cumulative, non-exclusive

The Owner's rights under and in connection with this Guarantee are cumulative, may be exercised as often as appears expedient and shall not be taken to exclude or limit any right or remedy conferred by law.

14.3 No impairment of rights under Guarantee

If the Owner omits to exercise, delays in exercising or invalidly exercises any of its rights under this Guarantee, that shall not impair that or any other right of the Owner under this Guarantee.

14.4 Severability of provisions

If any provision of this Guarantee is or subsequently becomes void, illegal, unenforceable or otherwise invalid, that shall not affect the validity, legality or enforceability of its other provisions.

14.5 Guarantee not affected by other security

This Guarantee shall not impair, nor be impaired by, any other guarantee, any Security Interest or any right of set-off or netting or to combine accounts which the Owner may now or later hold in connection with the Leasing Documents.

14.6 Applicability of provisions of Guarantee to other Security Interests

Any Security Interest which the Guarantor creates (whether at the time at which it signs this Guarantee or at any later time) to secure any liability under this Guarantee shall be a principal and independent security, and Clauses 1 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*) shall, with any necessary modifications, apply to it, notwithstanding that the document creating the Security Interest neither describes it as a principal or independent security nor includes provisions similar to Clauses 3 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*).

14.7 Applicability of provisions of Guarantee to other rights

Clauses 3 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*) shall also apply to any right of set-off or netting or to combine accounts which the Guarantor creates by an agreement entered into at the time of this Guarantee or at any later time (notwithstanding that the agreement does not include provisions similar to Clauses 3 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*)), being an agreement referring to this Guarantee.

14.8 Third party rights

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

14.9 Counterpart

This Guarantee may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Guarantee.

14.10 Immunity

The Guarantor waives any rights of sovereign immunity which it or any of its assets may enjoy in any jurisdiction and subjects itself to civil and commercial law with respect to their obligations under this Guarantee.

15 ASSIGNMENT

15.1 Assignment or transfer by Guarantor

The Guarantor shall not assign any of its rights or transfer by novation of its rights and obligations under this Guarantee except with the Owner's prior consent in writing.

15.2 Assignment by Owner

The Owner may assign or transfer its rights under and in connection with this Guarantee to the same extent as it may do so under the Bareboat Charter.

16 NOTICES

16.1 Notices

Any notice, certificate, demand or other communication to be served, given made or sent under or in relation to this Guarantee shall be in English and in writing and (without prejudice to any other valid method or giving making or sending the same) shall be deemed sufficiently given or made or sent if sent by registered post or by email to the following respective addresses:

- (a) to the Owner: China Huarong Shipping Financial Leasing Company Limited Room 6006, 6th Floor, No. 15 Second East Zhongshan Road, Shanghai, China, 200002
Attention: Jones Cao/Annie Tao/ Sun Linzi
Tel:
Email:
- (b) to the Guarantor: c/o United Management Corp., 154 Vouliagmenis Avenue,
16674 Glyfada, Athens, Greece
Attention: Mr. Stavros Gyftakis
Email:
Tel:

or, if a party hereto changes its address or email address, to such other address or email address as that party may notify to the other.

16.2 Service of notices

Any such communication shall be deemed to have reached the Party to whom it was addressed (a) when delivered (in case of a registered letter), or (b) when actually received in readable form (in case of an email). A notice or other such communication received on a non-working day or after 5.00 p.m. in the place of receipt shall be deemed to be served on the next following working day in such place.

16.3 Validity of demands

A demand under this Guarantee shall be valid notwithstanding that it is served:

- (a) on the date on which the amount to which it relates is payable by the Bareboat Charterer under a Leasing Document;
- (b) at the same time as the service of a notice under clause 44.2 of the Bareboat Charter;

and a demand under this Guarantee may refer to all amounts payable under or in connection with a Leasing Document without specifying a particular sum or aggregate sum.

17 INVALIDITY OF LEASING DOCUMENTS

17.1 Invalidity of Leasing Documents

In the event of:

- (a) any Leasing Document now being or later becoming, with immediate or retrospective effect, void, illegal, unenforceable or otherwise invalid for any other reason whatsoever, whether of a similar kind or not; or
- (b) without limiting the scope of paragraph (a), a bankruptcy or insolvency of any Obligor, the introduction of any law or any other matter resulting in any Obligor being discharged from liability under any Leasing Document, or any Leasing Document ceasing to operate (for example, by interest ceasing to accrue),

this Guarantee shall cover any amount which would have been or become payable under or in connection with a Leasing Document if such Leasing Document had been and remained entirely valid, legal and enforceable, or the Bareboat Charterer had not suffered bankruptcy or insolvency, or any combination of such events or circumstances, as the case may be, and the Bareboat Charterer had remained fully liable under it for liabilities whether invalidly incurred or validly incurred but subsequently retrospectively invalidated; and references in this Guarantee to amounts payable by the Bareboat Charterer under or in connection with a Leasing Document shall include references to any amount which would have so been or become payable as aforesaid.

18 INCORPORATION OF BAREBOAT CHARTER PROVISIONS

- 18.1 The following provisions of the Bareboat Charter apply to this Guarantee as if they were expressly incorporated therein with any necessary modifications:

clause 42 (*No Waiver of Rights*);

clause 51 (*No Set-Off or Tax Deduction*);

clause 53 (*FATCA*);

clause 55 (*Confidentiality*); and

clause 56 (*Partial Invalidity*).

- 18.2 Clause 18.1 (*Incorporation of Bareboat Charter provisions*) is without prejudice to the application to this Guarantee of any provision of the Bareboat Charter which, by its terms, applies or relates to this Guarantee.

19 GOVERNING LAW AND ARBITRATION

- 19.1 This Guarantee and any non-contractual obligations arising under or in connection with it, shall be governed by and construed in accordance with English law.

- 19.2 Any dispute arising out of or in connection with this Guarantee, including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement (a "**Dispute**") shall be referred to and finally resolved by arbitration in London in accordance with the Arbitration Act 1996 or any statutory

modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause 19 (*Governing Law and Arbitration*).

- 19.3** The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.
- 19.4** The seat of the arbitration shall be London, England, even where any hearing takes place outside England.
- 19.5** The reference shall be to three (3) arbitrators. A party wishing to refer a Dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of the date that the notice is delivered to the other party and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and gives notice that it has done so within the fourteen (14) days specified, the party referring a Dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.
- 19.6** Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
- 19.7** Where the reference is to three (3) arbitrators the procedure for making appointments shall be in accordance with the procedure for full arbitration stated above.
- 19.8** In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
- 19.9** The language of the arbitration shall be English.

THIS GUARANTEE has been executed and delivered as a deed on the date stated at the beginning of this Guarantee.

EXECUTION PAGE

GUARANTOR

EXECUTED AS A DEED

By Stavros Gyftakis)
for and on behalf of) /s/ Stavros Gyftakis
UNITED MARITIME CORPORATION)
as attorney-in-fact)
in the presence of:)

/s/ Maria Moschopoulou

Witness' signature

Witness' name: Maria Moschopoulou

Witness' address: 154 Vouliagmenis Avenue, 166 74 Glyfada, Greece

OWNER

**SIGNED, SEALED AND DELIVERED
AS A DEED**

for and on behalf of)
GIANT 5 HOLDING LIMITED)
acting by Cao Jiong) /s/ Cao Jiong
its attorney-in-fact)
in the presence of:)

/s/ Sun Linzi

Witness' Signature:

Witness' Name: Sun Linzi

Witness' address: Room 6006, 6th Floor, No.15

Second East Zhongshan Road, Shanghai, P.R. China 200002



BARECON 2001

STANDARD BAREBOAT CHARTER

PART I

1. Shipbroker	2. Place and date 15 November 2023
3. Owners/Place of business (Cl. 1) GIANT 6 HOLDING LIMITED , a company incorporated under the laws of the Hong Kong whose registered office is at 6/F., Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong, registered as Foreign Maritime Entity in the Republic of the Marshall Islands with registration number 914441 (the "Owners" which expression includes its successors and assigns)	4. Bareboat Charterers/Place of business (Cl. 1) SEA GLORIUS SHIPPING CO. , a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960]
5. Vessel's name, call sign and flag (Cl. 1 and 3) m.v. "Gloriuship Call Sign: V7PG9" The Republic of the Marshall Islands	
6. Type of Vessel Bulk Carrier (Capesize)	7. GT/NT 87720/54606
8. When/Where built 2004 HYUNDAI SAMHO HEAVY INDUSTRIES Co., LTD.	9. Total DWT (abt.) in metric tons on summer freeboard 171,314
10. Classification Society (Cl. 3) ABS	11. Date of last special survey by the Vessel's classification society N/A
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) N/A	
13. Port or Place of delivery (Cl. 3) Back to back delivery under the MOA	14. Time for delivery (Cl. 4) SEE CLAUSE 34 (Delivery of Vessel)
	15. Cancelling date (Cl. 5) SEE CLAUSE 33 (Cancellation)
16. Port or Place of redelivery (Cl. 15) SEE CLAUSE 40.5	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) SEE CLAUSE 40.5
18. Running days' notice if other than stated in Cl. 4 N/A	19. Frequency of dry-docking (Cl. 10(g)) SEE CLAUSE 10(g)
20. Trading limits (Cl. 6) Worldwide within International Navigating Limits, please also see clauses 46.1(t), 46.1(v), 46.1 (ee), 46.1(ff) (Charterers' Undertakings)	
21. Charter period (Cl. 2) SEE CLAUSE 32 (Charter Period)	22. Charter hire (Cl. 11) SEE CLAUSE 36 (Charterhire)
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii)) SEE CLAUSE 38 (Insurance)	

24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV SEE CLAUSE 36 (Charterhire)	25. Currency and method of payment (Cl. 11) USD/BANK TRANSFER
26. Place of payment; also state beneficiary and bank account (Cl. 11) Such account as the Owners may notify the Charterers from time to time	27. ~~Bank~~ Corporate guarantee ~~/bond (sum and place)~~ (Cl. 24) (optional) SEE CLAUSE 24 (Corporate Guarantee)
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) SEE CLAUSES 12(b) and 58 (Changes to the Parties)	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) SEE CLAUSE 38 (Insurance)- CLAUSE 14 DOES NOT APPLY
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) SEE CLAUSE 38 (Insurance)	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) SEE CLAUSE 38 (Insurance)
32. Latent defects (only to be filled in if period other than stated in Cl. 3) N/A	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) N/A	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) SEE CLAUSE 30 (Dispute Resolution)
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) No, Part III does not apply	38. Name and place of Builders (only to be filled in if PART III applies) N/A
39. Vessel's Yard Building No. (only to be filled in if PART III applies)	40. Date of Building Contract (only to be filled in if PART III applies) N/A
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) N/A b) c)	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) NO, PART IV DOES NOT APPLY	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) NO, PART V DOES NOT APPLY
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) N/A	45. Country of the Underlying Registry (only to be filled in if PART V applies) N/A
46. Number of additional clauses covering special provisions, if agreed CLAUSE 32 (Charter Period) TO CLAUSE 61 (Definitions) AND SCHEDULE 1 TO SCHEDULE 3	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) /s/Cao Jiong Cao Jiong Attorney-in-Fact	Signature (Charterers) /s/Stavros Gyftakis Stavros Gyftakis Attorney-in-Fact

PART II
BARECON 2001 Standard Bareboat Charter

1 1. Definitions

2 In this Charter capitalised terms not otherwise defined herein have the meaning given to them in the Additional
3 Clauses and, the following terms shall have the meanings hereby assigned to them:

4 "Additional Clauses" means Clause 32 (Charter Period) to Clause 610 (Definitions) appended to this Charter;

5 "The Owners" shall mean the party identified in Box 3.

6 "The Charterers" shall mean the party identified in Box 4.

7 "The Vessel" shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

8 ~~"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as~~
9 ~~annexed to this Charter and stated in Box 28.~~

10 2. Charter Period

11 In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to
12 hire the Vessel for the period stated in Box 21 ("The Charter Period"). See also Clause 32 (Charter Period).

13 3. Delivery

14 (not applicable when Part III applies, as indicated in Box 37)

15 ~~(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in~~
16 ~~every respect ready in hull, machinery and equipment for service under this Charter.~~

17 The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in
18 Box 13 ~~in such ready safe berth as the Charterers may direct.~~

19 (b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in
20 Box 5 and the requirements of the classification society stated in Box 10. ~~The Vessel upon delivery shall have her~~
21 ~~survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box~~
22 ~~12.~~

23 (c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a
24 full performance by the Owners of all the Owners' obligations under this Clause 3, and thereafter the Charterers
25 shall not be entitled to make or assert any claim against the Owners on account of any conditions,
26 representations or warranties expressed or implied with respect to the Vessel ~~but the Owners shall be liable for~~
27 ~~the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or~~
28 ~~appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested~~
29 ~~themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

30 4. Time for Delivery (See Clause 34 (Delivery of Vessel))

31 ~~(not applicable when Part III applies, as indicated in Box 37)~~

32 ~~The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers' consent and the~~
33 ~~Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.~~

34 ~~Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days'~~
35 ~~preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is~~
36 ~~expected to be ready for delivery. The Owners shall keep the Charterers closely advised of possible changes in~~
37 ~~the Vessel's position.~~

38 5. Cancelling (See Clause 33 (Cancellation))

PART II
BARECON 2001 Standard Bareboat Charter

39 ~~{not applicable when Part III applies, as indicated in Box 37}~~

40 ~~{a} Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the~~
41 ~~option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours~~
42 ~~after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

43 ~~{b} If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in~~
44 ~~a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to~~
45 ~~the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared~~
46 ~~within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within~~
47 ~~thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then~~
48 ~~exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be~~
49 ~~substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

50 ~~{c} Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on~~
51 ~~the Owners under this Charter.~~

52 **6. Trading Restrictions**

53 The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise operation within
54 the trading limits indicated in Box 20.

55 The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in
56 conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein)
57 without first obtaining the consent of the insurers to such employment and complying with such requirements
58 as to extra premium or otherwise as the insurers may prescribe.

59 The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which
60 is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or
61 prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction,
62 seizure or confiscation.

63 Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive
64 products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter.
65 This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial,
66 agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading
67 thereof.

68 **7. Surveys on Delivery and Redelivery**

69 ~~{not applicable when Part III applies, as indicated in Box 37}~~

70 The Owners ~~and Charterers shall be entitled to each~~ appoint surveyors ~~or the Charterers shall be entitled to~~
71 ~~appoint surveyors (subject to such appointment being accepted in writing by the Owners) for the purpose of~~
72 ~~determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery pursuant~~
73 ~~to Clause 40 (with the relevant costs paid by the Charterers) hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey~~
74 ~~including loss of time, if any, at the daily equivalent to the rate of hire or pro-rata thereof.~~

76 **8. Inspection (See Clause 46(A)) (Inspection of Vessel)**

77 The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect or survey
78 the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf.

79 ~~{a} to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and~~
80 ~~maintained. The Charterers shall pay for the costs and fees for such inspection or survey up to once every~~
81 ~~calendar year. For such inspection or survey carried out for the second or subsequent time within a calendar~~
82 ~~year, without prejudice to paragraphs (b) to (d) below in this Clause, the costs and fees incurred shall be paid~~
83 ~~by the Owners unless the Vessel is found to require repairs or maintenance in order to achieve the condition so~~

PART II
BARECON 2001 Standard Bareboat Charter

- 84 ~~provided (in which case the Charterers shall pay the costs and fees of such inspection or survey);~~
- 85 (b) ~~in dry dock if the Charterers have not dry docked Her in accordance with Clause 10(g). The costs and fees for~~
- 86 ~~such inspection or survey shall be paid by the Charterers; and~~
- 87 (c) ~~for any other commercial reason they consider necessary (provided it does not unduly interfere with the~~
- 88 ~~commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the~~
- 89 ~~Owners;~~
- 90 (d) ~~at any time following the occurrence of a Potential Termination Event or Termination Event (and in such case~~
- 91 ~~the costs and fees for such inspection or survey shall be paid by the Charterers);~~
- 92 All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter
- 93 Period.
- 94 The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever
- 95 required by the Owners furnish them with full information regarding any casualties or other accidents or damage
- 96 to the Vessel.
- 97 9. Inventories, Oil and Stores
- 98 A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all
- 99 consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on
- 100 delivery and again on redelivery (if applicable) of the Vessel. The Charterers and the Owners, respectively, shall
- 101 at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroadcast provisions,
- 102 paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market
- 103 prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed
- 104 in the inventory and used during the Charter Period are replaced at their expense prior to redelivery (if applicable)
- 105 of the Vessel.
- 106 10. Maintenance and Operation
- 107 (a) (i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the
- 108 absolute disposal for all purposes of the Charterers and under their complete control in every respect. The
- 109 Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of
- 110 repair, in efficient operating condition and in accordance with good commercial maintenance practice and,
- 111 except as provided for in Clause 14(i), if applicable, at their own expense they shall at all times keep the Vessel's
- 112 Class classification fully up to date with the Classification Society indicated in Box 10 and maintain all other
- 113 necessary certificates in force at all times.
- 114 (ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new
- 115 equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements
- 116 by compulsory legislation, the Charterers shall ensure that the same are complied with and the time and cost of
- 117 compliance shall be on the Charterers' account. class requirements or by compulsory legislation costing
- 118 (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5
- 119 per cent of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall
- 120 be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order
- 121 to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia,
- 122 to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the
- 123 dispute resolution method agreed in Clause 20.
- 124 (iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party
- 125 liabilities as required by any government, including federal, state or municipal or other division or authority
- 126 thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place,
- 127 territorial or contiguous waters of any country, state or municipality in performance of this Charter without any
- 128 delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such
- 129 government or division or authority thereof.

PART II
BARECON 2001 Standard Bareboat Charter

- 130 The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy
131 such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all
132 consequences whatsoever (including loss of time) for any failure or inability to do so.
- 133 (b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual,
134 navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they
135 shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of
136 the Vessel under this Charter, including annual Flag State fees and any foreign general municipality and/or state
137 taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes
138 whatsoever, even if for any reason appointed by the Owners.
- 139 Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's
140 flag or any other applicable law.
- 141 (c) The Charterers shall keep the Owners and ~~the any~~ mortgagee(s) advised of the intended employment, planned
142 dry-docking and major repairs of the Vessel, as reasonably required.
- 143 (d) Flag and Name of Vessel - During the Charter Period, the Charterers shall have the liberty to paint the Vessel in
144 their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also
145 have the liberty, with the Owners' consent, ~~which shall not be unreasonably withheld~~ and which, subject to
146 Clause 41.4, shall be granted in the case of a Flag State, to change the flag and/or the name of the Vessel
147 during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-
148 registration, ~~if required by the Owners~~, shall be at the Charterers' expense and time. The Charterers shall also
149 have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the
150 classification society (to be a member of International Association of Classification Societies) during the Charter
151 Period and such expense shall be for Charterer's account.
- 152 (e) Changes to the Vessel - Subject to Clause 10(a)(iii), the Charterers shall make no structural changes in the Vessel
153 or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing
154 the Owners' approval thereof. ~~if the Owners so agree,~~ The Charterers shall, if the Owners so require, restore
155 the Vessel to its former condition ~~before the termination of this Charter.~~
- 156 (f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment,
157 and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent
158 shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary
159 wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of
160 equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs
161 to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards
162 workmanship and quality of materials) as not to diminish the value of the Vessel. Title of any equipment so
163 replaced shall, unless agreed between the Owners and the Charterers, remain with the Owners. The Charterers
164 have the right to fit additional equipment at their expense and risk (provided that no permanent structural
165 damage is caused to the Vessel by reason of such installation) and but the Charterers shall at their expenses
166 remove such equipment and make good any damage caused by the fitting or removal of such additional
167 equipment at the end of the period if requested by the Owners at the time of redelivery of the Vessel. Any
168 equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by
169 the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease
170 contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection
171 therewith, also for any new equipment required in order to comply with radio regulations.
- 172 (g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts
173 whenever the same may be necessary in accordance with Classification Society of Flag State requirements, but
174 not less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar
175 months after delivery or such other period as may be required by the Classification Society or flag state.
- 176 11. Hire (See Clause 36) (Charterhire)
- 177 ~~(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect~~
178 ~~of which time shall be of the essence.~~

PART II
BARECON 2001 Standard Bareboat Charter

- 179 ~~(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22~~
180 ~~which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable~~
181 ~~on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the~~
182 ~~Charter Period.~~
- 183 ~~(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25~~
184 ~~and at the place mentioned in Box 26.~~
- 185 ~~(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally~~
186 ~~according to the number of days and hours remaining before redelivery and advance payment to be effected~~
187 ~~accordingly.~~
- 188 ~~(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of.~~
189 ~~The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last~~
190 ~~reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to~~
191 ~~be adjusted accordingly.~~
- 192 ~~(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If~~
193 ~~Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) for the~~
194 ~~currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due,~~
195 ~~increased by 2 per cent, shall apply.~~
- 196 ~~(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the~~
197 ~~Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire~~
198 ~~payment date.~~
- 199 **12. Mortgage**
- 200 ~~(only to apply if Box 28 has been appropriately filled in)~~
- 201 ~~(a)* The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any~~
202 ~~mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- 203 ~~(b)* The Vessel chartered under this Charter may be financed by a mortgage(s) according to the Financial~~
204 ~~Instruments.~~
- 205 The Charterers undertake to comply, and provide such information and documents to enable the Owners to
206 comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and
207 maintenance of the Vessel as laid down in the Financial Instruments² or as may be directed from time to time
208 during the currency of the Charter by the mortgagee(s) in conformity with each ~~the~~ Financial Instrument (if any)
209 as long as the requested information and documents are reasonably required. The Charterers ~~confirm that, for~~
210 ~~this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial~~
211 ~~Instrument and agree to acknowledge each Financial Instrument (if any) this in writing in any form that may be~~
212 ~~reasonably required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other~~
213 ~~than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28~~
214 ~~or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably~~
215 ~~withheld.~~
- 216 ²~~(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).~~
- 217 **13. Insurance and Repairs (See also Clause 38)**
- 218 (a) Without prejudice to Clause 38 (Insurance), during the Charter Period the Vessel shall be kept insured by the
219 Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks
220 against which it is compulsory to insure for the operation of the Vessel, including but not limited to maintaining
221 financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve,³
222 which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to
223 protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers

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- 224 shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance
225 policies shall cover the Owners and the Charterers according to their respective interests.
- 226 Subject to the provisions of ~~the Financial Instrument, if the agreed loss payable clauses, any,~~ and the approval of
227 the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and
228 reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses
229 and liabilities to the extent of coverage under the insurances herein provided for.
- 230 The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred
231 thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible
232 franchise(s) or deductibles provided for in the insurances.
- 233 All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to
234 Clause 3(c) above, including any deviation, shall be for the Charterers' account.
- 235 ~~(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall~~
236 ~~be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers~~
237 ~~as the case may be shall immediately~~ timely ~~furnish the Owners other party~~ with particulars of any additional
238 insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any
239 such required insurance in any case where the consent of such insurers is necessary.
- 240 (c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents
241 as may be required to enable the Owners to comply with the insurance provisions of ~~each~~ the Financial
242 Instrument ~~(if any)~~.
- 243 ~~(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive,~~
244 ~~compromised or agreed a Total Loss under the insurances required under sub-clause 13(a), all insurance~~
245 ~~payments for such loss shall be paid to the Owners (or if applicable, its financiers) in accordance with the agreed~~
246 ~~loss payable clauses, who shall distribute the moneys between the Owners and the Charterers according to their~~
247 ~~respective interests who shall distribute the moneys between the Owners and the Charterers according to this~~
248 ~~Charter. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in~~
249 ~~consequence of which the Vessel is likely to become a Total Loss as defined in this Clause.~~
- 250 ~~(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to~~
251 ~~enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.~~
- 252 (f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-
253 clause 13(a), the value of the Vessel is the sum indicated in Clause 38 (Insurance) ~~Box 29~~.
- 254 ~~14. Insurance, Repairs and Classification~~
- 255 ~~{Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted}.~~
- 256 ~~(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and~~
257 ~~machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall~~
258 ~~not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the~~
259 ~~Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to~~
260 ~~discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies~~
261 ~~shall cover the Owners and the Charterers according to their respective interests.~~
- 262 ~~(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection~~
263 ~~and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel,~~
264 ~~including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall~~
265 ~~in writing approve which approval shall not be unreasonably withheld.~~
- 266 ~~(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the~~
267 ~~Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which~~
268 ~~would otherwise have been covered by such insurance.~~

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- ~~(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a).~~
- ~~The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.~~
- ~~(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.~~
- ~~(f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.~~
- ~~The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.~~
- ~~(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 20 and Box 21, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~
- ~~(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.~~
- ~~(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.~~
- ~~(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.~~
- ~~(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.~~
- ~~(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.~~
2001. **Redelivery - See Clause 40 (Termination, Redelivery, and Total Loss)**
- At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery.
- Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.
- The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.

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- 313 ~~Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good~~
314 ~~structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class~~
315 ~~excepted.~~
- 316 ~~The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at~~
317 ~~least the number of months agreed in Box 17.~~
- 318 16. Non-Lien
- 319 The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their
320 agents, which might have priority over the title and interest of the Owners in the Vessel [except for Permitted
321 Security Interests]. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so
322 fastened during the Charter Period a notice reading as follows:
- 323 "This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of
324 the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or
325 permit to be imposed on the Vessel any lien ~~whatsoever or a notice in such form as may be required by any~~
326 ~~mortgage."~~
- 327 17. Indemnity [See Clause 50 (Indemnities)]
- 328 ~~(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising~~
329 ~~out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature~~
330 ~~arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by~~
331 ~~reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their~~
332 ~~own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including~~
333 ~~the provision of bail.~~
- 334 ~~Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all~~
335 ~~consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.~~
- 336 ~~(b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners~~
337 ~~shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released,~~
338 ~~including the provision of bail.~~
- 339 ~~In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred~~
340 ~~by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.~~
- 341 18. Lien
- 342 The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any
343 sub-charterers and any Bill of Lading freight for all claims under this Charter, ~~and the Charterers to have a lien on~~
344 ~~the Vessel for all moneys paid in advance and not earned.~~
- 345 19. Salvage
- 346 All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing
347 damage occasioned thereby shall be borne by the Charterers.
- 348 20. Wreck Removal
- 349 In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the
350 Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence
351 of the Vessel becoming a wreck or obstruction to navigation.
- 352 21. General Average
- 353 The Owners shall not contribute to General Average.

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354 22. Assignment, Sub-Charter and Sale (See Clause 58) (Changes to the Parties)

355 ~~(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior~~
356 ~~consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and~~
357 ~~conditions as the Owners shall approve.~~

358 ~~(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of~~
359 ~~the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of~~
360 ~~this Charter.~~

361 23. Contracts of Carriage

362 (a)* The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and
363 conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation
364 relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the
365 documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and
366 the Both-to-Blame Collision Clause.

367 ~~(b)* The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of~~
368 ~~passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation~~
369 ~~relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such~~
370 ~~legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of~~
371 ~~Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~

372 *Delete as applicable.

373 24. ~~Bank~~Corporate Guarantee

374 ~~(Optional, only to apply if Box 27 filled in)~~

375 The Charterers undertake to furnish, on or about the date of this Charter ~~before delivery of the Vessel, a first~~
376 ~~class bank~~ corporate guarantees from the Guarantors ~~or bond in the sum and at the place as indicated in Box 27~~
377 ~~as guarantee and the other Security Documents at Delivery (except for the Account Security which can be signed~~
378 ~~before delivery of the Vessel)~~ for full performance of their obligations under this Charter.

379 25. Requisition/Acquisition

380 (a) Subject to the provisions of the Financial Instruments (if any), ~~in~~ the event of the Requisition for Hire of the
381 Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire")
382 irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the
383 length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether
384 it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby
385 or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated
386 hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to
387 any of the provisions hereof always provided however that if all hire has been paid by the Charterers hereunder
388 then in the event of "Requisition for Hire" any Requisition Hire or compensation is received or receivable by the
389 Owners, the same shall be payable to the Charterers during the remainder of the Charter Period or the period of
390 the "Requisition for Hire" whichever be the shorter.

391 ~~(b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the~~
392 ~~Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as~~
393 ~~"Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory~~
394 ~~Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition".~~
395 ~~In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory~~
396 ~~Acquisition".~~

397 26. War

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- 398 (a) ~~Subject to the provisions of the Financial Instruments (if any),~~ For the purpose of this Clause, the words
399 "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution,
400 rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy,
401 acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or
402 imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise
403 howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which
404 may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on
405 board the Vessel.
- 406 (b) The Vessel, unless the written consent of the Owners be first obtained and adequate insurances are obtained
407 (such adequacy to be determined by the Owners (acting reasonably)), shall not continue to or go through any
408 port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that
409 the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners,
410 may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid,
411 which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners
412 shall have the right to require the Vessel to leave such area.
- 413 (c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed
414 on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or
415 against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject,
416 or is likely to be subject to a belligerent's right of search and/or confiscation.
- 417 ~~(d) If the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums~~
418 ~~and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within,~~
419 ~~any area or areas which are specified by such insurers as being subject to additional premiums because of War~~
420 ~~Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as~~
421 ~~the next payment of hire is due.~~
- 422 (e) The Charterers shall have the liberty:
- 423 (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in
424 convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which
425 are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or
426 group whatsoever acting with the power to compel compliance with their orders or directions;
- 427 (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the
428 authority to give the same under the terms of the war risks insurance;
- 429 (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of
430 the European Community, the effective orders of any other Supranational body which has the right to issue and
431 give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey
432 the orders and directions of those who are charged with their enforcement.
- 433 (f) In the event of outbreak of war ~~(whether there be a declaration of war or not)~~
- 434 ~~(i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom;~~
435 ~~France; and the People's Republic of China;~~
- 436 ~~(ii) between any two or more of the countries stated in Box 25, both the Owners and the Charterers shall have the right~~
437 ~~to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with~~
438 ~~Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause~~
439 ~~from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo~~
440 ~~on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the~~
441 ~~Owners. In all cases hire shall continue to be paid in accordance with Clause 11 (Hire) and except as aforesaid all~~
442 ~~other provisions of this Charter shall apply until redelivery.~~
- 443 ~~27. Commission~~

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444 The Owners to pay a commission at the rate indicated in Box 22 to the Brokers named in Box 22 on any hire paid
445 under the Charter. If no rate is indicated in Box 22, the commission to be paid by the Owners shall cover the
446 actual expenses of the Brokers and a reasonable fee for their work.

447 If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall
448 indemnify the Brokers against their loss of commission.

449 Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of
450 commission but in such case the commission shall not exceed the brokerage on one year's hire.

451 28. Termination (See Clauses 40 (Termination, Redelivery and Total Loss) and 44 (Termination Events))

452 (a) ~~Charterers' Default~~

453 The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter
454 with immediate effect by written notice to the Charterers if:

455 (i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual
456 payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers,
457 the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 24 (as
458 recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such
459 number of days following the Owners' notice, the payment shall stand as regular and punctual.

460 Failure by the Charterers to pay hire within the number of days stated in Box 24 of their receiving the Owners'
461 notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and
462 terminate the Charter without further notice;

463 (ii) the Charterers fail to comply with the requirements of:

464 (1) ~~Clause 6 (Trading Restrictions)~~

465 (2) ~~Clause 13(a) (Insurance and Repairs)~~

466 provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a
467 specified number of days grace within which to rectify the failure without prejudice to the Owners' right to
468 withdraw and terminate under this Clause if the Charterers fail to comply with such notice;

469 (iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance
470 and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any
471 event so that the Vessel's insurance cover is not prejudiced.

472 (b) ~~Owners' Default~~

473 If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that
474 the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14)
475 running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall
476 be entitled to terminate this Charter with immediate effect by written notice to the Owners.

477 (c) ~~Loss of Vessel~~

478 This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive
479 or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be
480 lost unless she has either become an actual total loss or agreement has been reached with her underwriters in
481 respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is
482 not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

483 (d) ~~Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party~~
484 ~~in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or~~
485 ~~bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver~~

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486 ~~is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or~~
487 ~~composition with its creditors.~~

488 ~~(c) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to~~
489 ~~the date of termination and to any claim that either party might have.~~

490 29. Repossession

491 Subject to Clause 40.4, in the event of the termination of this Charter in accordance with the applicable provisions
492 of Clause 44 (Termination Events)~~Clause 26~~, the Owners shall have the right to repossess the Vessel from the
493 Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or
494 interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in
495 accordance with this Clause 29 (Repossession), the Charterers shall hold the Vessel as gratuitous bailee only to
496 the Owners and the Charterers shall procure that the master and crew follow the orders and directions of the
497 Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably
498 practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the
499 Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements
500 and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master,
501 officers and crew shall be the sole responsibility of the Charterers.

502 30. Dispute Resolution

503 a)* This Contract and any non-contractual obligations arising under or in connection with it shall be governed by
504 and construed in accordance with English law, ~~and~~.

505 b) Any dispute arising out of or in connection with this ~~c~~Contract shall be referred to and finally resolved by
506 arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-
507 enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

508 c) The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA)
509 Terms current at the time when the arbitration proceedings are commenced.

510 d) The reference shall be to three (3) arbitrators. A party wishing to refer a dispute to arbitration shall appoint its
511 arbitrator and send notice of such appointment in writing to the other party requiring the other party to
512 appoint its own arbitrator within fourteen (14) calendar days of the date that the notice is delivered to the
513 other party and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its
514 own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party
515 does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified,
516 the party referring a dispute to arbitration may, without the requirement of any further prior notice to the
517 other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a
518 sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

519 e) Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the
520 appointment of a sole arbitrator.

521 f) Where the reference is to three (3) arbitrators the procedure for making appointments shall be in accordance
522 with the procedure for full arbitration stated above.

523
524 g) In cases where neither the claim nor any counterclaim exceeds the sum of US\$~~5~~100,000 (or such other sum as
525 the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure
526 current at the time when the arbitration proceedings are commenced.

527 h) The language of the arbitration shall be English.

528
529 ~~(b)* This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the~~
530 ~~Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be~~
531 ~~referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the~~

PART II
BARECON 2001 Standard Bareboat Charter

- 532 two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any
533 award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall
534 be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.
- 535 In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the
536 parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure
537 of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.
- 538 (c)* This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by
539 the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a
540 mutually agreed place, subject to the procedures applicable there.
- 541 (d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference
542 and/or dispute arising out of or in connection with this Contract.
- 543 In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following
544 shall apply:
- 545 (i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by
546 service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to
547 mediation.
- 548 (ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree
549 to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days,
550 failing which on the application of either party a mediator will be appointed promptly by the Arbitration
551 Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be
552 conducted in such place and in accordance with such procedure and on such terms as the parties may agree or,
553 in the event of disagreement, as may be set by the mediator.
- 554 (iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be
555 taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.
- 556 (iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers
557 necessary to protect its interest.
- 558 (v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue
559 during the conduct of the mediation but the Tribunal may take the mediation timetable into account when
560 setting the timetable for steps in the arbitration.
- 561 (vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the
562 mediation and the parties shall share equally the mediator's costs and expenses.
- 563 (vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed
564 during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and
565 procedure governing the arbitration.
- 566 (Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)
- 567 (e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall
568 apply in all cases.
- 569 *Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.
- 570 31. Notices (see Clause 43 (Notices))
- 571 (a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex,
572 registered or recorded mail or by personal service.
- 573 (b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(Optional, only to apply if expressly agreed and stated in Box 37)

1. ~~Specifications and Building Contract~~

- ~~(a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter-signed as approved by the Charterers.~~
- ~~(b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.~~
- ~~(c) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.~~
- ~~(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.~~

~~Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies.~~

~~However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.~~

~~Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties.~~

~~The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.~~

2. ~~Time and Place of Delivery~~

- ~~(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.~~
- ~~(b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers.~~

and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

- ~~(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon~~
- ~~(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or~~
- ~~(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;~~
- ~~(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;~~
- ~~(iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.~~
- ~~(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.~~

~~3. Guarantee Works~~

~~If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.~~

~~4. Name of Vessel~~

~~The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.~~

~~5. Survey on Redelivery~~

~~The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of redelivery.~~

~~Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro-rata.~~

PART IV
HIRE/PURCHASE AGREEMENT
(Optional, only to apply if expressly agreed and stated in Box 42)

~~On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.~~

~~In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.~~

~~The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.~~

~~The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.~~

~~In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.~~

~~The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.~~

~~The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.~~

~~The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.~~

~~The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.~~

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY
(Optional, only to apply if expressly agreed and stated in Box 43)

1. Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

"The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

2. Mortgage

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.

3. Termination of Charter by Default

If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.

In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

ADDITIONAL CLAUSES TO STANDARD BAREBOAT CHARTER

CLAUSE 32 – CHARTER PERIOD

32.1 For the avoidance of doubt, notwithstanding the fact that the Charter Period shall commence on the Commencement Date, this Charter shall be:

- (a) in full force and effect; and
- (b) valid, binding and enforceable against the parties hereto,
with effect from the date hereof until the end of the Charter Period (subject to the terms of this Charter).

32.2 The Charter Period shall, subject to the terms of this Charter, continue for a period of thirty- six (36) months from the Commencement Date.

CLAUSE 33 – CANCELLATION

If the MOA expires, is cancelled, terminated, rescinded or suspended or otherwise ceases to remain in full force and effect for any reason, then this Charter shall immediately terminate and be cancelled (with the exception of Clause 50 (*Indemnities*) and other provisions hereof expressed to survive such termination or cancellation) without the need for either of the Owners or the Charterers to take any action whatsoever provided however that, in consideration of the Owners entering into the MOA and this Charter as at the date hereof, the Owners shall be entitled to retain all indemnified expenses and/or fees paid by the Charterers under the MOA, this Charter and the other Leasing Documents, and such payment shall not be construed as a penalty but shall represent an agreed estimate of the loss and damage suffered by the Owners in entering into this Charter upon the terms and conditions contained herein and shall therefore be paid as compensation by the Charterers.

CLAUSE 34 – DELIVERY OF VESSEL

34.1 This Charter is part of a transaction involving the sale, purchase and charter back of the Vessel and constitutes one of the Leasing Documents.

34.2 The obligation of the Owners to charter the Vessel to the Charterers hereunder is subject to and conditional upon:

- (a) the delivery of the Vessel to the Owners (as buyers under the MOA) by the Charterers (as sellers under the MOA) pursuant to the MOA;
- (b) no Potential Termination Event or Termination Event having occurred from the date of this Charter to the last day of the Charter Period;
- (c) the representations and warranties contained in Clause 45 (*Representations and Warranties*) being true and correct on the date hereof and each day thereafter until and including the last day of the Charter Period;
- (d) Delivery occurring on or before the Cancelling Date;

- (e) the Initial Sub-charter remains in full force and effect on Delivery and evidence satisfactory to the Owners that the Vessel shall continue to be subject to the Initial Sub-charter, and it is delivered to and employed by the Initial Sub-charterer thereunder, on the Commencement Date;
- (f) the Owners (by themselves or by their legal counsels) having received from the Charterers:
 - (i) on or before the date falling five (5) Business Days (or such other period as the Owners may agree in their sole discretion or as otherwise specified in Part A of Schedule 2) prior to the Prepositioning Date, the documents or evidence set out in Part A of Schedule 2 in form and substance satisfactory to them;
 - (ii) on the Commencement Date and prior to or simultaneously with the Owners executing a dated and timed copy of the protocol of delivery and acceptance evidencing delivery of the Vessel under the MOA, the documents or evidence set out in Part B of Schedule 2 in form and substance satisfactory to them; and
 - (iii) after Delivery, the documents and evidence set out in Part C of Schedule 2 in form and substance satisfactory to them within the time periods set out thereunder.

and if any of the documents listed in sub-clauses (i) and (ii) above are not in the English language then they shall be accompanied by an English translation.

- 34.3 The conditions precedent and conditions subsequent specified in Clause 34.2(e) (*Delivery of Vessel*) are inserted for the sole benefit of the Owners and may be waived or deferred in whole or in part and with or without conditions by the Owners. Upon the requirements of Clause 34.2 (*Delivery of Vessel*) being fulfilled or waived to the satisfaction of the Owners, the Owners shall give notice thereof in writing to the Charterers.
- 34.4 On delivery to and acceptance by the Owners (as buyers under the MOA) of the Vessel under the MOA from the Charterers (as sellers under the MOA) and subject to the provisions of this Clause, the Vessel shall be deemed to have been delivered to, and accepted without reservation by, the Charterers under this Charter on an "as is where is" basis and in such condition as the Vessel was delivered to the Owners (as buyers under the MOA) under the MOA with, for the avoidance of doubt, any faults, deficiencies, defect and errors of description and the Charterers shall become and be entitled to the possession and use of the Vessel on and subject to the terms and conditions of this Charter.
- 34.5 On Delivery, as evidence of the commencement of the Charter Period, the Charterers shall sign and deliver to the Owners, the Acceptance Certificate. Without prejudice to this Clause, the Charterers shall be deemed to have accepted the Vessel under this Charter and the commencement of the Charter Period having started, on Delivery even if for whatever reason, the Acceptance Certificate is not signed.
- 34.6 Without prejudice to and notwithstanding the provisions of this Clause, the Charterers shall not be entitled for any reason whatsoever to refuse to accept delivery of the Vessel under this Charter once the Vessel has been delivered to and accepted by the Owners (as buyers under the MOA) under the MOA from the Charterers (as sellers under the MOA), and the Owners shall not be liable for any losses, costs or expenses whatsoever or howsoever arising including without limitation, any loss of profit or any loss or otherwise:

- (a) resulting directly or indirectly from any defect or alleged defect in the Vessel or any failure of the Vessel; or
 - (b) arising from any delay in the commencement of the Charter Period or any failure of the Charter Period to commence.
- 34.7 Without prejudice to Clause 9 (*Inventories, Oil and Stores*), the Owners shall not be obliged to deliver the Vessel to the Charterers with any bunkers and unused lubricating oils and greases in storage tanks and unopened drums of the Vessel except for such items which are already on the Vessel on Delivery. The Owners shall not be responsible for the fitness, quality or quantity of any such bunkers and unused lubricating oils and hydraulic oils and greases and the Charterers shall make no claim against the Owners in respect of the same.

CLAUSE 35 – QUIET ENJOYMENT

Provided that the Charterers do not breach the terms of any Assignable Sub-charter and that no Termination Event or Total Loss has occurred at any relevant time, the Owners hereby irrevocably agree not to disturb or interfere with the Charterers' lawful use, possession and quiet enjoyment of the Vessel during the Charter Period in any way whatsoever. The Owners shall, on or prior to any assignment, transfer or sale of the Vessel and/or the Leasing Documents by the Owners as permitted under Clause 58.2 (*Assignment or transfer by the Owners*), use reasonable endeavours to procure that the Owners' Financier (if any) enters into a quiet enjoyment agreement with the Charterers on such terms as may be acceptable to the Charterers.

CLAUSE 36 – CHARTERHIRE

- 36.1 In consideration of the Owners agreeing to charter the Vessel to the Charterers under this Charter at the request of the Charterers, the Charterers hereby irrevocably and unconditionally agree to pay to the Owners the Charterhire and the Advance Charterhire in respect of the chartering of the Vessel.
- 36.2 The Charterers shall pay to the Owners an amount equivalent to the Advance Charterhire (on a non-refundable basis) on the Commencement Date, which payment shall be deemed to have been effected on the Commencement Date by setting off the Charterers' obligation to pay the Advance Charterhire against the Owners' obligation as buyers to pay that part of the Purchase Price in an amount equal to the Advance Charterhire, to the Charterers (as sellers under the MOA) on the Commencement Date pursuant to clause 18(b)(i) of the MOA.
- 36.3 Following Delivery, the Charterers shall pay, on each Payment Date, a monthly instalment of Charterhire to the Owners monthly in arrears and each instalment of Charterhire shall consist of:
- (a) a fixed component (the "**Fixed Charterhire**"), being an amount equal to:
 - (i) in relation to the first (1st) to the thirty-fifth (35th) Payment Date (both inclusive), US\$138,888.89; and
 - (ii) in relation to the thirty-sixth (36th) Payment Date, US\$138,888.85; and
 - (b) the Variable Charterhire in respect of the relevant Term.

- 36.4 The Vessel shall not at any time be deemed off-hire and the Charterers' obligation to pay all Charterhire and any other amounts payable under this Charter shall be paid in Dollars and shall be absolutely and unconditionally payable under any and all circumstances and shall not be affected by any circumstances of any nature whatsoever including but not limited to:
- (a) (except in the case of the Advance Charterhire and/or the Upfront Fee, as the case may require) any set off, counterclaim, recoupment, defence, claim or other right which the Charterers may at any time have against the Owners or any other person for any reason whatsoever including, without limitation, any act, omission or breach on the part of the Owners under this Charter or any other agreement at any time existing between the Owners and the Charterers;
 - (b) any change, extension, indulgence or other act or omission in respect of any indebtedness or obligation of the Charterers, or any sale, exchange, release or surrender of, or other dealing in, any security for any such indebtedness or obligation;
 - (c) any unavailability of the Vessel, including, any title defect or encumbrance or any dispossession of the Vessel by title paramount or otherwise;
 - (d) any defect in the seaworthiness, condition, value, design, merchantability, operation or fitness for use of the Vessel or the ineligibility of the Vessel for any particular trade, or for registration or documentation under the laws of any relevant jurisdiction;
 - (e) the Total Loss or any damage to or forfeiture or court marshal's or other sale of the Vessel;
 - (f) any libel, attachment, levy, detention, sequestration or taking into custody of the Vessel or any restriction or prevention of or interference with or interruption or cessation in, the use or possession thereof by the Charterers;
 - (g) any insolvency, bankruptcy, reorganization, arrangement, readjustment, dissolution, liquidation or similar proceedings by or against the Charterers or any other Obligors;
 - (h) any invalidity, unenforceability, lack of due authorization or other defects, or any failure or delay in performing or complying with any of the terms and provisions of this Charter or any of the Leasing Documents or any Assignable Sub-charter by any party to this Charter or any other person;
 - (i) any enforcement or attempted enforcement by the Owners of their rights under this Charter or any of the Leasing Documents or any Assignable Sub-charter executed or to be executed pursuant to this Charter;
 - (j) any loss of use of the Vessel due to deficiency or default or strike of officers or crew, fire, breakdown, damage, accident, defective cargo or any other cause which would or might but for this provision have the effect of terminating or in any way affecting any obligation of the Charterers under this Charter; or
 - (k) any prevention, delay, deviation or disruption in the use of the Vessel resulting from the wide outbreak of any viruses or any other highly infectious or contagious diseases (including the 2019 novel coronavirus), including but not limited to those caused by:
 - (i) closure of ports;

- (ii) prohibitions or restrictions against the Vessel calling at or passing through certain ports;
 - (iii) restriction in the movement of personnel and/or shortage of labour affecting the operation of the Vessel or the operation of the ports (including stevedoring operations);
 - (iv) quarantine regulations affecting the Vessel, its cargo, the crew members or relevant port personnel;
 - (v) fumigation or cleaning of the Vessel; or
 - (vi) any claims raised by any Sub-charterer or manager of the Vessel that a force majeure event or termination event (or any other analogous event, howsoever called) has occurred under the relevant charter agreement or management agreement (as the case may be) of the Vessel as a result of the outbreak of such virus or disease.
- 36.5 All payments of the Charterhire, the Advance Charterhire, the Upfront Fee and any other moneys payable hereunder shall be made in Dollars.
- 36.6 Time of payment of the Charterhire, the Advance Charterhire, the Upfront Fee and any other payments by the Charterers shall be of the essence of this Charter and shall be received by the Owners in same day available funds and not later than 5.00 pm (Shanghai time) on the due date of such payment.
- 36.7 All Charterhire, Advance Charterhire, Upfront Fee and any moneys payable hereunder shall be payable by the Charterers to the Owners to such account as the Owners may notify the Charterers in writing from time to time.
- 36.8 Payment of the Charterhire, the Advance Charterhire, the Upfront Fee and any other amounts payable by the Charterers to the Owners under the Leasing Documents shall be at the Charterers' risk until receipt by the Owners.
- 36.9 All stamp duty, value added tax, withholding or other taxes and import and export duties and all other similar types of charges which may be levied or assessed on or in connection with:
- (a) the operation of this Charter in respect of the hire and all other payments to be made pursuant to this Charter and the remittance thereof to the Owners; and
 - (b) the import, export, purchase, delivery and re-delivery of the Vessel,
- shall be borne by the Charterers (for the avoidance of doubt, the above excludes any income tax or any tax arising from the Owners' shares by competent tax authorities in their domicile, which shall be borne by the Owners). The Charterers shall pay, if applicable, value added tax and other similar tax levied on any Charterhire, Advance Charterhire, and Upfront Fee and other payments payable under this Charter by addition to, and at the time of payment of, such amounts.
- 36.10 If the Charterers fail to make any payment due under this Charter on the due date, they shall pay interest on such late payment at the default rate of ten per cent. (10%) per annum and accruing from the date on which such payment became due until the date of receipt of payment thereof.

- 36.11 All Variable Charterhire, interest and any other payments under this Charter which are of an annual or periodic nature shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 360-day year.
- 36.12 Any payment which is due to be made on a day which is not a Business Day, shall be made on the preceding Business Day in the same calendar month.
- 36.13 For the purposes of determining the Variable Charterhire:
- (a) if no Term SOFR is available for any relevant Term the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to for that Term;
 - (b) If no Term SOFR is available for any relevant Term and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR;
 - (c) if paragraph (b) above applies but no Historic Term SOFR is available for any relevant Term, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to that Term; and
 - (d) if paragraph (c) above applies but it is not possible to calculate the Interpolated Historic Term SOFR, there shall be no Reference Rate for that Term and Clause 36.17 shall apply.
- 36.14 The Owners shall notify the Charterers of the rate of interest in respect of a Term as soon as reasonably practicable after such rate of interest is determined by the Owners on the Quotation Day.
- 36.15 If, before the Reporting Time, the Owners determine (which determination shall be conclusive and binding) that their cost of funds relating to the then prevailing Outstanding Finance Amount or any part thereof would be in excess of the Reference Rate, the Owners shall promptly notify the Charterers accordingly and Clause 36.17 below shall apply to the prevailing Outstanding Finance Amount or any part thereof for that Term.
- 36.16 Immediately following the notification referred to in Clause 36.15 above, if the Owners and the Charterers so require, the Owners and the Charterers, shall negotiate in good faith (for a period not more than thirty (30) days) with a view to agreeing upon a substitute basis for determining an applicable Interest Rate for that Term. Subject to Clause 36.18, any substitute or alternative basis agreed pursuant to this Clause shall, with the prior written consent of the Parties, be binding on the Parties.
- 36.17 If:
- (a) this Clause 36.17 applies pursuant to Clause 36.13 or 36.15 above;
 - (b) a substitute basis is not so requested and/or agreed pursuant to Clause 36.16 above; or
 - (c) the amendment or waiver to the terms of the Leasing Documents is not so agreed pursuant to Clause 36.18,
- the applicable Interest Rate shall be the percentage rate per annum which is the sum of:
- (i) the Margin, and

- (ii) the cost notified by the Owners (expressed as an annual rate of interest) of funding the Outstanding Finance Amount during such Term as reasonably determined by the Owners,

provided that if the rate pursuant to (ii) above is less than zero, the relevant rate shall be deemed to be zero.

If this Clause 36.17 applies pursuant to Clause 36.16 above and the Owners do not notify a Funding Rate to the Charterers by the Reporting Time, the Owners' cost of funds relating to that portion of the Outstanding Finance Amount for that Term shall be deemed, for the purposes of sub-clause(ii) above, to be the Reference Rate.

36.18 If a Published Rate Replacement Event has occurred in relation to any Published Rate for Dollars, the Owners, after consultation with the Charterer, are entitled to request any amendment or waiver (and such costs incurred in relation to such amendment or waiver shall be borne by the Charterers), which relates to:

- (a) providing for the use of a Replacement Reference Rate in the place of (or in addition to) that Published Rate; and
- (b)
 - (i) aligning any provision of any Leasing Document to the use of that Replacement Reference Rate;
 - (ii) enabling that Replacement Reference Rate to be used for the calculation of interest under this Charter (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Charter);
 - (iii) implementing market conventions applicable to that Replacement Reference Rate;
 - (iv) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
 - (v) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

and pending any such amendment or waiver and the Replacement Reference Rate being utilised under the Leasing Documents to calculate the Interest Rate, Clause 36.17 shall apply to the calculation of the Interest Rate.

CLAUSE 37 – POSSESSION OF VESSEL

37.1 The Charterers shall not, without the prior written consent of the Owners, assign, mortgage or pledge the Vessel, its Earnings, Insurances, Requisition Compensation or any other interest therein and/or any of its rights and interest under any Sub-charter or any other interest therein and shall not permit the creation or existence of any Security Interest thereon (including for any monies paid in advance and not earned, and for any claims for damages arising from any breach by the Owners of this Charter and other amounts due to the Charterers under this Charter) other than Permitted Security Interests.

- 37.2 The Charterers shall promptly notify in writing any party (as the Owners may request), including any Sub-charterer, that the Vessel is the property of the Owners and the Charterers shall provide the Owners with a copy of such written notification and satisfactory evidence that such party has received such written notification.
- 37.3 If the Vessel is arrested, seized, impounded, forfeited, detained or taken out of their possession or control (whether or not pursuant to any distress, execution or other legal process), the Charterers shall procure the immediate release of the Vessel (whether by providing bail or procuring the provision of security or otherwise do such lawful things as the circumstances may require) and shall immediately notify the Owners of such event.
- 37.4 The Charterers shall pay and discharge or cause any Sub-charterer of the Vessel to pay and discharge all obligations and liabilities whatsoever which have given or may give rise to liens on or claims enforceable against the Vessel and take (and shall procure that any such Sub-charterer shall take) all steps to prevent an arrest (threatened or otherwise) of the Vessel.
- 37.5 Without prejudice to Clause 10(a)(ii) (*New Class and Other Safety Requirements*), any time and costs associated with the re-designing, installation, inspection or docking of the Vessel for the purposes of complying with the requirements of any applicable regulations or conventions which come into force after the date of this Charter, including without limitation to, the International Convention for the Control and Management of Ships' Ballast Water and Sediments, shall be for the account of the Charterers.

CLAUSE 38 – INSURANCE

- 38.1 The Charterers shall procure that insurances are effected in form and substance satisfactory to the Owners and the Owners' Financier (if any) at all times during the Charter Period and that such insurances are:
- (a) in Dollars;
 - (b) in the case of fire and usual marine risks (including hull and machinery) and war risks (including blocking and trapping), on an agreed value basis of at least the higher of (i) one hundred per cent (100%) of the then applicable Market Value of the Vessel or (ii) one hundred and twenty per cent (120%) of the then prevailing Outstanding Finance Amount at the relevant time;
 - (c) in the case of oil pollution liability risks for the Vessel, for an aggregate amount equal to the highest level of cover from time to time available under protection and indemnity club entry and in the international marine insurance market and for an amount of not less than \$1,000,000,000;
 - (d) in relation to protection and indemnity risks (including freight, demurrage and defence cover), in respect of the full tonnage of the Vessel and with a member of the International Group of P&I Clubs, and reputable protection and indemnity club member (in each case, which is acceptable to the Owners and the Owners' Financier (if any));
 - (e) on terms acceptable to the Owners and the Owners' Financier (if any);

- (f) through approved brokers and with first class international insurers and/or underwriters notified to the Owners (having a Standard & Poor's rating of BBB+ or above, a Moody's rating of A or above or an AM Best rating of A- or above) or, in the case of war risks and protection and indemnity risks, in a war risks and protection and indemnity risks associations as notified to the Owners and the Owners' Financier (if any) (including being a member of the International Group of P&I Clubs); and
- (g) on no less favourable terms as may be required under the terms of any Sub-charter.
- 38.2 In addition to the terms set out in Clause 13(a), the Charterers shall procure that the obligatory insurances shall:
- (a) subject always to paragraph (b), name the Owners, the Approved Manager(s) and the Charterers as the only named assureds unless the interest of every other named assured or co-assured is limited:
- (i) in respect of any obligatory insurances for hull and machinery and war risks;
- (1) to any provable out-of-pocket expenses that they have incurred and which form part of any recoverable claim on underwriters; and
- (2) to any third-party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against them); and
- (ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries they are entitled to make by way of reimbursement following discharge of any third-party liability claims made specifically against them,
- and every other named assured or co-assured has undertaken in writing to the Owners or the Owners' Financier if any (in such form as they require) that any deductible shall be apportioned between the Charterers and every other named assured or co-assured in proportion to the gross claims made by or paid to each of them and that they shall do all things necessary and provide all documents, evidence and information to enable the Owners and the Owners' Financier (if any) in accordance with the terms of the loss payable clause, to collect or recover any moneys which at any time become payable in respect of the obligatory insurances;
- (b) whenever the Owners or the Owners' Financier (if any) requires:
- (i) in respect of fire and other usual marine risks and war risks, name (or be amended to name) the same as additional named assured for their rights and interests, warranted no operational interest and with full waiver of rights of subrogation against such financiers, but without such financiers thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;
- (ii) in relation to protection and indemnity risks, name (or be amended to name) the same as additional insured or co-assured for their rights and interests to the extent permissible under the relevant protection and indemnity club rules; and

- (iii) name the Owners' Financier (as applicable) and the Owners (as applicable) as respectively the first ranking loss payee and the second ranking loss payee (and in the absence of any financiers, name the Owners as the first ranking loss payee) in accordance with the terms of the relevant loss payable clauses approved by the Owners' Financier and the Owners with such directions for payment in accordance with the terms of such relevant loss payable clause, as the Owners and the Owners' Financier (if any) may specify;
 - (c) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Owners and/or the Owners' Financier (as applicable) shall be made without set-off, counterclaim or deductions or condition whatsoever;
 - (d) provide that such obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Owners and/or the Owners' Financier (if any);
 - (e) provide that the Owners and/or the Owners' Financier (if any) may make proof of loss if the Charterers fail to do so; and
 - (f) provide that if any obligatory insurance is cancelled, or if any change is made in the coverage which adversely affects the interest of the Owners and/or the Owners' Financier (if any), or if any obligatory insurance is allowed to lapse for non-payment of premium, such cancellation, change or lapse shall not be effective with respect to the Owners and/or the Owners' Financier (if any) for thirty (30) days after receipt by the Owners and/or the Owners' Financier (if any) of prior written notice from the insurers of such cancellation, change or lapse.
- 38.3 The Charterers shall:
- (a) at least fourteen (14) days prior to Delivery (or such lesser period agreed by the parties), notify in writing the Owners (copied to the Owners' Financier (if any)) of the terms and conditions of all Insurances;
 - (b) at least seven (7) days (or such lesser period agreed by the parties) before the expiry of any obligatory insurance or otherwise before the appointment of any new brokers (or other insurers) and any protection and indemnity or war risks association through which obligatory insurances are taken from time to time pursuant to this Clause 38 (*Insurance*), notify the Owners of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom the Charterers propose to renew that obligatory insurance and of the proposed terms of renewal and obtain the Owners' approval to such matters;
 - (c) at least seven (7) days (or such lesser period agreed by the parties) before the expiry of any obligatory insurance, procure that such obligatory insurance is renewed or to be renewed on its expiry date in accordance with the provisions of this Charter;
 - (d) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal or the effective date of the new insurance and protection and indemnity cover notify the Owners in writing of the terms and conditions of the renewal; and
 - (e) as soon as practicable after the expiry of any obligatory insurance, deliver to the Owners a letter of undertaking as required by this Charter in respect of such Insurances for the Vessel as renewed pursuant to Clause 38.3(c) together with copies of the relevant policies or cover notes or entry certificates duly endorsed with the interest of the Owners and/or the Owners' Financier (if any).

- 38.4 The Charterers shall ensure that all insurance companies and/or underwriters, and/or (if any) insurance brokers provide the Owners with copies of all policies, cover notes and certificates of entry relating to the obligatory insurances which they are to effect or renew and of a letter or letters or undertaking in a form required by the Owners and/or the Owners' Financier (if any) and including undertakings by the insurance companies and/or underwriters that:
- (a) they will have endorsed on each policy, immediately upon issuance, a loss payable clause and a notice of assignment complying with the provisions of this Charter and the Financial Instruments;
 - (b) they will hold the benefit of such policies and such insurances, to the order of the Owners and/or the Owners' Financier (if any) and/or such other party in accordance with the said loss payable clause;
 - (c) they will advise the Owners and the Owners' Financier (if any) promptly of any material change to the terms of the obligatory insurances of which they are aware;
 - (d) following a written application from the Owners and/or the Owners' Financier (if any) not later than one (1) month before the expiry of the obligatory insurances, they will notify the Owners and the Owners' Financier (if any) not less than seven (7) days (or such lesser period agreed by the parties) before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from the Charterers and, in the event of their receiving instructions to renew, they will promptly notify the Owners and the Owners' Financier (if any) of the terms of the instructions; and
 - (e) if any of the obligatory insurances form part of any fleet cover, the Charterers shall procure that the insurance broker(s), or leading insurer, as the case may be, undertakes to the Owners and the Owners' Financier (if any) that such insurance broker or insurer will not set off against any sum recoverable in respect of a claim relating to the Vessel under such obligatory insurances any premiums due in respect of any other vessel under any fleet cover of which the Vessel forms a part or any premium due for other insurances, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of the Vessel forthwith upon being so requested by the Owners and/or the Owners' Financier (if any) and where practicable.
- 38.5 The Charterers shall ensure that any protection and indemnity and/or war risks associations in which the Vessel is entered provides the Owners and the Owners' Financier (if any) with:
- (a) a copy of the certificate of entry for the Vessel as soon as such certificate of entry is issued;
 - (b) a letter or letters of undertaking in such form as may be required by the Owners and/or the Owners' Financier (if any) or in such association's standard form; and
 - (c) a copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to the Vessel.
- 38.6 The Charterers shall ensure that all policies relating to the obligatory insurances are deposited with the approved brokers through which the insurances are effected or renewed.

- 38.7 The Charterers shall procure that all premiums or other sums payable in respect of the obligatory insurances are punctually paid and produce all relevant receipts when so required by the Owners.
- 38.8 The Charterers shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.
- 38.9 The Charterers shall neither do nor omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular:
- (a) the Charterers shall procure that all necessary action is taken and all requirements are complied with which may from time to time be applicable to the obligatory insurances, and (without limiting the obligations contained in this clause) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Owners have not given their prior approval (unless such exclusions or qualifications are made in accordance with the rules of a protection and indemnity association which is a member of the International Group of protection and indemnity associations);
 - (b) the Charterers shall not make or permit any changes relating to the classification or classification society or manager or operator of the Vessel unless such changes have, if required, first been approved by the underwriters of the obligatory insurances or the Owners; and
 - (c) the Charterers shall procure that all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Vessel is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation) are made and the Charterers shall promptly provide the Owners with copies of such declarations and a copy of the certificate of financial responsibility; and
 - (d) the Charterers shall not employ the Vessel, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.
- 38.10 The Charterers shall not make or agree to any alteration to the terms of any obligatory insurance nor waive any right relating to any obligatory insurance without the prior written consent of the Owners and/or the Owners' Financier (if any), not to be unreasonably withheld.
- 38.11 The Charterers shall not 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 Owners to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.
- 38.12 The Charterers shall provide the Owners upon written request, copies of:
- (a) all communications between the Charterers and:
 - (i) the approved brokers; and

- (ii) the approved protection and indemnity and/or war risks associations; and
 - (iii) the first-class international insurers and/or underwriters, which relate directly or indirectly to:
 - (1) the Charterers' obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
 - (2) any credit arrangements made between the Charterers and any of the persons referred to in paragraphs (i) or (ii) relating wholly or partly to the effecting or maintenance of the obligatory insurances; and
 - (b) any communication with all parties involved in case of a claim under any of the Vessel's insurances.
- 38.13 The Charterers shall promptly provide the Owners (or any persons which they may designate) with:
- (a) any information which the Owners or the Owners' Financier (or any such designated person) request for the purpose of:
 - (i) 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
 - (ii) effecting, maintaining or renewing any such insurances as are referred to in Clause 13(a) or dealing with or considering any matters relating to any such insurances; and
 - (b) after the occurrence of a Termination Event which is continuing, copies of all communications between all parties in case of a claim under any of the Vessel's insurances.
- 38.14 If one or more of the obligatory insurances are not effected and maintained with first class international insurers or are effected with an insurance or captive subsidiary of the Owners or the Charterers, then the Charterers shall procure, at their own expense, that the relevant insurers maintain in full force and effect facultative reinsurances with reinsurers and through brokers, in each case, of recognised standing and acceptable in all respects to the Owners. Any reinsurance policy shall include, if and when permitted by law, a cut-through clause in a form acceptable to the Owners. The Charterers shall procure that underwriters of the primary insurances assign each reinsurance to the relevant financiers in full, if required.
- 38.15 The Charterers shall be solely responsible for all premiums and other documented costs or expenses which are reasonably incurred by (i) the Owners in connection with or with a view to effecting, maintaining or renewing a lessors' or innocent owners' interest insurance and a lessors' or innocent owners' additional perils insurance or any similar protective shipowner insurance that is taken out in respect of the Vessel, and/or (ii) the Owners or the Owners' Financier (if any) in connection with or with a view to effecting, maintaining or renewing a mortgagee's interest insurance and a mortgagee's additional perils insurance that is taken out in respect of the Vessel. In each case, the amount of the insurances referred to in this Clause shall be equal to at least one hundred and twenty per cent. (120%) of the higher of (i) the prevailing Market Value of the Vessel at the relevant time or (ii) the Outstanding Finance Amount at the relevant time on such terms and conditions as the Owners may from time to time impose.

- 38.16 The Charterers shall be solely responsible for all loss or damage to the Vessel (insofar as the Owners shall not be reimbursed by the proceeds of any insurance in respect thereof) however caused occurring at any time or times before physical possession thereof is retaken by the Owners, reasonable wear and tear to the Vessel only excepted
- 38.17 The Charterers shall:
- (a) at the expense of the Charterers, furnish the Owners once a year (or, after a Termination Event has occurred and is continuing, as many times per year as the Owners may require) with a detailed report signed by an independent firm of marine insurance brokers or consultants appointed by the Owners dealing with the Insurances and stating the opinion of such firm as to the adequacy of the Insurances;
 - (b) reimburse the Owners any documented expenses reasonably incurred by the Owners in obtaining the reports described in Clause 38.17(a); and
 - (c) procure that there is delivered to the insurance brokers or consultants described in 38.17(a) such information in relation to the Insurances as such brokers or consultants may reasonably require.
- 38.18 The Charterers shall keep the Vessel insured at their time, costs and expenses against such other risks and/or insurances which the Owners or the Owners' Financier consider reasonable for a prudent shipowner or operator to insure against at the relevant time (as notified by the Owners) and which are, at that time, generally insured against by owners or operators of vessels similar to the Vessel (including but not limited to kidnap and ransom insurances, which the Charterers acknowledge shall fall within the scope of this clause).
- 38.19 The Charterers shall, in the event that any Approved Manager or any co-assured makes a claim under any obligatory insurances taken out in connection with Clause 38 but is unable to or otherwise fails to pay in full any deductible in connection with such claim (in an amount as apportioned between the Charterers and every other assured in proportion to the gross claims made by or paid to each of them), pay such shortfall in deductible payable on behalf of such Approved Manager or co-assured.

CLAUSE 39 – WARRANTIES RELATING TO VESSEL

- 39.1 It is expressly agreed and acknowledged that the Owners are not the manufacturer or original supplier of the Vessel which has been purchased by the Owners (as buyers under the MOA) from the Charterers (as sellers under the MOA) pursuant to the MOA for the purpose of then chartering the Vessel to the Charterers hereunder and that no condition, term, warranty or representation of any kind is or has been given to the Charterers by or on behalf of the Owners in respect of the Vessel (or any part thereof).
- 39.2 All conditions, terms or warranties express or implied by the law relating to the specifications, quality, description, merchantability or fitness for any purpose of the Vessel (or any part thereof) or otherwise are hereby expressly excluded.

- 39.3 The Charterers agree and acknowledge that the Owners shall not be liable for any claim, loss, damage, expense, injury, death, delay or other liability of any kind or nature caused directly or indirectly by the Vessel, whether onboard the Vessel or elsewhere, or by any inadequacy thereof or the use or performance thereof or any repairs thereto or servicing thereof and irrespective of whether such claim, loss, damage, expense, injury, death, delay or other liability shall arise from the unseaworthiness of the Vessel, and the Charterers shall not by reason thereof be released from any liability to pay any Charterhire or Advance Charterhire or other payment due under this Charter or any of the other Leasing Documents.

CLAUSE 40 – TERMINATION, REDELIVERY AND TOTAL LOSS

- 40.1 If the Termination Sum becomes payable in accordance with Clause 44.2, it is agreed by the Parties that payment of the Termination Sum is deemed to be proportionate as to amount, having regard to the legitimate interests of the Owners, in protecting against the Owners' risk of the Charterers failing to perform its obligations under this Charter.
- 40.2 Upon the Termination Notice Date, the Charterers' right to possess and operate the Vessel shall immediately cease (without in any way affecting the Charterers' obligation to pay the Termination Sum).
- 40.3 Upon irrevocable receipt of the Termination Sum pursuant to Clause 44.2 or the Special Termination Sum pursuant to Clause 44(A).1 or 44(A).3 (as the case may be) by the Owners in full:
- (a) this Charter shall terminate (provided that any provision hereof expressed to survive such termination shall do so in accordance with its terms); and
 - (b) the Owners shall, at the cost of the Charterers, transfer the legal and beneficial ownership of the Vessel on an "as is where is" basis to the Charterers (or their nominees approved by the Owners) free from all mortgages, encumbrances, liens, debts or any claims whatsoever or any Port State or other administrative detentions, incurred or permitted by the Owners (save for those mortgages, liens, encumbrances and debts created under the Leasing Documents or incurred by the Charterers or arising out of or in connection with this Charter) and shall execute a bill of sale and a protocol of delivery and acceptance evidencing the same, with such transfer otherwise made in accordance with Clauses 49.1(a) and 49.1(b).
- 40.4 If the Charterers fail to make any payment of the Termination Sum on the due date thereof:
- (a) interest on such outstanding amount shall accrue in accordance with Clauses 36.10 and 36.11; and
 - (b) the Charterers shall:
 - (i) upon the Owners' prior written request (at the Owners' sole discretion), be obliged to (and at the Charterers' own cost) redeliver the Vessel to the Owners at such ready and nearest safe port as the Owners may require; further and for the avoidance of doubt, the Owners shall be entitled (at the Owners' sole discretion) to operate the Vessel as they may require and may create whatsoever interests thereon, including without limitation charterparties or any other form of employment contracts. The Earnings of the Vessel during such period less its operational expenses (including, without limitation, any maintenance costs of, and costs for fuel, bunkering, lubricants or oils for the Vessel) (the "**Net Trading Proceeds**") shall be applied against the Termination Sum and any other amounts payable under the Leasing Documents pursuant to Clause 54 (*General Application of Proceeds*) and if such use of the Vessel results in the Owners suffering a loss then such losses shall, for the avoidance of doubt, be included in the indemnities contained in Clause 50 (*Indemnities*) and be added to the Termination Sum. Upon redelivery of the Vessel this Charter shall terminate save for the provisions set out in Clause 30 (*Dispute Resolution*), Clause 36.10, this Clause 40 (*Termination, Redelivery and Total Loss*) and Clause 50 (*Indemnities*) and any other provisions expressed to survive termination or that are cross referred to in the survived clauses or are required to survive to enable proper construction of the survived terms; and/or

- (ii) the Owners shall at any point following such redelivery be entitled (at the Owners' sole discretion) to sell the Vessel on terms they deem fit (an "**Owners' Sale**") in which case the sale proceeds (after deducting all fees, taxes, disbursements, any maintenance costs of, and costs for fuel, bunkering or oils for, the Vessel and any other costs and expenses incurred by the Owners in connection with such sale) (the "**Net Sales Proceeds**") derived from such sale shall be applied against the Termination Sum pursuant to Clause 54 (*General Application of Proceeds*) and any other amounts payable under Clause 50 (*Indemnities*) in any manner the Owners deem fit and any excess of such amount after such application shall be paid to the Charterers. If the Net Sales Proceeds are not in an amount sufficient to discharge in full the Termination Sum and any other amounts payable under Clause 50 (*Indemnities*), the Charterers shall continue to be liable for the shortfall and interest shall continue to accrue on such shortfall in accordance with Clause 36.11. Upon completion of such Owners' Sale this Charter shall terminate save for Clause 30 (*Dispute Resolution*), Clause 36.10, this Clause 40 (*Termination, Redelivery and Total Loss*), Clause 50 (*Indemnities*) and any other provisions expressed to survive termination or that are cross referred to in the survived clauses or are required to survive to enable proper construction of the survived terms; or
- (c) the Charterers shall, upon the Owners' prior written request (at the Owners' sole discretion) be obliged to (and at the Charterers' own cost) redeliver the Vessel to the Owners at such ready and nearest safe port as the Owners may require; and as from such redelivery the Owners shall maintain ownership of such Vessel and own, operate or sell or otherwise use it in any manner they deem fit and apply the then current Market Value of the Vessel (less an amount determined by the Owners as being an amount equal to the amount of the usual and reasonable expenses which would be reasonably likely to be incurred in connection with a sale of the Vessel or other vessel) (the "**Adjusted Market Value**"), against the Termination Sum and all other amounts payable to the Owners under this Charter in which case if:
 - (i) the amount of the relevant Adjusted Market Value is in excess of the aggregate amounts due to the Owners under this Charter, such excess will be paid to the Charterers subject to no other actual or contingent liabilities existing at the relevant time; or
 - (ii) in case the amount of the relevant Adjusted Market Value is not sufficient to discharge in full the aggregate amounts due to the Owners under this Charter following such application the Charterers shall continue to be liable for the shortfall and interest shall continue to accrue on such shortfall in accordance with Clauses 36.10 and 36.11.

Any terms expressly provided to survive post-termination of this Charter shall continue to be in full force and effect at all times thereafter.

- 40.5 If the Charterers are required to redeliver the Vessel to the Owners pursuant to Clause 40.4, the Charterers shall (i) keep the Owners informed of the Vessel's itinerary for the voyage and expected geographical range of redelivery, leading up to redelivery and shall serve the Owners with notices of the approximate/definite number of days the Vessel's redelivery. The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel in accordance with the notices given; and (ii) ensure that the Vessel shall, at the time of redelivery to the Owners (at the Charterers' cost and expense):
- (a) be in compliance with its Insurances;
 - (b) be in an equivalent class as she was as at the Commencement Date without any overdue recommendation or condition, and with valid, unextended certificates for not less than three months and free of average damage affecting the Vessel's classification and in the same or as good structure, state, condition and classification as that in which she was deemed on the Commencement Date, fair wear and tear not affecting the Vessel's classification excepted;
 - (c) have passed her 5-year and if applicable, 10-year special surveys, and any subsequent second intermediate surveys and drydock at the Charterers' time and expense without any overdue condition and to the satisfaction of the Classification Society;
 - (d) if the Classification Society or the Flag State require or will require the Vessel to undergo dry-docking within three (3) months of the date of redelivery, be redelivered after the satisfactory completion of such dry-docking at the cost and time of the Charterers;
 - (e) with all the Vessel's classification, trading, national and international certificates that the Vessel had when she was delivered under this Charter and the log book and other certificates and documents necessary for the operation of the Vessel, valid and without overdue conditions or recommendation falling due;
 - (f) have her survey cycles up to date and trading and class certificate valid for at least the number of months agreed in Box 17;
 - (g) be redelivered to the Owners together with all spare parts and spare equipment or replacement items as were on board at the time of Delivery (but only to the extent they have not already been used in the operation of the Vessel), and any such spare parts and spare equipment on board at the time of re-delivery shall be taken over by the Owners free of charge;
 - (h) be free of any cargo (unless otherwise agreed by the Owners) and Security Interest (save for Permitted Security Interests);
 - (i) be free of any charter and other employment unless the Owners wish to retain the continuance of any then existing charter or as otherwise agreed by the Owners in their absolute discretion;
 - (j) be free of officers and crew (unless otherwise agreed by the Owners);
 - (k) have had her underwater parts treated with anti-fouling to last for the ensuing period up to the next scheduled dry docking of the Vessel;

- (l) be redelivered to the Owners together with all material information generated during the Charter Period in respect of the use, possession, operation, navigation, utilization of lubricating oil and the physical condition of the Vessel, whether or not such information is contained in the Charterers' equipment, computer or property; and
 - (m) having such volume of bunkers on board the Vessel as would be sufficient to enable the Vessel to sail to the nearest bunkering port.
- 40.6 The Owners shall have the right to appoint (at the Charterers' cost and expense) surveyor(s) for the purpose of determining the condition of the Vessel at redelivery. The findings of the surveyor appointed by the Owners (the "**Owners' Surveyor**") shall be conclusive. The Charterers shall provide the Owners' Surveyor with all such facilities and access to the Vessel as may be required to enable such Owners' Surveyor to conduct its survey of the Vessel and shall take all such actions as may be recommended by the Owners' Surveyor to ensure that the Vessel shall be redelivered to the Owners in accordance with Clause 41.6.
- 40.7 The Owners have no obligation to accept redelivery of the Vessel until they are satisfied that the Vessel has been put into the redelivery conditions as set out in Clause 40.5 and other relevant conditions of this Charter. Moreover, the Owners reserve all rights to recover from the Charterers any costs, expenses and/or liabilities incurred or suffered by them (including, without limitation, the costs of any docking and/or repairs which may be required to restore the Vessel to the structure, state, condition and class as that in which the Vessel was delivered (fair wear and tear not affecting class excepted, but without any recommendations or conditions as to class)) as a result of the Vessel not being redelivered in accordance with the terms of this Charter.
- 40.8 The Owners shall, at the time of the redelivery of the Vessel, take over all bunkers, lubricating oil, unbroke provisions, paints, ropes and other consumable stores (excluding spare parts) in the Vessel at no cost to the Owners.
- 40.9 Throughout the Charter Period, the Charterers shall bear the full risk of any Total Loss of or any other damage to the Vessel however arising. If the Vessel, for any reason, becomes a Total Loss after Delivery, the Charterers shall pay the Special Termination Sum to the Owners on the earlier of (the "**Total Loss Payment Date**"):
- (a) the date falling sixty (60) days after such Total Loss has occurred; and
 - (b) the date of receipt by the Owners and/or the Owners' Financier (if any) of the Total Loss Proceeds.
- 40.10 Upon such receipt by the Owners of the Special Termination Sum, this Charter shall terminate (without prejudice to any provision of this Charter expressed to survive termination) but until such receipt, the Charterers shall remain liable to make all payments of Charterhire and all other amounts to the Owners under this Charter, notwithstanding that the Vessel has become a Total Loss.
- 40.11 Any Total Loss Proceeds unconditionally received by the Owners (or the Owners' Financiers in accordance with the terms of the relevant loss payable clause) shall be applied in accordance with Clause 54 (*General Application of Proceeds*) and shall satisfy the obligation of the Charterers to pay the Special Termination Sum to the extent received by the Owners and/or the Owners' Financiers in accordance with the terms of the relevant loss payable clause. The obligation of the Charterers to pay the Special Termination Sum shall remain unaffected and exist regardless of whether any of the insurers have agreed or refused to meet or has disputed in good faith, the claim for Total Loss.

- 40.12 If the Total Loss Proceeds unconditionally received by the Owners and/or the Owners' Financiers in accordance with the terms of the relevant loss payable clause are less than the Special Termination Sum, the Charterers shall pay such shortfall to the Owner on the Total Loss Payment Date.
- 40.13 The Owners shall have no obligation to supply to the Charterers with a replacement vessel following the occurrence of a Total Loss.

CLAUSE 41 – FEES AND EXPENSES

- 41.1 In consideration of the Owners entering into this Charter, the Charterers shall pay to the Owners or their nominee a non-refundable upfront fee (the "**Upfront Fee**") at such time and in such amount to be set out in the Fee Letter.
- 41.2 Each Party shall be responsible for their own costs and expenses to review and negotiate the term sheet relating to this Charter. All documented costs and expenses incidental to and incurred by the Owners in the preparation, negotiation, execution and delivery of the Charter and other Leasing Documents including, but not limited to, all documented costs and expenses reasonably incurred by the Owners and all documented legal costs, expenses and other disbursements reasonably incurred by the Owners' legal counsels in connection with the same, shall be for the account of the Charterers.
- 41.3 If:
- (a) the Charterers request an amendment, waiver or consent (including an amendment or a waiver to the terms of the Leasing Documents is required pursuant to Clause 36.18 to address the fact that a Published Rate Replacement Event has occurred); or
 - (b) the Charterers make a request to re-register the Vessel in another Flag State,
- the Charterers shall, on demand, reimburse the Owners for the amount of all documented costs and expenses (including, without limitation, any legal fees) reasonably incurred by the Owners in responding to, evaluating, negotiating or complying with that request or requirement (including, for the avoidance of doubt, any amounts the Owners have to pay under the terms of the Financial Instruments).
- 41.4 All documented costs and expenses reasonably incurred by the Owners in relation to the acquisition, financing (including, without limitation, any Breakfunding Costs payable by the Owners to the Owners' Financiers (if any)) and registration of the Vessel and this Charter by the Owners in the Owners' name in the Flag State together with any and all fees (including, but not limited to, any vessel registration and tonnage fees and the Owners' initial and ongoing annual registration and maintenance costs if required to be registered as a foreign maritime entity or the appointment of resident agents under the laws of the Flag State) payable by the Owners to such Flag State to maintain and/or renew such registration shall be for the account of the Charterers. Without prejudice to the foregoing, if the Flag State requires the Owners to establish a physical presence or office in the jurisdiction of such Flag State, all fees, costs and expenses payable by the Owners to establish and maintain such physical presence or office shall be for the account of the Charterers. The Charterers shall promptly provide the Owners with evidence of payment of the annual register/tonnage tax amounts payable to the Flag State or any other aforesaid costs, expenses and/or taxes when the same fall due.

- 41.5 All documented costs and expenses (including, without limitation, any legal fees) reasonably incurred by the Owners in relation to the transfer of title of the Vessel by the Owners to the Charterers and the re-delivery of the Vessel by the Charterers to the Owners pursuant to Clause 40 (*Termination, Redelivery and Total Loss*) shall be for the account of the Charterers.
- 41.6 The Charterers shall on demand pay or reimburse the Owners for the amount of all documented costs and expenses (including legal fees) incurred by the Owners in connection with the enforcement of, or the preservation of any rights under, any Leasing Document, any Assignable Sub-charter or any Security Interest created thereunder and with any proceedings instituted by or against the Owners as a consequence of entering into any Leasing Document or any Assignable Sub-charter, taking or holding any Security Interests created thereunder or enforcing those rights, including, without limitation, any documented losses, costs and expenses which the Owners may from time to time sustain, incur or become liable by reason of the Owners being the registered owner of the Vessel and/or being deemed by any court or authority to be an operator or controller, or in any way concerned in the operation or control, of a Vessel.

CLAUSE 42 - NO WAIVER OF RIGHTS

- 42.1 No neglect, omission, delay or indulgence on the part of either Party in enforcing the terms and conditions of this Charter shall prejudice the strict rights of that party or be construed as a waiver thereof nor shall any single or partial exercise of any right of either party preclude any other or further exercise thereof.
- 42.2 No right or remedy conferred upon either party by this Charter shall be exclusive of any other right or remedy provided for herein or by law and all such rights and remedies shall be cumulative.

CLAUSE 43 – NOTICES

- 43.1 Any notice, certificate, demand or other communication to be served, given, made or sent under or in relation to this Charter shall be in English and in writing and (without prejudice to any other valid method of giving, making or sending the same) shall be deemed sufficiently given or made or sent if sent by registered post or by email to the following respective addresses:

(A) to the Owners: China Huarong Shipping Financial Leasing Company Limited
Room 6006, 6th Floor, No. 15 Second East Zhongshan Road,
Shanghai, China, 200002
Attention: Jones Cao/Annie Tao/ Sun Linzi
Tel:
Email:

(B) to the Charterers: Sea Glorius Shipping Co.

c/o United Management Corp.

154 Vouliagmenis Avenue, 166 74 Glyfada, Athens, Greece Attention: Mr. Stavros Gyftakis

Tel:

Email:

or, if a party hereto changes its address or email address, to such other address or email address as that party may notify to the other.

- 43.2 Any such communication shall be deemed to have reached the party to whom it was addressed (a) when delivered (in case of a registered letter), or (b) when actually received in readable form (in case of an email). A notice or other such communication received on a non- working day or after 5.00 p.m. in the place of receipt shall be deemed to be served on the next following working day in such place.

CLAUSE 44 – TERMINATION EVENTS

44.1 The Owners and the Charterers hereby agree that any of the following events shall constitute a Termination Event:

- (a) any Obligor (other than a Third Party Approved Manager) fails to make any payment on the due date or on demand in accordance with the terms of any Leasing Document to which it is a party unless such failure to pay is caused by a force majeure or technical error and payment is made within ten (10) Business Days of its due date;
- (b) the Charterers breach or omit to observe or perform any of their undertakings in Clause 46.1(j), (n), (p), (r), (s), (t), (u), (v), (y), (dd), (ee) or (ff) or the Guarantor breaches or omits to observe or perform any of its undertakings contained in the Guarantee, provided that no Termination Event under this Clause 44.1(b) will be triggered if the breach or omission to observe or perform relates solely and directly to any Sanctions imposed by the law or regulation of the People's Republic of China which deviates from those imposed by the United Nations, in which case the Charterers shall be entitled to terminate this Charter pursuant to Clause 44(A).3;
- (c) the Charterers fail to obtain and/or maintain the Insurances required under Clause 38 (Insurance) in accordance with the provisions thereof or any insurer in respect of such Insurances cancels the Insurances or disclaims liability with respect thereto;
- (d) any Obligor (other than a Third Party Approved Manager) commits any other breach of, or omits to observe or perform, any of their other obligations or undertakings in this Charter or any other Leasing Document (other than a breach referred to in paragraphs (a), (b) or (c) above) unless such breach or omission is in the reasonable opinion of the Owners, remediable and such Obligor remedies such breach or omission to the reasonable satisfaction of the Owners within ten (10) Business Days of the occurrence thereof;
- (e) any representation or warranty made or deemed to be made by any Obligor (other than a Third Party Approved Manager) in or pursuant to any Leasing Document to which it is a party or if applicable, in the case of the Charterers only, the Acceptance Certificate, proves to be untrue or misleading in a material way when it is made;

- (f) any of the following occurs in relation to any Financial Indebtedness of an Obligor (other than a Third Party Approved Manager):
- (i) any Financial Indebtedness of such entity is not paid when due or, if so payable, on demand after any applicable grace period has expired;
 - (ii) any Financial Indebtedness of such entity becomes due and payable, prior to its stated maturity date as a consequence of any event of default and not as a consequence of the exercise of any voluntary right of prepayment;
 - (iii) any commitment for any Financial Indebtedness is cancelled or suspended by any of its creditors as a result of an event of default (however described);
 - (iv) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of such entity ceases to be available or becomes capable of being terminated or declared due and payable or cash cover is required or becomes capable of being required, as a result of any termination event or event of default (howsoever defined);

provided that no Termination Event will occur under this paragraph (f) in respect of the Guarantor if the aggregate amount of Financial Indebtedness falling within sub-paragraphs

(i) to (iv) above is less than US\$5,000,000 (or its equivalent in any other currency or currencies);

- (g) any of the following occurs in relation to any Obligor (other than a Third Party Approved Manager):
- (i) such entity becomes unable to pay its debts as they fall due; or
 - (ii) the value of the assets of such entity is less than its liabilities (taking into account contingent and prospective liabilities); or
 - (iii) any of the assets of such entity (with a value amounting in aggregate to \$500,000) are subject to any form of expropriation, execution, attachment, arrest, sequestration or distress (or any analogous process in any jurisdiction) which is not discharged within thirty (30) days; or
 - (iv) any administrative or other receiver is appointed over all or a part of the assets of such entity unless as part of a solvent reorganisation which has been approved by the Owners; or
 - (v) such entity makes any formal declaration of bankruptcy or any formal statement to the effect that it is insolvent or likely to become insolvent, or a winding up or administration order is made in relation to it, or its shareholders or directors pass a resolution to the effect that it should be wound up, placed in administration or cease to carry on business; or
 - (vi) a petition is presented in any Relevant Jurisdiction for the winding up or administration, or the appointment of a provisional liquidator of such entity unless the relevant petition is frivolous or vexatious and is being contested in good faith and on substantial grounds and is dismissed or withdrawn within twenty-one (21) days of the presentation of the petition; or

- (vii) such entity petitions a court, or presents any proposal for, any form of judicial or non-judicial suspension or deferral of payments, reorganisation of its debt (or certain of its debt) or arrangement with all or any of its creditors or of any class of them or any such suspension or deferral of payments, reorganisation or arrangement is effected by court order, contract or otherwise; or
- (viii) any meeting of the shareholders or directors of such entity is summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraph (iii) to (vii) above; or
- (ix) in any jurisdiction, any event occurs or any procedure is commenced which, in the opinion of the Owners, is similar to any of the foregoing referred to in paragraphs (iii) to (vii) above inclusive; or
- (h) there is a Change of Control, without the prior written consent of the Owners;
- (i) an Obligor (other than a Third Party Approved Manager) suspends or ceases or threatens to suspend or cease carrying on all or a material part of its business;
- (j) any consent, approval, authorisation, license or permit necessary to enable the Charterers to operate or charter the Vessel or to enable any of them to comply with any provision of this Charter, or the other Leasing Documents to which it is a party or to ensure that the obligations of the Charterers are legal, valid, binding or enforceable is not granted, expires without being renewed, is revoked or becomes liable to revocation or any condition of such a consent, approval, authorisation, license or permit is not fulfilled;
- (k) any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect;
- (l) the Vessel is subject to any form of expropriation, execution, attachment, arrest, sequestration or distress (or any analogous process in any jurisdiction) which is not discharged within forty-five (45) days (or such longer period as the Owners may agree in writing);
- (m) this Charter or any other Leasing Document and/or any Security Interest created by a Leasing Document:
 - (i) in the case of any such Security Interest, proves to have ranked after, or loses its priority to, another Security Interest or any other third-party claim or interest;
 - (ii) is cancelled, terminated, rescinded or suspended or otherwise ceases to remain in full force and effect for any reason or no longer constitutes valid, binding and enforceable obligations of any party to that document for any reason whatsoever;
 - (iii) is amended or varied without the prior written consent of the Owners, except for any amendment or variation which is expressly permitted by this Charter or any other Leasing Document; or
 - (iv) is in any way imperilled or in jeopardy;

- (n) an Obligor (other than a Third Party Approved Manager) rescinds, repudiates or terminates a Leasing Document, or an Approved Management Agreement;
- (o) it is or has become:
- (i) unlawful or prohibited, whether as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or
 - (ii) contrary to, or inconsistent with, any regulation,
- for any Obligor (other than a Third Party Approved Manager) to maintain or give effect to any of its obligations under this Charter or any of the other Leasing Documents to which it is a party in the manner it is contemplated under such Leasing Document or any of the obligations of any Obligor under any Leasing Document to which it is a party or the Initial Sub-charter are not or cease to be legal, valid, binding and enforceable;
- (p) the Security Interest constituted by any Leasing Document is in any way imperilled or in jeopardy;
- (q) any Termination Event (as defined in any Other Charter) occurs under such Other Charter;
- (r) there is a merger, amalgamation, demerger or corporation reconstruction of an Obligor (other than a Third Party Approved Manager) without the Owners' prior written consent;
- (s) the Guarantor is de-listed from the Nasdaq Capital Market (or any other stock exchange acceptable to the Owners); or
- (t) any lease, hire purchase agreement, charter or any other financing arrangement in respect of any Associated Vessel (other than the Vessel and the Other Vessel) is terminated, cancelled or repudiated by the relevant lessor or owner or financier as a consequence of any termination event or event of default (howsoever defined therein).
- 44.2 Notwithstanding and without prejudice to Clause 33 (*Cancellation*), upon the occurrence of a Termination Event which is continuing, the Owners may issue a written notice to the Charterers terminating this leasing of the Vessel under this Charter and demanding payment of the Termination Sum, whereupon the Charterers shall be obliged to pay the Termination Sum to the Owners on the date specified by the Owners in their sole discretion in such notice (the "**Termination Notice Date**" but which shall be no earlier than the date falling ten (10) Business Days after the date of such notice).
- 44.3 For the avoidance of doubt, notwithstanding any action taken by the Owners following a Termination Event, the Charterers shall remain liable for the outstanding obligations on their part to be performed under this Charter.
- 44.4 Without limiting the generality of the foregoing or any other rights of the Owners, upon the occurrence of a Termination Event which is continuing, the Owners shall have the sole and exclusive right and power to (i) settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to or pertaining to the Vessel and this Charter and (ii) make proof of loss, appear in and prosecute any action arising from any policy or policies of insurance maintained pursuant to this Charter, and settle, adjust or compromise any claims for loss, damage or destruction under, or take any other action in respect of, any such policy or policies and (iii) change or appoint a new manager for the Vessel other than an Approved Manager and the appointment of any Approved Manager may be terminated immediately without any recourse to the Owners.

- 44.5 Each Termination Event shall either be a breach of condition by the Charterers where it involves a breach of this Charter or any of the other Leasing Document by the Charterers or shall otherwise be an agreed terminating event, the occurrence of which gives rise to a right of the Owners to terminate the leasing of the Vessel under this Charter and to exercise its rights under this Charter, and in each case which is not remedied within the applicable grace period (if any).

CLAUSE 44(A) – MANDATORY SALE

44(A).1 Subject to Clause 44(A).2, if it becomes unlawful in any applicable jurisdiction for the Owners to perform any of their obligations as contemplated by this Charter or the MOA or any other Leasing Documents or for the Owners' Financiers (if any) to perform their obligations under the Financial Instruments, the Owners shall notify the Charterers of this event and the Charterers shall be required to pay the Special Termination Sum to the Owners on the next Payment Date following such notice by the Owners or, if earlier, the date specified by the Owners in the notice delivered to the Charterers (being no earlier than the last day of any applicable grace period permitted by law), and this Charter shall terminate in accordance with the procedures set out in Clause 40 (*Termination, Redelivery and Total Loss*).

44(A).2 If the Special Termination Sum becomes payable under or pursuant to Clause 44(A).1, the Owners shall, in consultation with the Charterers for a period not less sixty (60) days from the occurrence of the circumstances resulting in the Special Termination Sum becoming payable under or pursuant to Clause 44(A).1, take all reasonable steps to mitigate any such circumstances, provided that (i) this Clause 44(A).2 does not in any way limit the obligations of any Obligor under any Leasing Documents; and (ii) the Owners are not obliged to take any steps under this Clause 44(A).2 if, in the opinion of the Owners, to do so might be prejudicial to the Owners.

44(A).3 If any Sanctions imposed by the law or regulation of the People's Republic of China deviates from those imposed by the United Nations and the compliance with such Sanctions is or has become:

- (i) Illegal / unlawful; or
- (ii) unduly onerous (including, without limitation, a scenario where Charterers are not able to perform their global operation and trading, directly because of such Sanctions) or wholly impractical,

for the Charterers or the Guarantor to maintain or give effect to any of its obligations under this Charter or any of the other Leasing Documents to which each is a party in the manner it is contemplated under such Leasing Document or any of the obligations of the Charterers or the Guarantor under any Leasing Document to which it is a party are not or cease to be legal, valid, binding and enforceable, the Charterers shall be entitled to pay the Special Termination Sum to the Owners on the next Payment Date following such occurrence or, if earlier, a date specified by the Owners (being no earlier than the last day of any applicable grace period permitted by law), and this Charter shall terminate in accordance with the procedures set out in Clause 40 (*Termination, Redelivery and Total Loss*).

CLAUSE 45 – REPRESENTATIONS AND WARRANTIES

45.1 The Charterers represent and warrant to the Owners as of the date hereof, and on each day henceforth until the last day of the Charter Period, as follows:

- (a) there has been no Change of Control;
- (b) each Obligor is duly incorporated and validly existing under the laws of its jurisdiction of its incorporation;
- (c) each Obligor has the capacity, and has taken all actions and obtained all consents, approvals, authorisations, licenses or permits necessary for it:
 - (i) to execute each of the Leasing Documents, any Sub-charter and any Approved Management Agreement to which it is a party; and
 - (ii) to comply with and perform its obligations under each of the Leasing Documents, any Sub-charter and any Approved Management Agreement to which it is a party;
- (d) the entry into and performance by any Obligor by it of, and the transactions contemplated by, each Leasing Document, any Sub-charter and any Approved Management Agreement to which it is a party do not and will not conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or constitute a default or termination event (however described) under any such agreement or instrument.
- (e) all the consents, approvals, authorisations, licenses or permits referred to in Clause 45.1(c) (*Representations and Warranties*) remain in force and nothing has occurred which makes any of them liable to revocation;
- (f) each of the Leasing Documents or any Assignable Sub-charter to which an Obligor is a party constitutes such Obligor's legal, valid and binding obligations enforceable against such party in accordance with its respective terms and any relevant insolvency laws affecting creditors' rights generally;
- (g) no third party has any Security Interest, other than the Permitted Security Interests, or any other interest, right or claim over, in or in relation to the Vessel, this Charter or any moneys payable hereunder and/or any of the other Leasing Documents or any Assignable Sub-charter;
- (h) all payments which an Obligor is liable to make under any Leasing Document or any Assignable Sub-charter to which such Obligor is a party may be made by such party without deduction or withholding for or on account of any tax payable under the laws of the jurisdiction of incorporation;
- (i) no legal or administrative action involving an Obligor involving claim(s) amounting to more than US\$5,000,000 has been commenced or taken;

- (j) each Obligor has paid all taxes applicable to, or imposed on or in relation to it, its business or if applicable, the Vessel, except for those being contested in good faith with adequate reserves;
- (k) the choice of governing law as stated in each Leasing Document or any Assignable Sub-charter to which an Obligor is party to and the agreement by such party to refer disputes to the relevant courts or tribunals as stated in such Leasing Document or any Assignable Sub-charter are valid and binding against such Obligor;
- (l) the obligations of each Obligor under each Leasing Document to which it is a party, are the direct, general and unconditional obligations of such Obligor and rank at least pari passu with all other present and future unsecured and unsubordinated creditors of such Obligor save for any obligation which is mandatorily preferred by law and not by virtue of any contract;
- (m) each Security Document creates (or once entered into, will create) the Security Interest which it is expressed to create with the ranking and priority it is expressed to have;
- (n) no Obligor is a US Tax Obligor, and none of them have established a place of business in the United States of America;
- (o) no Obligor, nor any of their respective Affiliates, members, (other than in the case of the Guarantor) shareholders, directors, officers, employees or agents, nor (to the best of its knowledge) any Sub-charterer:
 - (i) is a Restricted Person;
 - (ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Restricted Person;
 - (iii) owns or controls a Restricted Person; or
 - (iv) has a Restricted Person serving as a director, officer or, to the best of its knowledge, employee;
- (p) each Obligor, and their respective directors, officers, (other than in the case of the Guarantor) shareholders, employees and agents and (to the best of its knowledge) any Sub-charterer is in compliance with all Sanctions laws, and none of them have been or are currently being investigated on compliance with Sanctions, they have not received notice or are aware of any claim, action, suit or proceeding against any of them with respect to Sanctions and they have not taken any action to evade the application of Sanctions;
- (q) the Vessel is not employed, operated or managed in any manner which (i) is contrary to any Sanctions and in particular, the Vessel is not used by or to benefit any party which is a target of Sanctions or trade to any area or country where trading the Vessel to such area or country would constitute a breach of any Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom or the People's Republic of China; or (ii) would trigger the operation of any sanctions limitation or exclusion clause in any insurance documentation;
- (r) each Obligor and (to the best of its knowledge) any Sub-charterer is not in breach of any laws or regulations relating to the Vessel and its ownership, employment, operation, management and registration, including, without limitation, the ISM Code, the ISPS Code, all Environmental Laws, the laws of the Vessel's registry and in particular, all Anti-Money Laundering Laws, Anti- Terrorism Financing Laws and/or Business Ethics Laws and each of the Obligors and (to the best of its knowledge) Sub-charterer has instituted and maintained systems, controls, policies and procedures designed to:

- (i) prevent and detect incidences of bribery and corruption, money laundering and terrorism financing; and
 - (ii) promote and achieve compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
 - (s) that in relation to the Initial Sub-charter or any other Sub-charter:
 - (i) as at the date of this Charter or otherwise as at the date of such Sub-charter and/or at the time of delivery of such Sub-charter to the Owner (as the case may be), the copy of the Initial Sub-charter or such Sub-charter provided to the Owners is a true and complete copy and there have been no amendments, supplements or variations thereto; and
 - (ii) the Initial Sub-charterer or any other Sub-charterer is fully aware of the transactions contemplated under this Charter;
 - (t) none of the Obligors nor any of their assets, in each case, has any right to immunity from set off, legal proceedings, attachment prior to judgment or other attachment or execution of judgement on the grounds of sovereign immunity or otherwise;
 - (u) none of the Obligors is insolvent or in liquidation or administration or subject to any other formal or informal insolvency procedure, and no receiver, administrative receiver, administrator, liquidator, trustee or analogous officer has been appointed in respect of any Obligor or all or material part of their assets;
 - (v) no Termination Event or Potential Termination Event is continuing or might reasonably be expected to result from the entry into and performance of this Charter or any other Leasing Document or any Assignable Sub-charter;
 - (w) as at the date of this Charter, the Vessel is commercially, technically or otherwise managed under each Approved Management Agreement which remains in full force and effect;
 - (x) as at the date of this Charter, the Charterers have not entered into any other investments, any sale or leaseback agreements, any off-balance sheet transaction or incurred any other liability or obligation (including, without limitation, any Financial Indebtedness of any obligations under a guarantee) except:
 - (i) liabilities and obligations under the Leasing Documents to which they are or, as the case may be, will be a party; or
 - (ii) liabilities or obligations incurred in the normal course of its business of trading, operating and chartering, maintaining and repairing the Vessel;
 - (y) in relation to any information provided by any Obligor (or on its behalf) to the Owners for the purposes of this Charter and the other Leasing Documents:
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- (i) such information was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated;
- (ii) any financial projections contained in such information have been prepared on the basis of recent historical information and on the basis of reasonable assumptions, and
- (z) nothing has occurred or been omitted from any such information and no information has been given or withheld that results in any such information being untrue or misleading; and

(aa) the entry by each Obligor into any Leasing Document or any Assignable Sub-charter does not in any way cause any breach, and is in all respects permitted, under the terms of any document which it is entered into.

CLAUSE 46 – CHARTERERS' UNDERTAKINGS

46.1 The Charterers undertake that they shall comply or procure compliance with the following undertakings commencing from the date hereof and up to the last day of the Charter Period:

- (a) there shall be sent to the Owners:
 - (i) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Charterers, the unaudited annual financial reports of the Charterers in each case certified as to their correctness by a director of the Charterers;
 - (ii) as soon as possible, but in no event later than ninety (90) days after the end of each half-year, the unaudited half-yearly accounts of the Charterers in each case certified as to their correctness by a director of the Charterers;
 - (iii) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Guarantor, the audited consolidated annual financial reports of the Guarantor; and
 - (iv) as soon as possible, but in no event later than ninety (90) days after the end of each half-year, the unaudited consolidated half-yearly accounts the Guarantor certified as to their correctness by a director of the Guarantor,

in each case, the Charterers shall procure that each set of financial statements and reports delivered pursuant to Clause 46.1(a) gives, and shall procure a director of the relevant company to certify the same as giving, a true and fair view (if audited) or fairly representing (if unaudited) its financial condition and operations as at the date as at which those financial statements and reports were drawn up;

- (b) following the occurrence of a Termination Event which is continuing, they will provide or procure the provision to the Owners, at the same time as they are dispatched, copies of all notices and minutes relating to any of their extraordinary shareholders' meeting which are dispatched to their shareholders or creditors or any class of them;
- (c) they will provide or will procure that each Obligor provides the Owners with details of any legal or administrative action involving such Obligor or the Vessel as soon as such action is instituted or it becomes apparent to such Obligor that it is likely to be instituted and is likely to have a Material Adverse Effect;

- (d) they will, and will procure that each other Obligor will, obtain and promptly renew or procure the obtainment or renewal of and provide copies of, from time to time, any necessary consents, approvals, authorisations, licenses or permits of any regulatory body or authority for the transactions contemplated under each Leasing Document or any Assignable Sub- charter to which it is a party (including, without limitation, to sell, charter and operate the Vessel);
- (e) they will not, and will procure that each other Obligor will not, create, assume or permit to exist any Security Interest of any kind upon any Leasing Document or any Assignable Sub- charter to which such Obligor is a party, and if applicable, the Vessel, in each case other than the Permitted Security Interests;
- (f) they will, and will procure that each other Obligor, will ensure that the Vessel shall be free of encumbrances except for any encumbrances permitted in writing by the Owners;
- (g) they will at their own cost, and will procure that each other Obligor will:
 - (i) do all that such Obligor to ensures that any Leasing Document or any Assignable Sub- charter to which such Obligor is a party validly creates the obligations and the Security Interests which such Obligor purports to create; and
 - (ii) without limiting the generality of paragraph (i), promptly register, file, record or enrol any Leasing Document or any Assignable Sub-charter to which such Obligor is a party with any court or authority in all Relevant Jurisdictions, pay any stamp duty, registration or similar tax in all Relevant Jurisdictions in respect of any Leasing Document or any Assignable Sub-charter to which such Obligor is a party, give any notice or take any other step which, is or has become necessary or desirable for any such Leasing Document or any Assignable Sub-charter to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which such Obligor creates;
- (h) they will, and will procure that each other Obligors will, notify the Owners promptly upon becoming aware of:
 - (i) any default by any Sub-charterer or the Charterers of the terms of any Assignable Sub- charter;
 - (ii) an event of default or termination event howsoever called under the terms of any Assignable Sub-charter entitling either (x) the Charterers to terminate such Assignable Sub-charter or (y) the relevant Sub-charterer to terminate such Assignable Sub- charter which has not been unconditionally waived by such Sub-charterer;
 - (iii) any pollution accident, major accident and/or incident to the Vessel by any reason whatsoever;
 - (iv)** any damage caused to or alteration of the Vessel by any reason whatsoever which exceed US\$1,000,000;
 - (v) any alteration or modification made to the Vessel of whatever nature;
 - (vi) any safety incidents taking place on board the Vessel;

- (vii) any casualty or occurrence as a result of which the Vessel has become or is, by the passing of time or otherwise, likely to become, a Major Casualty or a Total Loss;
- (viii) any requirement or recommendation made in relation to the Vessel by any insurer or Classification Society or by any competent authority which is not immediately complied with;
- (ix) any intended dry docking of the Vessel;
- (x) any Environmental Claim which is made against the Charterers, any Sub-charterer or any Approved Manager in connection with the Vessel or any Environmental Incident involving claim(s) exceeding US\$1,000,000;
- (xi) any claim for breach of the ISM Code or the ISPS Code being made against the Charterers, any Approved Manager or otherwise in connection with the Vessel;
- (xii) 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;
- (xiii) any requisition of the Vessel for hire;
- (xiv) any arrest or detention of the Vessel, any exercise of any lien on that Vessel or its Earnings; and
- (xv) any notice, or the Charterers becoming aware, of any claim, action, suit, proceeding or investigation against any Obligor, any of its subsidiaries or any of their respective directors, officers, employees or agents with respect to Sanctions;
- (xvi) any circumstances which could give rise to a breach of any representation or undertaking in this Charter, or any Termination Event, relating to Sanctions;
- (xvii) any Termination Event,

and will keep the Owners fully up-to-date with all developments and the Charterers will, if so requested by the Owners, provide any such certificate signed by its director(s), confirming in which that there exists no Potential Termination Event or Termination Event;

- (i) they will, and will procure that each other Obligor will, as soon as practicable after receiving the request, provide the Owners with any additional financial or other information relating:
 - (i) to themselves and/or the Vessel (including, but not limited to the condition and location of the Vessel);
 - (ii) details of the Vessel's employment status including the Vessel's employment status, operating accounts, projected employment (if the Vessel is not employed at such time) every twelve (12) months throughout the Charter Period or as soon as practicable after receiving the Owner's request; or
 - (iii) to any other matter relevant to, or to any provision of any Leasing Document or any Assignable Sub-charter to which it is a party,
 which may be requested by the Owners (or the Owners' Financier (if any)) at any time;

- (j) they will comply, or procure compliance, and will procure that each other Obligor will comply or procure compliance, with all laws or regulations relating to its business, the Vessel and its ownership, employment, operation, management and registration, including, without limitation, the ISM Code, the ISPS Code, all Environmental Laws and the laws of the Vessel's registry provided that any non-compliance shall not materially adversely affect the obligations of a Obligor under each Leasing Document or any Assignable Sub-charter to which it is a party;
- (k) the Vessel shall be registered under the Flag State at all times;
- (l) the Vessel shall be maintained with the highest class required for the purpose of the trade of the Vessel with the Classification Society at all times and shall be free of all overdue recommendations and requirements;
- (m) upon request, they will provide or they will procure to be provided to the Owners the report(s) of the survey(s) conducted pursuant to Clause 7 (*Surveys on Redelivery*) of this Charter in form and substance satisfactory to the Owners;
- (n) they shall not permit the sub-chartering of the Vessel (1) on a bareboat basis (irrespective of duration) or (2) on a time charter basis exceeding thirteen (13) months (including any optional extensions thereto), other than under an Assignable Sub-charter and provided that the Charterers shall:
 - (i) assign all their rights and interests under such Assignable Sub-charter and shall use reasonable commercial efforts to procure that the Sub-charterer of such Assignable Sub-charter gives a written acknowledgment of such assignment in form and substance acceptable to the Owners and provide such documents as the Owners may require regarding the due execution of such Assignable Sub-charter; and
 - (ii) in case Assignable Sub-charter being a bareboat charter (irrespective of duration), procure the Sub-charterer of such Assignable Sub-charter to execute a general assignment to assign their rights under the Insurances, Earnings and Requisition Compensation in respect of the Vessel, in favour of the Owners, in each case, in a manner and in a form acceptable to the Owners;
- (o) intentionally deleted;
- (p) except with the Owners' prior written consent, they shall not deactivate or lay up the Vessel;
- (q) they shall not make or pay any dividend or other distribution (in cash or in kind) in respect of its share capital following the occurrence of a Termination Event which is continuing or which would result in a Termination Event;
- (r) they shall comply and shall procure that each of the other Obligors (including, in each case, procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) or (on a best effort basis) any Sub-charterer complies with all laws and regulations in respect of Sanctions.
- (s) without limiting Clause 46.1(r), they will procure that:
 - (i) the Vessel shall not be operated, employed, managed, used by or for the benefit of a Restricted Person;

- (ii) the Vessel shall not be employed in trading with any Restricted Person or in any manner contrary to Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom;
 - (iii) notwithstanding any other provision of this Charter, the Vessel shall not be permitted to call at any port in any Restricted Country or any area or country where trading in such area or country would constitute or would be reasonably expected to constitute a breach of Sanctions;
 - (iv) the Vessel shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances or in any manner which would result in any Obligor, any Sub-charterer or the Owners becoming a Restricted Person; and
 - (v) that each charterparty in respect of the Vessel shall contain, for the benefit of the Owners, language which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions and which prohibits trading to any Restricted Country;
- (t) they shall, and shall procure that each other Obligor shall (including procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) or (on a best efforts basis) any Sub-charterer shall:
- (i) comply with all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
 - (ii) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws; and
 - (iii) in respect of the Charterers, not use, or permit or authorize any person to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (u) in respect of the Charterers, not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti- Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (v) they shall, and shall procure that each other Obligor shall promptly notify the Owners of any non-compliance, by any Obligor or their respective officers, directors, employees, consultants, agents or intermediaries or (on a best efforts basis) any Sub-charterer with all laws and regulations relating to Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws (including, but not limited, to notifying the Owners in writing immediately upon being aware that any Obligor or its shareholders, directors, officers or employees, or any Sub-charterer is a Restricted Person or has otherwise become a target of Sanctions) as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws;
- (w) in respect of the management of the Vessel:

- (i) they shall ensure that the Vessel be commercially and/or technically managed under an Approved Management Agreement;
 - (ii) they shall not appoint or permit to be appointed any commercial, technical and/or crew manager of the Vessel unless it is an Approved Manager and such new manager enters into a Manager's Undertaking;
 - (iii) save with the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed), they shall not agree or enter into any transaction, arrangement, document or do or omit to do anything which will have the effect of materially varying, amending or supplementing the terms of an Approved Management Agreement; and
 - (iv) they shall ensure that, upon the occurrence of a Termination Event, the Owners shall have the right to change any of the managers of the Vessel following a fifteen (15) days' notice to the Charterers;
- (x) save with the prior written consent of the Owners, they shall not agree or enter into any transaction, arrangement, document or do or omit to do anything which will have the effect of varying, amending or supplement either the material terms of any Assignable Sub-charter (and for the purpose of this paragraph, a material term means, without limitation, any term which would adversely affect the interest of the Owners and/or the Owners' Financier (if any));
- (y) they shall ensure that all Earnings and any other amounts received by them in connection with the Vessel are paid into the Earnings Account;
- (z) they will not:
- (i) enter into any borrowing except for loans or advances from other members of the Group or affiliates which are unsecured and fully subordinated to the rights of the Owners under the Leasing Documents (in a manner acceptable to the Owners);
 - (ii) incur any liabilities or obligations to any party except for those incurred in the ordinary course of operating, chartering, repairing and maintaining the Vessel;
 - (iii) be the creditor or guarantor in respect of any loan or any form of credit to any person;
 - (iv) give or allow any to be outstanding, any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which they assume any liability of any other person other than any guarantee or indemnity given under the Leasing Documents;
 - (v) enter into any investments, any sale or leaseback agreements, any off-balance sheet transaction, other agreement or incur any other liability or obligation (including, without limitation, any Financial Indebtedness of any obligations under a guarantee) other than the Leasing Documents or any other agreement expressly allowed under the terms of the Leasing Documents;
 - (vi) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset (including, without limitation, the Vessel, its Earnings or its Insurances); and

without prejudice to the above sub-paragraphs (z) to(vi), enter into any transaction (whether with another member of the Group or otherwise) which are, in any respect, less favourable than those which they could obtain in a bargain made at arms' length;

(aa) any transaction entered into with their Affiliates shall be on arm's length basis and in good faith;

(bb) they will ensure and procure that:

(i) the Market Value of the Vessel shall be ascertained from time to time in the following circumstances:

(1) upon the occurrence of a Termination Event which is continuing, at any time at the request of the Owners; and

(2) in the absence of a Termination Event which is continuing:

(i) from the first anniversary of the Commencement Date, at least once every calendar year during the Charter Period, with such report to be dated no more than thirty (30) calendar days prior to every anniversary of the Commencement Date occurring within the Charter Period or on such other date as the Owners may request; and

(ii) the amount of the fees and expenses incurred by the Owners in connection with any matter arising out of this paragraph (bb) shall be reimbursed to the Owners;

(cc) intentionally deleted; and

(dd) they shall not make, nor permit to be made, any modification or repairs to, or replacement, renewal or installation of, the Vessel or equipment installed on it or alter the structure, type or performance characteristics of the Vessel unless such modifications, repairs, replacement, renewal, installation or alteration:

(i) is required by the Classification Society for the purposes of maintaining the Vessel's classification or is required by any applicable laws and regulations relating to the Vessel;

(ii) relates to the installation of exhaust gas cleaning systems (scrubbers);

(iii) would not:

(1) have an adverse effect on the Vessel's fitness for purpose;

(2) alter the structure, type or performance characteristics of the Vessel; and/or

(3) diminish the value of the Vessel or have an adverse effect on the safety or performance of the Vessel,

and if such modification, repair, replacement, renewal installation or alternation is approved or satisfies the requirements of this clause, once effected, shall form part of the Vessel and the title of any equipment or parts replaced due to such modification, repair, replacement, renewal, installation or alternation shall vest in and remain with the Owners;

- (ee) the Vessel will not be permitted to trade in any zone which is declared a war zone by any government or the Vessel's war risks insurers, unless the Charterers have (i) obtained the written consent of the Owners (such consent not to be unreasonably withheld or delayed) prior to engaging in any such trading and (ii) (at the Charterers' expense) effected all necessary special, additional or modified insurance cover for trading in such war zone and have complied with the terms of Clause 38 (*Insurances*) any requirement as may be prescribed by the insurers; and
- (ff) the Charterers shall comply, and will procure that each other Obligor, each other member of the Group and (on best effort basis) any Sub-charterer will comply, with all Sanctions and all laws and regulations relating to such person, the Vessel and its construction, ownership, employment, operation, management and registration, including the ISM Code, the ISPS Code (including, but not limited to, the maintenance of an ISSC), all Environmental Laws, all Anti- Money Laundering Laws, Business Ethics Laws and the laws of the Vessel's registry, and in particular, they shall effect and maintain a sanctions compliance policy which, inter alia, implements the recommendations of the Sanctions Advisory, to ensure compliance with all such laws and regulations implemented from time to time, including, without limitation, they will, and will procure that each other Obligor:
- (i) conduct their activities in a manner consistent with Sanctions;
 - (ii) have sufficient resources in place to ensure execution of and compliance with their own Sanctions policies by their personnel, e.g., direct hires, contractors, and staff;
 - (iii) ensure subsidiaries comply with the relevant policies, as applicable;
 - (iv) have relevant controls in place to monitor automatic identification system (AIS) transponders;
 - (v) have controls in place to screen and assess onboarding or offloading cargo in areas they determine to present a high risk;
 - (vi) have controls to assess authenticity of bills of lading, as necessary; and
 - (vii) have controls in place consistent with the Sanctions Advisory.

CLAUSE 46(A) – INSPECTION OF VESSEL

46(A).1 The Owners shall be entitled to inspect or survey the Vessel, its logs and records or instruct a duly authorised surveyor to carry out such survey on their behalf:

- (a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained;
- (b) in dry-dock if the Charterers have not dry-docked the Vessel in accordance with Clause 10(g);
- (c) for any purpose that the Owners deem appropriate in their absolute discretion (acting reasonably),

- (d) and the Charterers shall (at the Charterers' cost and expense) arrange for all transport, accommodation and on-site support required for such inspections or surveys.

46(A).2 The Owners shall be entitled to exercise its rights of inspection or survey as described under Clause 46(A):

- (a) if no Termination Event or Potential Termination Event has occurred and is continuing, once a year without interference or delay to the operation and trading of the Vessel with thirty (30) days prior notice to the Charterers and the Charterers shall bear the costs and expenses incurred in connection with such inspections and/or surveys (including, but not limited to, the fees, costs and expenses of any surveyor appointed by the Owners); or
- (b) if a Termination Event or Potential Termination Event has occurred and is continuing, at any time with prior written notice and for as many times as the Owners deem necessary, and the Charterers shall bear the costs incurred in connection with such inspections and/or surveys (including, but not limited to, the fees, costs and expenses of any surveyor appointed by the Owners).

CLAUSE 47 – PURCHASE OPTION

- 47.1 Provided no Termination Event has occurred and is continuing, the Charterers shall have the option to purchase the Vessel on any date falling six (6) months after the Commencement Date (the "**Purchase Option Date**"), subject always to giving the Owners no less than sixty (60) days' (or such lesser period as agreed by the Owners) prior written notice (the "**Purchase Option Notice**").
- 47.2 A Purchase Option Notice shall be signed by a duly authorised officer or attorney of the Charterers and, once delivered to the Owners, is irrevocable and the Charterers shall be bound to pay to the Owners the Purchase Option Price on the Purchase Option Date.
- 47.3 Only one Purchase Option Notice may be served throughout the duration of the Charter Period.
- 47.4 Upon the Owners' receipt in full of the Purchase Option Price, the Owners shall transfer the legal and beneficial ownership of the Vessel on an "as is where is" basis (and otherwise in accordance with the terms and conditions set out at Clauses 49.1(a) and 49.1(b)) to the Charterers or their nominees and shall execute a bill of sale and a protocol of delivery and acceptance evidencing the same and any other document strictly necessary to transfer the title of the Vessel to the Charterers (and to the extent required for such purposes the Vessel shall be deemed first to have been redelivered to the Owners).

CLAUSE 48 – PURCHASE OBLIGATION

Provided all moneys owing and payable under this Charter have been fully and irrevocably paid to the Owners, the Charterers shall be obliged to purchase from the Owners all of the Owners' beneficial and legal right, title and interest in the Vessel and all belonging to her and the Owners and the Charterers shall perform their obligations referred to in Clause 49 (*Sale of the Vessel by Purchase Option or Purchase Obligation*) and the Charterer shall pay the Purchase Obligation Price on the Maturity Date in relation thereto (unless the Owners agree otherwise in writing and upon such terms and conditions as the Owners may deem fit in their absolute discretion).

CLAUSE 49 – SALE OF THE VESSEL BY PURCHASE OPTION OR PURCHASE OBLIGATION

49.1 All legal and beneficial interest and title in the Vessel shall be transferred to the Charterers by the Owners upon receipt by the Owners of the Purchase Option Price or the Purchase Obligation Price or the Termination Sum pursuant to Clause 40.3 (as the case may be) on an "as is where is" basis and on the following terms and conditions:

- (a) the Charterers expressly agree and acknowledge that no condition, warranty or representation of any kind is or has been given by or on behalf of the Owners in respect of the Vessel or any part thereof, and accordingly the Charterers confirm that they have not, in entering into this Charter, relied on any condition, warranty or representation by the Owners or any person on the Owners' behalf, express or implied, whether arising by law or otherwise in relation to the Vessel or any part thereof, including, without limitation, warranties or representations as to the description, suitability, quality, merchantability, fitness for any purpose, value, state, condition, appearance, safety, durability, design or operation of any kind or nature of the Vessel or any part thereof, and the benefit of any such condition, warranty or representation by the Owners is hereby irrevocably and unconditionally waived by the Charterers to the extent permissible under applicable law, the Charterers hereby also waive any rights which they may have in tort in respect of any of the matters referred to under this clause and irrevocably agree that (i) the Owners shall have no greater liability in tort in respect of any such matter than they would have in contract after taking account of all of the foregoing exclusions; (ii) no third party making any representation or warranty relating to the Vessel or any part thereof is the agent of the Owners nor has any such third party authority to bind the Owners thereby and (iii) notwithstanding anything contained above, nothing contained herein is intended to obviate, remove or waive any rights or warranties or other claims relating thereto which the Charterers (or their nominee acceptable to the Owners) or the Owners may have against the manufacturer or supplier of the Vessel or any third party;
- (b) the Vessel shall be free from all mortgages or any other liens, encumbrances, claims or debts whatsoever, created or permitted to exist by the Owners (save for those mortgages, liens, encumbrances or debts created under the Leasing Documents or incurred by the Charterers or arising out of or in connection with this Charter);
- (c) the Purchase Option Price or the Purchase Obligation Price (as the case may be) shall be paid by (or on behalf of) the Charterers to the Owners on respectively the Purchase Option Date or the Maturity Date, together with unpaid amounts of Charterhire and other moneys owing by or accrued or due from the Charterers under this Charter on or prior to the Purchase Option Date or Maturity Date (as the case may be) which remain unpaid; and
- (d) upon the Purchase Option Price or the Purchase Obligation Price (as the case may be) and all other moneys payable under this Charter being fully and irrevocably paid to the Owners on, and in accordance with, the terms set forth in this Charter (except in the case of Total Loss) the Owners agree (at the cost of the Charterers) to enter into (i) a bill of sale and (ii) a protocol of delivery and acceptance, and the Vessel shall accordingly be deemed delivered to the Charterers on the date and time set out in such protocol of delivery and acceptance (and to the extent required for such purposes the Vessel shall be deemed first to have been redelivered to the Owners).
- (e) The Owners shall not be obliged to do anything pursuant to this Clause 49 (*Sale of the Vessel by Purchase Option or Purchase Obligation*) or other terms of this Charter which would (in the Owners' opinion (acting reasonably)) constitute a breach of any quiet enjoyment agreement to which they are a party.

CLAUSE 50 – INDEMNITIES

- 50.1 The Charterers shall upon the Owners' demand, fully indemnify the Owners against, and keep the Owners harmless from, all documented claims, expenses, liabilities, losses, taxes, fees (including, but not limited to, any tax applied to any such amounts, any interest or penalties applied to such amounts and any vessel registration and tonnage fees) suffered or incurred by or imposed on the Owners arising from this Charter and any Leasing Document or Assignable Sub-charter, whether prior to, during or after termination of this Charter and whether or not the Vessel is in the possession or the control of the Charterers, including, without limitation:
- (a) as a result of incorporating the Owners in the relevant jurisdiction selected by the Charterers or required for the purpose of flying the flag of the Vessel in a particular jurisdiction;
 - (b) in connection with delivery, possession, performance, control, registration, repair, survey, insurance, maintenance, manufacture, purchase, financing, re-financing, ownership and operation of the Vessel by the Owners;
 - (c) in connection with the prevention or release of liens or detention of or requisition, use, operation or redelivery, sale or disposal of the Vessel or any part of it;
 - (d) in connection with putting the Vessel in a re-deliverable condition in accordance with this Charter;
 - (e) as a consequence of any non-compliance or breach by any Obligor of any applicable tax laws or regulations or any losses caused to the Owners by any failure of the Charterers to comply with their obligations under Clause 51 (*No Set-off or Tax Deduction*) of this Charter (including where any such failure is occasioned by the applicable law preventing the Charterers from paying without deduction and/or from grossing up);
 - (f) all premia and other documented expenses which are reasonably incurred by (i) the Owners in connection with or with a view to effecting, maintaining or renewing lessors' or innocent owners' interest insurance and lessors' or innocent owners' additional perils (pollution) insurance or any similar protective shipowner insurance that is taken out in respect of the Vessel on such terms and conditions as the Owners may from time to time impose, and/or (ii) the Owners or the Owners' Financier (if any) in connection with or with a view to effecting, maintaining or renewing a mortgagee's interest insurance and a mortgagee's additional perils (pollution) insurance that is taken out in respect of the Vessel on such terms and conditions as the Owners or the Owners' Financier (if any) may from time to time impose. In each case, the amount of the insurances referred to in this clause shall be equal to at least one hundred and twenty per cent. (120%) of the higher of (i) the prevailing Market Value of the Vessel at the relevant time, or (ii) the Outstanding Finance Amount at the relevant time;
 - (g) all premia and documented expenses reasonably incurred by the Owners and/or the Owners' Financier (if any) in respect of any other insurances which the Owners and/or the Owners' Financier (if any) deem necessary and take out in respect of the Vessel, including, but without limitation to, any freight, demurrage and defence cover on such terms and conditions as the Owners may from time to time effect pursuant to Clause 38 (*Insurance*);

- (h) all other premia and documented expenses reasonably incurred by the Owners and/or the Owners' Financier (if any) in respect of the Insurances of the Vessel pursuant to Clause 38 (*Insurance*);
- (i) all loss or damage to the Vessel (insofar as the Owners shall not be reimbursed by the proceeds of any insurance in respect thereof) however caused occurring at any time or times before physical possession thereof is retaken by the Owners, reasonable wear and tear to the Vessel only excepted;
- (j) all losses, documented costs or charges reasonably incurred by the Owners by reason thereof in re-taking possession or otherwise in re-acquiring the Vessel pursuant to Clause 37 (*Possession of Vessel*);
- (k) all documented losses, costs, charges and expenses incurred by the Owners in collecting any Charterhire, Advance Charterhire or other payments not paid on the due date under this Charter and in remedying any other failure of the Charterers to observe the terms and conditions of this Charter;
- (l) any claims made by any person arising after the date of the letter of indemnity as referred to in the above Clause 49.1(d) in connection with the Vessel;
- (m) all losses, documented costs and expenses reasonably incurred by the Owners as a result of steps taken by the Owners under Clause 44(A).2;
- (n) all losses, documented costs and expenses reasonably incurred by the Owners in connection with any proposed modifications, repairs, replacement, installation or alteration of the Vessel pursuant to Clause 46.1(dd);
- (o) any such losses, liabilities, documented costs or expenses the Owners determine (acting reasonably) will be or has been suffered for or on account of any tax by them in respect of any Leasing Document, together with any interest, penalties, costs and expenses payable or incurred;
- (p) in connection with or following the occurrence of a Termination Event or any breach of any terms of any Leasing Document; and
- (q) all documented costs and expenses (including legal fees) incurred by the Owners in connection with the enforcement of, or the preservation of any rights under, any Leasing Document or any Security Interest created thereunder and with any proceedings instituted by or against the Owners as a consequence of entering into any Leasing Document, taking or holding any Security Interests created thereunder or enforcing those rights, including, without limitation, any losses, costs and expenses which the Owners may from time to time sustain, incur or become liable by reason of the Owners being the registered owner of the Vessel and/or being deemed by any court or authority to be an operator or controller, or in any way concerned in the operation or control, of a Vessel.

Without prejudice to its generality, this clause covers any claims, expenses, liabilities and losses which arise, or are asserted, under or in connection with any law relating to safety at sea, the ISM Code, the ISPS Code, the MARPOL Protocol, any Environmental Law or any Sanctions or in connection with any Environmental Claim.

- 50.2 Without prejudice to the above Clause 50.1, if any sum (a "**Sum**") due from an Obligor under the Leasing Documents, or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
- (a) making or filing a claim or proof against that Obligor; or
 - (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- the Charterers shall, as an independent obligation, on demand, indemnify the Owners against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- 50.3 The obligations of the Charterers under Clause 50 (*Indemnities*) and in respect of any Security Interest created pursuant to the Security Documents will not be affected or discharged by an act, omission, matter or thing which would reduce, release or prejudice any of its obligations under Clause 50 (*Indemnities*) or in respect of any Security Interest created pursuant to the Security Documents (without limitation and whether or not known to it or any Obligor) including:
- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
 - (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of the Obligor or any of its Affiliates;
 - (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, or refusal or neglect to take up or enforce, or delay in taking or enforcing any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
 - (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Leasing Document or any other document or security;
 - (f) any unenforceability, illegality or invalidity of any obligation of any person under any Security Document or any other document or security; or
 - (g) any insolvency or similar proceedings.
- 50.4 In consideration of the Charterers requesting each Other Owner to charter the relevant Other Vessel to the relevant Other Charterers under the relevant Other Charter, the Charterers hereby irrevocably and unconditionally undertake to pay immediately on demand, and on full indemnity basis, from any such Other Owner such amounts in respect of all claims, expenses, liabilities, losses, fees of every kind and nature and all other moneys due, owing and/or payable to such Other Owner under or in connection with the relevant Other Charter, and to indemnify and hold such Other Owner harmless against all such moneys, costs, fees and expenses.

- 50.5 Notwithstanding anything to the contrary herein (but subject and without prejudice to Clause 33 (*Cancellation*)) and without prejudice to any right to damages or other claim which the Charterers may have at any time against the Owners under this Charter, the indemnities provided by the Charterers in favour of the Owners shall continue in full force and effect notwithstanding any breach of the terms of this Charter or termination of this Charter pursuant to the terms hereof or termination of this Charter by the Owners.
- 50.6 All rights which the Charterers have at any time (whether in respect of this Charter or any other transaction) against the other Obligors or any of them shall be fully subordinated to the rights of the Owners under the Leasing Documents and the Leasing Documents (as defined in each Other Charter) (collectively, for the purposes of this Clause 50.6, "**Project Leasing Documents**") and until the end of this Charter and unless the Owners otherwise direct, the Charterers shall not exercise any rights which it may have (whether in respect of this Charter or any other transaction) by reason of performance by it of its obligations under the Project Leasing Documents or by reason of any amount becoming payable, or liability arising, under this clause:
- (a) to be indemnified by the Other Charterers or the Guarantor or any of them;
 - (b) to claim any contribution from any third-party providing security for, or any other guarantor of, the Other Charterers' or the Guarantor's obligations under the Project Leasing Documents;
 - (c) to take any benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Other Charterers or the Guarantor or any of them under the Project Leasing Documents or of any other guarantee or security taken pursuant to, or in connection with, the Project Leasing Documents by any of the aforesaid parties;
 - (d) to bring legal or other proceedings for an order requiring any of the Other Charterers or the Guarantor or any of them to make any payment, or perform any obligation, in respect of any Project Leasing Document;
 - (e) to exercise any right of set-off against any of the Other Charterers or the Guarantor or any of them; and/or
 - (f) to claim or prove as a creditor of any of the Other Charterers or the Guarantor or any of them,
- and if the Charterers receive any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Owners or the Other Owners by the Other Charterers or the Guarantor or any of them under or in connection with the relevant Project Leasing Documents to be repaid in full on trust for the Owners or the Other Owners and shall promptly pay or transfer the same to the Owners or the Other Owners as may be directed by the Owners.
- 50.7 The Charterers hereby irrevocably agree to indemnify and hold harmless the Owners against any claim, expense, liability or loss incurred by the Owners (and which is notified to the Charterers) in liquidating or employing deposits from the Owners' Financier or third parties to fund the acquisition of the Vessel pursuant to the MOA, on or prior to the Commencement Date.

- 50.8 Notwithstanding anything to the contrary herein (but subject and without prejudice to Clause 33 (*Cancellation*)) and without prejudice to any right to damages or other claim which the Charterers may have at any time against the Owners under this Charter, the indemnities provided by the Charterers in favour of the Owners shall continue in full force and effect notwithstanding any breach of the terms of this Charter or termination of this Charter pursuant to the terms hereof or termination of this Charter by the Owners.

CLAUSE 51 – NO SET-OFF OR TAX DEDUCTION

- 51.1 All payments of the Charterhire, the Advance Charterhire, the Purchase Obligation Price, the Purchase Option Price, the Upfront Fee or and any other payment made from the Charterers to enable the Owners to pay all amounts under a Leasing Document shall be paid punctually:
- (a) without any form of set-off (other than as agreed under the MOA and this Charter), cross- claim or condition and in the case of the Charterhire, the Advance Charterhire or the Upfront Fee, without previous demand unless otherwise agreed with the Owners;
 - (b) free and clear of all present and future taxes, levies, duties or deduction of any nature whatsoever, whether levied now or in the future; and
 - (c) free and clear of any tax deduction or withholding unless required by law.
- 51.2 Without prejudice to Clause 51.1, if the Owners are required by law to make a tax deduction from any payment:
- (a) the Owners shall notify the Charterers as soon as they become aware of the requirement; and
 - (b) the amount due in respect of the payment shall be increased by the amount necessary to ensure that the Owners receive and retain (free from any liability relating to the tax deduction) a net amount which, after the tax deduction, is equal to the full amount which they would otherwise have received.
- 51.3 In this Clause "**tax deduction**" means any deduction or withholding for or on account of any present or future tax, other than a FATCA Deduction.

CLAUSE 52 – INCREASED COSTS

- 52.1 This Clause 52 (*Increased Costs*) applies if the Owners notify the Charterers that they consider that as a result of:
- (a) the introduction or alteration after the date of this Charter of a law or an alteration after the date of this Charter in the manner in which a law is interpreted or applied (disregarding any effect which relates to the application to payments under this Charter of a tax on the Owners' overall net income); or
 - (b) complying with any regulation (including any which relates to capital adequacy or liquidity controls or which affects the manner in which the Owners allocates capital resources to their obligations under this Charter) which is introduced, or altered, or the interpretation or application of which is altered, after the date of this Charter,
- the Owners (or a parent company of them) or the Owners' Financier has incurred or will incur an "**increased cost**".

52.2 In this Clause 52, "**increased cost**" means, in relation to the Owners or the Owners' Financier:

- (a) An additional or increased cost incurred as a result of, or in connection with, as the case may be, (i) the Owners having entered into, or being a party to, this Charter, of funding the acquisition of the Vessel pursuant to the MOA or performing their obligations under this Charter or (ii) the Owner's Financier entering into the funding arrangements described under Clause 58.2(a);
- (b) a reduction in the amount of any payment to the Owners under this Charter or in the effective return which such a payment represents to the Owners on their capital;
- (c) an additional or increased cost of funding the acquisition of the Vessel pursuant to the MOA; or
- (d) a liability to make a payment, or a return foregone, which is calculated by reference to any amounts received or receivable by the Owners under this Charter,

and for the purposes of this Clause 52.2 the Owners may in good faith allocate or spread costs and/or losses among their assets and liabilities (or any class of their assets and liabilities) on such basis as they consider appropriate.

52.3 Subject to the terms of Clause 52.1, the Charterers shall pay to the Owners, on the Owners' demand, the amounts which the Owners from time to time notify the Charterers to be necessary to compensate the Owners for the increased cost.

CLAUSE 53 – FATCA

53.1 Defined terms

For the purposes of this Clause 53 (FATCA), the following terms shall have the following meanings:

"**Code**" means the United States Internal Revenue Code of 1986, as amended. " **FATCA**" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (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 IRS, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Deduction**" means a deduction or withholding from a payment under this Charter or the Leasing Documents required by or under FATCA.

"**FATCA Exempt Party**" means a Relevant Party that is entitled under FATCA to receive payments free from any FATCA Deduction.

"**FATCA Non-Exempt Party**" means any Relevant Party who is not a FATCA Exempt Party. " **Relevant Party**" means any of the parties to this Charter and the Leasing Documents.

"**IRS**" means the United States Internal Revenue Service or any successor taxing authority or agency of the United States government.

53.2 FATCA Information

- (a) Subject to paragraph (c) below, each Relevant Party shall within ten (10) Business Days of a reasonable request by another Relevant Party:
- (i) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party; and
 - (ii) supply to the requesting party (with a copy to all other Relevant Parties) such other form or forms (including IRS Form W-8 or Form W-9 or any successor or substitute form, as applicable) and any other documentation and other information relating to its status under FATCA (including its applicable "pass thru percentage" or other information required under FATCA or other official guidance including intergovernmental agreements) as the requesting party reasonably requests for the purpose of the requesting party's compliance with FATCA.
- (b) If a Relevant Party confirms to any other Relevant Party that it is a FATCA Exempt Party or provides an IRS Form W-8 or W-9 showing that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall so notify all other Relevant Parties reasonably promptly.
- (c) Nothing in this clause shall oblige any Relevant Party to do anything which would or, in its reasonable opinion, might constitute a breach of any law or regulation, any policy of that party, any fiduciary duty or any duty of confidentiality, or to disclose any confidential information (including, without limitation, its tax returns and calculations); provided, however, that nothing in this paragraph shall excuse any Relevant Party from providing a true, complete and correct IRS Form W-8 or W-9 (or any successor or substitute form where applicable). Any information provided on such IRS Form W-8 or W-9 (or any successor or substitute forms) shall not be treated as confidential information of such party for purposes of this paragraph.
- (d) If a Relevant Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with the provisions of this Charter or the provided information is insufficient under FATCA, then:
- (i) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of this Charter, the other Leasing Documents as if it is a FATCA Non-Exempt Party; and
 - (ii) if that party failed to confirm its applicable passthrough percentage then such party shall be treated for the purposes of this Charter, the other Leasing Documents (and payments made thereunder) as if its applicable passthrough percentage is 100%,

until (in each case) such time as the party in question provides sufficient confirmation, forms, documentation or other information to establish the relevant facts.

53.3 FATCA Deduction and gross-up by Relevant Party

- (a) If the representation made by the Charterers under Clause 45.1(n) (*Representations and Warranties*) proves to be untrue or misleading such that the Charterers are required to make a FATCA Deduction, the Charterers shall make the FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (b) If the Charterers are required to make a FATCA Deduction then the Charterers shall increase the payment due from them to the Owners to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (c) The Charterers shall promptly upon becoming aware that they must make a FATCA Deduction (or that there is any change in the rate or basis of a FATCA Deduction) notify the Owners accordingly. Within thirty (30) days of the Charterers making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Charterers shall deliver to the Owners evidence satisfactory to the Owners that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

53.4 FATCA Deduction by Owners

The Owners may make any FATCA Deduction they are required by FATCA to make, and any payment required in connection with that FATCA Deduction, and the Owners shall not be required to increase any payment in respect of which they make such a FATCA Deduction or otherwise compensate the recipient for that FATCA Deduction.

53.5 FATCA Mitigation

Notwithstanding any other provision to this Charter, if a FATCA Deduction is or will be required to be made by any party under Clause 53.3 in respect of a payment to the Owners as a result of the Owners not being a FATCA Exempt Party, the Owners shall have the right to transfer their interest in the Vessel (and this Charter) to any person nominated by the Owners and all costs in relation to such transfer shall be for the account of the Charterers.

CLAUSE 54 – GENERAL APPLICATION OF PROCEEDS

54.1 Any Net Trading Proceeds, Net Sales Proceeds, Total Loss Proceeds, any proceeds realized or received by the Owners in connection with the enforcement of the Security Documents (unless otherwise specified in the Security Documents), any amounts received by the Owners from the Other Charterer pursuant to Clause 50.4 of any of the Other Charters and any proceeds received by the Owners from any Other Owner (as trustee for the Owners) shall be applied in the following order of application against amounts payable under the Leasing Documents:

- (a) firstly, in or towards any amounts outstanding under the Leasing Documents other than the Termination Sum or the Special Termination Sum (as the case may be) (including, but not limited to, any costs and expenses incurred in the enforcement of the Security Documents, to the extent these are not covered under the Termination Sum or the Special Termination Sum (as the case may be));

- (b) secondly, in or towards satisfaction of the Charterers' obligation to pay the Termination Sum or the Special Termination Sum (as the case may be) (or such portion of it that then remains unpaid) in any order of application in the amounts comprising the Termination Sum or the Special Termination Sum (as the case may be) as the Owners may determine; and
- (c) thirdly, upon satisfaction in full of all amounts payable to the Owners under the Leasing Documents, in payment of any surplus to the Charterers, but subject always to the terms of the General Assignment and subject to no actual or contingent liabilities existing at the relevant time.

CLAUSE 55 – CONFIDENTIALITY

55.1 The Parties agree to keep the terms and conditions of this Charter and any other Leasing Documents (the "**Confidential Information**") strictly confidential, provided that a Party may disclose Confidential Information in the following cases:

- (a) it is already known to the public or becomes available to the public other than through the act or omission of the disclosing Party;
- (b) it is required to be disclosed under the applicable laws of any Relevant Jurisdiction, by a governmental order, decree, regulation or rule, by an order of a court, tribunal or listing exchange of the Relevant Jurisdiction, provided that the disclosing Party shall give written notice of such required disclosure to the other Party prior to the disclosure;
- (c) it is required to be disclosed by any stock exchange and/or securities and exchange commission rules (including, but not limited to, the US Securities and Exchange Commission Rule or the Nasdaq Rules);
- (d) in filings with a court or arbitral body in proceedings in which the Confidential Information is relevant and in discovery arising out of such proceedings;
- (e) to (or through) whom a Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Leasing Document (as permitted by the terms thereof), provided that such person receiving Confidential Information shall undertake that it would not disclose Confidential Information to any other party save for circumstances arising which are similar to those described under this clause or such other circumstances as may be permitted by all Parties;
- (f) to any of the following persons on a need to know basis:
 - (i) a shareholder or an Affiliate of either Party or a party referred to in either paragraph (e) or (f) (including the employees, officers and directors thereof);
 - (ii) professional advisers retained by a disclosing party; or
 - (iii) persons advising on, providing or considering the provision of financing to the disclosing party or an Affiliate,

provided that the disclosing party shall exercise due diligence to ensure that no such person shall disclose Confidential Information to any other party save for circumstances arising which are similar to those described under this clause or such other circumstances as may be permitted by all Parties; or

- (g) with the prior written consent of all Parties.

CLAUSE 56 – PARTIAL INVALIDITY

If, at any time, any provision of a Leasing Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

CLAUSE 57 – SETTLEMENT OR DISCHARGE CONDITIONAL

- 57.1 Any settlement or discharge under any Leasing Document between the Owners and any Obligor or any other person shall be conditional upon no security or payment to the Owners by any Obligor or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.
- 57.2 If the Owners consider (acting reasonably) that an amount paid or discharged by, or on behalf of, an Obligor in purported payment or discharge of an obligation of that Obligor to the Owners under the Leasing Documents is capable of being avoided or otherwise set aside on the liquidation or administration of that Obligor or otherwise, then that amount shall not be considered to have been unconditionally and irrevocably paid or discharged for the purposes of the Leasing Documents.

CLAUSE 58 – CHANGES TO THE PARTIES

58.1 Assignment or transfer by the Charterers

The Charterers shall not assign their rights or transfer by novation any of their rights and obligations under the Leasing Documents except with the prior consent in writing of the Owners.

58.2 Assignment or transfer by the Owners

Subject to Clause 35 (*Quiet Enjoyment*) above, the Charterers acknowledge that, at any time during the Charter Period:

- (a) the Owners are entitled to enter into certain funding arrangements with their financier(s), (the "**Owners' Financier**"), in order to finance in part or in full of the Purchase Price, which funding arrangements may be secured, *inter alia*, by the relevant Financial Instruments;
- (b) the Owners may do any of the following as security for the funding arrangements referred to in paragraph (a) above, in each case, without the prior consent of the Charterers:
- (i) execute a ship mortgage over the Vessel or any other Financial Instrument in favour of an Owners' Financier;
 - (ii) assign their rights and interests to, in or in connection with this Charter and any other Leasing Document in favour of that Owners' Financier;

- (iii) assign their rights and interests to, in or in connection with the Insurances, the Earnings and the Requisition Compensation of the Vessel in favour of that Owners' Financier;
 - (iv) any other Financial Instrument in favour of the Owners' Financier; and
 - (v) enter into any other document or arrangement which is necessary to give effect to such financing arrangements; and
- (c) the Charterers undertake to comply and shall procure that the other Obligor shall comply, and provide such information and documents reasonably required to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in any Financial Instrument or as may be directed from time to time during the currency of this Charter by the Owners' Financier in conformity with any Financial Instrument. The Charterers further agree and acknowledge all relevant terms, conditions and provisions of each Financial Instrument (if any) and agree that they and any other Obligor shall acknowledge any such assignments and other security in writing in any form that may be required by the Owners' Financier.
- (d) the Owners may assign or transfer by novation (or otherwise) any of its rights and obligations under the Leasing Documents and/or sell the Vessel at any time:
- (i) to an Affiliate of the Owners or an Owners' Financier without any consent of the Charterers;
 - (ii) to another lessor or financial institution or trust, fund, leasing company or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (for the avoidance of doubt, expressly excluding any hedge fund, private equity fund or any equity owned or controlled by a competitor of the Charterers),
 - (A) with the prior written consent of the Charterers (such consent not to be unreasonably withheld or delayed) if there is no Termination Event on the date when the consent is sought; or
 - (B) without any consent of the Charterers following the occurrence of a Termination Event which is continuing; and
 - (iii) in accordance with the Charterers' exercise of the Purchase Option under Clause 47 or of the Purchase Obligation under Clause 48.
- (e) Following any change in the registered ownership of the Vessel permitted pursuant to Clause 58.2, this Charter would continue on identical terms (save for logical, consequential or mutually agreed amendments), and the Charterers hereby agree that they shall be liable to the aforesaid new owner of the Vessel for its performance of all obligations pursuant to this Charter after change of the registered ownership of the Vessel from the Owners to such new owner and shall procure that:
- (i) any other Obligor which is a party to a Leasing Document:
 - (A) remains liable to the new owner of the Vessel for its performance of all obligations pursuant to such Leasing Document; and

(B) enters into all necessary documents or takes any necessary actions required for such Leasing Document and any Security Interest created thereunder remaining in full force and effect as from the completion of the relevant sale; and

(ii) the Guarantor shall each execute a guarantee in favour of the new owners for the *inter alia*, obligations of the Charterers under this Charter, in substantially in the same form as the Guarantee (or such other form as the Guarantor and the new owners may agree).

58.3 The Charterers agree and undertake to (and will procure the other Obligor to) enter into any such usual documents as the Owners shall require to complete or perfect the assignment or transfer of the Vessel (with the benefit and burden of this Charter and other Leasing Documents) and the Owner's rights and obligations under the Leasing Documents pursuant to Clause 58.2.

58.4 Unless otherwise expressly stated in this Charter, each of the Owners and the Charterers shall bear their own costs arising from any assignment, transfer or sale of the Vessel by the Owners as permitted under this Clause 58.2.

CLAUSE 59 – MISCELLANEOUS

59.1 The Charterers waive any rights of sovereign immunity which they or any of their assets may enjoy in any jurisdiction and subjects itself to civil and commercial law with respect to their obligations under this Charter.

59.2 No term of this Charter is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to this Charter, save that the Other Owners may rely on the rights conferred on them under Clause 50.2.

59.3 This Charter and each Leasing Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Charter or that Leasing Document, as the case may be.

59.4 These additional clauses shall be read together with the Standard Bareboat Charter, and shall constitute a single instrument. In the case of any conflict between the provisions of these additional terms and the Standard Bareboat Charter, these additional terms shall prevail.

59.5 This Charter contains all the understandings and agreements of whatsoever kind and nature existing between the parties in respect of this Charter, the rights, interests, undertakings agreements and obligations of the parties to this Charter and shall supersede all previous and contemporaneous negotiations and agreements.

59.6 The termination of this Charter for any cause whatsoever shall not affect the right of the Owners to recover from the Charterers any money due to the Owners on or before the termination in consequence thereof and all other rights of the Owners (including, but not limited to, any rights, benefits or indemnities which are expressly provided to continue after the termination of this Charter) are reserved hereunder.

59.7 Nothing in this Charter creates, constitutes or evidences any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and neither party may make, or allow to be made any representation that any such relationship exists between the

parties. Neither party shall have the authority to act for, or incur any obligation on behalf of, the other party, except as expressly provided in this Charter.

- 59.8 The rights, powers and remedies provided in this Charter are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.
- 59.9 The Owners may set off any matured and/or contingent obligation due from any Obligor under the Leasing Documents (to the extent beneficially owned by the Owners) against any obligation (whether matured or not) owed by the Owners to that or any other Obligor, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, the Owners may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. Other than as explicitly set out in the Leasing Documents, no member of the Group may set off any matured and/or contingent obligation due from the Owners under the Leasing Documents (to the extent beneficially owned by any Obligor) against any obligation (whether matured or not) owed by any member of the Group to the Owners, regardless of the place of payment or currency of either obligation.

CLAUSE 60 - RECORDATION OF FINANCING CHARTER

- 60.1 Without prejudice and in addition to the Owners' rights under this Charter:
- (a) for all purposes under Section 302A of the Republic of the Marshall Islands Maritime Act 1990, as amended (the "**Maritime Act**"), the Owners and the Charterers acknowledge and agree that this Charter shall be construed as a "financing charter", as such term is defined in Section 112(7) (*Definitions*) of the Maritime Act, and (ii) this Charter is intended to be deemed under the Maritime Act as a preferred mortgage over the Vessel granted by the Charterers, as owner, in favour of the Owners, as mortgagee;
- (b) in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Charterers hereby grant, convey, mortgage, pledge, confirm, assign, transfer and set over the whole of the Vessel to the Owners, as mortgagee, as security for the performance and observance of and compliance with all their obligations as Charterers under, and the covenants, terms and conditions contained in, this Charter and the other Leasing Documents to which the Charterers are or may become a party; and
- (c) At their sole cost and expense, the Charterers shall cause this Charter to be recorded as a financing charter in accordance with the Maritime Act and will perform all such acts as may be reasonably requested by the Owners to accomplish the said recordation. For the purposes of recording this Charter under Section 302A of the Maritime Act as a financing charter:
- (i) the name of the Vessel is m.v. "Gloriuship";
- (ii) the official number of the Vessel is 6629;
- (iii) the date of this Charter is _____ 2023;
- (iv) the name and address of the Owners are:

GIANT 6 HOLDING LIMITED

6/F., Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong;

- (v) the name and address of the Charterers are:

SEA GLORIUS SHIPPING CO.

Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960

- (vi) the maximum aggregate of the nominal amount of all charterhire payments, termination payments, purchase obligation, and purchase or put option amounts which could under any circumstances be due and payable under this Standard Bareboat Charter and the other Leasing Documents, exclusive of any interest, indemnities, expenses or fees, is US\$30,000,000 which is the total amount secured hereby.

CLAUSE 61 - DEFINITIONS

- 61.1 In this Charter the following terms shall have the meanings ascribed to them below:

"Acceptance Certificate" means a certificate substantially in the form set out in Schedule 1 to be signed by the Charterers at Delivery.

"Account Bank" means ALPHA BANK S.A. or such other bank approved by the Owners .

"Account Security" means the account security executed or to be executed by the Charterers in favour of the Owners over the Earnings Account in agreed form.

"Advance Charterhire" means the difference between the Purchase Price and the Finance Amount.

"Affiliate" means in relation to any person, a subsidiary of that person or a Holding Company of that person or any other subsidiary of that Holding Company.

"Anti-Money Laundering Laws" means all applicable financial record-keeping and reporting requirements, anti-money laundering statutes (including all applicable rules and regulations thereunder) and all applicable related or similar laws, rules, regulations or guidelines, of all jurisdictions including and without limitation, the United States of America, the European Union, the United Kingdom and the People's Republic of China and which in each case are (a) issued, administered or enforced by any governmental agency having jurisdiction over any Obligor or any Sub-charterer or the Owners; (b) of any jurisdiction in which any Obligor or any Sub-charterer or the Owners conduct business; or (c) to which any Obligor or any Sub-charterer or the Owners is subjected or subject to.

"Anti-Terrorism Financing Laws" means all applicable anti-terrorism laws, rules, regulations or guidelines of any jurisdiction, including and not limited to the United States of America or the People's Republic of China which are: (a) issued, administered or enforced by any governmental agency, having jurisdiction over any Obligor or any Sub-charterer or the Owners; (b) of any jurisdiction in which any Obligor or the Owners conduct business; or (c) to which any Obligor or any Sub-charterer or the Owners are subjected or subject to.

"Approved Commercial Manager" means:

- (a) United Management Corp., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960;
- (b) Seanergy Management Corp., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960; or
- (c) Fidelity Marine Inc., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960,

or any other Affiliates of the Charterers or other international and reputable manager which may, with the prior written approval of the Owners (such approval not to be unreasonably withheld or delayed) be appointed as a commercial manager of the Vessel, collectively, the **"Approved Commercial Managers"**.

"Approved Crew Manager" means Global Seaways S.A., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960 as crew manager of the Vessel or any or any other Affiliates of the Charterers or other international and reputable manager which may, with the prior written approval of the Owners be appointed as a crew manager of the Vessel, collectively, the **"Approved Crew Managers"**.

"Approved Managers" means collectively the Approved Commercial Manager, the Approved Technical Manager and the Approved Crew Manager, each of any of them, as the context may require, an **"Approved Manager"**.

"Approved Management Agreement" means:

- (a) the commercial management agreement in respect of the Vessel dated 5 April 2023 and entered into between United Management Corp. and Fidelity Marine Inc., as amended and supplemented from time to time, including by a deed of accession dated 5 April 2023 made by the Charterers in favour of Fidelity Marine Inc.;
- (b) the commercial management agreement in respect of the Vessel dated 5 April 2023 and entered into between United Management Corp. and Seanergy Management Corp., as amended and supplemented from time to time;
- (c) the ship technical management agreement in respect of the Vessel dated 3 June 2022 and entered into between the Charterers and Seanergy Shipmanagement Corp., as amended, novated and supplemented from time to time;
- (d) the crew management agreement in respect of the Vessel dated 27 May 2022 and entered into between the Charterers and Global Seaways S.A.;

or, in each case any such other commercial, technical and/or crew management agreement in respect of the Vessel as may be approved by the Owners in writing, collectively, the **"Approved Management Agreements"**.

"Approved Technical Manager" means Seenergy Shipmanagement Corp., a corporation incorporated and validly existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960 or any or any other Affiliates of the Charterers or other international and reputable manager which may, with the prior written approval of the Owners be appointed as a technical manager of the Vessel, collectively, the **"Approved Technical Managers"**.

"Approved Valuer" means Arrow, Fearnleys, Clarksons, Maersk, Barry Rogliano Salles, Howe Robinson, Weselmann, Braemar, Lorentzen & Stemoco, BRS, Grieg Shipbrokers, Galbraiths, Simpson Spence Young (SSY), Seaborne Valuation or such other independent and reputable shipbroker nominated by the Charterers and approved by the Owners.

"Assignable Sub-charter" means, any charter or any other form of employment contract relating to the Vessel, whether or not already in existence (i) on a bareboat basis (irrespective of duration) or (ii) on a time charter basis with a duration exceeding or capable of exceeding thirteen (13) months (inclusive of options to renew).

"Associated Vessel" means any ship or vessel (including, but not limited to, the Vessel and the Other Vessels) from time to time wholly leased, hired, chartered or financed under any lease, hire purchase agreement, charter or any other financing arrangement by Affiliates of the Owners and/or any Other Owner to subsidiaries or Affiliates of the Guarantor.

"Breakfunding Costs" means all breakfunding costs and expenses incurred or payable by the Owners when a repayment or prepayment under the relevant funding arrangement entered into by the Owners for the purpose of financing the Purchase Price do not fall on a Payment Date.

"Business Day" means a day on which banks are open for business in Shanghai, Hong Kong, New York , Athens and:

- (a) in respect of a day on which a payment is required to be made or other dealing is due to take place under a Leasing Document or an Assignable Sub-charter in Dollars, also a day on which commercial banks are open in New York City; and
- (b) in relation to the fixing of an interest rate, also a day (other than a Saturday or Sunday) which is a US Government Securities Business Day.

"Business Ethics Laws" means any laws, regulations and/or other legally binding requirements or determinations in relation to corruption, fraud, collusion, bid-rigging or anti-trust, human rights violations (including forced labour and human trafficking) which are applicable to any Obligor or any Sub-charterer or the Owners or to any jurisdiction where activities are performed and which shall include but not be limited to (i) the United Kingdom Bribery Act 2010 and (ii) the United States Foreign Corrupt Practices Act 1977 and all rules and regulations under each of (i) and (ii).

"Buyers" means the Owners acting in their capacity as buyer of the Vessel under the MOA.

"Cancelling Date" has the meaning given to such term in the MOA.

"Change of Control" occurs, if, at any time:

- (a) the Charterers cease to be wholly legally and beneficially owned or controlled by the Guarantor;
- (b) any group of the existing members of the board of directors of the Guarantor, as at the date of this Charter, which ordinarily comprises a majority of the board of directors of the Guarantor, does not ordinarily comprise a majority of the board of directors of the Guarantor;
- (c) the Disclosed Person ceases to own legal and ultimately beneficially at least 49.99% of the voting power of the issues and outstanding share capital, of the Guarantor;
- (d) a person or persons acting in concert (other than the Disclosed Person):
 - (i) have the right of the ability to control, either directly or indirectly, the affairs, or composition of the majority of the board of directors (or equivalent of it), of the Guarantor; or
 - (ii) own legally and ultimately beneficially more than the voting power of the issued and outstanding share capital of the Guarantor which is owned by the Disclosed Person; or
- (e) the Disclosed Person ceases to be the Chief Executive Officer of the Guarantor.

"Charter Period" means the period commencing on the Commencement Date and described in Clause 32.2 unless it is either terminated earlier or extended in accordance with the provisions of this Charter.

"Charterhire" means each of, or as the context may require, all of the monthly instalments of hire payable under this Charter comprising of a Fixed Charterhire element and a Variable Charterhire element.

"CISADA" means the United States Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 as it applies to non-US persons.

"Classification Society" means ABS or such other classification society as may be approved in writing by the Owners.

"Commencement Date" means the date on which Delivery takes place.

"Delivery" means the delivery of the legal and beneficial interest in the Vessel from the Owners to the Charterers hereunder.

"Disclosed Person" means the holder of the Series B preferred shares of the Guarantor as communicated by the Charterers to the Owners prior to the signing of this Charter.

"Dollars", "US\$" and "\$" mean the lawful currency for the time being of the United States of America.

"Earnings" means all moneys whatsoever which are now, or later become, payable (actually or contingently) and which arise out of the use or operation of the Vessel, including (but not limited to):

- (a) all freight, hire and passage moneys, compensation payable in the event of requisition of the Vessel for hire, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of the Vessel; and
- (b) if and whenever the Vessel is employed on terms whereby any moneys falling within paragraph (a) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to the Vessel.

"Earnings Account" means, an account designated as an "Earnings Account" in the name of the Charterers with the Account Bank or any other replacement earnings account in the name of the Charterers with any other bank which may, with the prior written consent of the Owners, be opened.

"Environmental Claim" means:

- (a) any claim by any governmental, judicial or regulatory authority which arises out of an Environmental Incident or which relates to any Environmental Law; or
- (b) any claim by any other person which relates to an Environmental Incident,

and **"claim"** means a claim for damages, compensation, fines, penalties or any other payment; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset.

"Environmental Incident" means:

- (a) any release of Environmentally Sensitive Material from the Vessel; or
- (b) any incident in which Environmentally Sensitive Material is released from a vessel other than the Vessel and which involves a collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, in connection with which the Vessel is actually liable to be arrested, attached, detained or injuncted and/or the Vessel and/or the Owners and/or the Charterers and/or any Sub-charterer and/or any other operator or manager of the Vessel is at fault or otherwise liable to any legal or administrative action; or
- (c) any other incident involving the Vessel in which Environmentally Sensitive Material is released otherwise than from the Vessel and in connection with which the Vessel is actually arrested and/or where the Owners and/or the Charterers and/or any Sub-charterer and/or any other operator or manager of the Vessel is at fault or otherwise liable to any legal or administrative action.

"Environmental Law" means any law relating to pollution or protection of the environment, to the carriage or releases of Environmentally Sensitive Material.

"Environmentally Sensitive Material" means oil, oil products and any other substances (including any chemical, gas or other hazardous or noxious substance) which are (or are capable of being or becoming) polluting, toxic or hazardous.

"Escrow Agent" means Watson Farley & Williams LLP acting through its office at Suites 4610- 4619, Jardine House, 1 Connaught Place, Hong Kong.

"Escrow Agreement" means the escrow agreement made or to be made between, inter alia, the Charterers, the Owners, the Existing Financier and the Escrow Agent setting out the terms of appointment of the Escrow Agent and the manner in which the Escrow Agent will hold and release the Net Purchase Price (as defined in the MOA).

"Existing Facility Agreement" means the facility agreement dated 15 July 2020 as amended and supplemented by a deed of release, accession and amendment dated 1 July 2022 entered into between, inter alia, the Existing Financier as security agent, Kroll Agency Services Limited as facility agent and the Sellers as borrower.

"Existing Financier" has the meaning given to that term in the MOA.

"Fee Letter" means any fee letter dated on or around the date hereof setting out the upfront fee or other fee payable by the Charterers to the Owners pursuant to Clause 41.1.

"Finance Amount" means US\$10,000,000.

"Financial Indebtedness" means, in relation to a person (the "**debtor**"), a liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;
- (b) under any loan stock, bond, note or other security issued by the debtor;
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;
- (d) under a financial lease, a deferred purchase consideration arrangement (other than deferred payments for assets or services obtained on normal commercial terms in the ordinary course of business) or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any foreign exchange transaction, any interest or currency swap or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount; or
- (f) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within paragraphs (a) to (e) if the references to the debtor referred to the other person;

"Financial Instruments" means any mortgage, deed of covenant, the general assignment or such other financial security instruments as may be granted to the Owners' Financier as security for the obligations of the Owners in relation to the financing or refinancing of the acquisition of the Vessel.

"Fixed Charterhire" has the meaning given to such term in Clause 36.3.

"**Flag State**" means the flag state as stated in Box 5 of this Charter or such other flag state as may be approved in writing by the Owners (such approval not to be unreasonably withheld or delayed).

"**Funding Rate**" means any individual rate notified by the Owners to the Charterers pursuant to Clause 36.17(ii).

"**General Assignment**" means the general assignment, in agreed form, executed or to be executed by the Charterers in favour of the Owners in respect of the Vessel, pursuant to which the Charterers shall, *inter alia*, assign its rights in relation to (i) Insurances, Earnings and Requisition Compensation and (ii) any Assignable Sub-charter, in favour of the Owners.

"**Group**" means the Guarantor and its subsidiaries (whether directly or indirectly owned) from time to time.

"**Guarantee**" means a guarantee executed by the Guarantor in favour of the Owners on or about the date of this Charter.

"**Guarantor**" mean United Maritime Corporation, a corporation incorporated under the laws of the Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 acting in its capacity as guarantor in connection with, amongst others, the Charterers' obligations in connection with this Charter.

"**Historic Term SOFR**" means, in relation to a Term, the most recent applicable Term SOFR for three (3) months and which is as of a day which is not more than three (3) US Government Securities Business Days before the Quotation Day.

"**Holding Company**" means, in relation to a person, any other person in relation to which it is a subsidiary.

"**IAPPC**" means a valid international air pollution prevention certificate for the Vessel issued pursuant to the MARPOL Protocol.

"**Initial Sub-charter**" means the time charter party of the Vessel dated 15 February 2023 and made between the Charterers as owners and the Initial Sub-charterer as charterers, as amended and supplemented from time to time.

"**Initial Sub-charterer**" means Olam Maritime Freight Pte Ltd., a company incorporated and existing under the laws of Singapore with its registered address at 7 Straits View, #20-01, Marina One East Tower, Singapore 018936.

"**Insurances**" means:

- (a) all policies and contracts of insurance, including entries of the Vessel in any protection and indemnity or war risks association, which are effected in respect of the Vessel or otherwise in relation to it whether before, on or after the date of this Charter; and
- (b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Charter.

"**Interest Rate**" means, in relation to each Term and subject to Clause 36.17, the percentage rate of interest per annum which is the aggregate of (i) the applicable Reference Rate for such Term and (ii) Margin.

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

(a) either:

- (i) the most recent applicable Term SOFR (as of a day which is not more than three (3) US Government Securities Business Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than three (3) months; or
- (ii) if no such Term SOFR is available for a period which is less than three (3) months, SOFR for a day which is no more than five (5) US Government Securities Business Days (and no less than two (2) US Government Securities Business Days) before the Quotation Day; and

(b) the most recent applicable Term SOFR (as of a day which is not more than three (3) US Government Securities Business Days before the Quotation Day) the shortest period (for which Term SOFR is available) which exceeds three (3) months.

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

(a) either:

- (i) the applicable Term SOFR (as of the Quotation Day in respect of that Term) for the longest period (for which Term SOFR is available) which is less than three (3) months; or
- (ii) if no such Term SOFR is available for a period which is less than three (3) months, SOFR for the day which is two (2) US Government Securities Business Days before the Quotation Day; and

(b) the applicable Term SOFR (as of the Quotation Day in respect of that Term) for the shortest period (for which Term SOFR is available) which exceeds three (3) months.

"**ISM Code**" means the International Safety Management Code (including the guidelines on its implementation), adopted by the International Maritime Organisation Assembly as Resolutions A.741 (18) and A.788 (19), as the same may be amended or supplemented from time to time (and the terms "**safety management system**", "**Safety Management Certificate**" and "**Document of Compliance**" have the same meanings as are given to them in the ISM Code).

"**ISPS Code**" means the International Ship and Port Security Code as adopted by the Conference of Contracting Governments to the Safety of Life at Sea Convention 1974 on 13 December 2002 and incorporated as Chapter XI-2 of the Safety of Life at Sea Convention 1974, as the same may be supplemented or amended from time to time.

"**ISSC**" means an International Ship Security Certificate issued under the ISPS Code.

"**Leasing Documents**" means this Charter, the MOA, the Fee Letter and the Security Documents.

"**Major Casualty**" means any casualty to the Vessel in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds US\$750,000 or the equivalent in any other currency.

"**Manager's Undertakings**" means, collectively, the letter of undertaking, in agreed form, to be executed by each Approved Manager, each of any of them, as the context may require, the "**Manager's Undertaking**".

"**Margin**" means three point three per cent. (3.3%) per annum.

"**Market Value**" means, in relation to the Vessel, the valuation shown by a valuation report or certificate addressed to the Owners and prepared:

- (a) at the cost of the Charterers;
- (b) on a date no earlier than thirty (30) days prior to the relevant date of determination;
- (c) by Approved Valuers;
- (d) without physical inspection of the Vessel or other vessel; and
- (e) 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 or such other basis as may be agreed by the Owners.

"**MARPOL Protocol**" means Annex VI (Regulations for the Prevention of Air Pollution from Ships) to the International Convention for the Prevention of Pollution from Ships 1973 (as amended in 1978 and 1997).

"**Material Adverse Effect**" means, in the reasonable opinion of the Owners, a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of any Obligor; or
- (b) the ability of any Obligor to perform its obligations under any Leasing Document or any Assignable Sub-charter to which it is a party; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security Interests granted pursuant to any of the Leasing Documents or any Assignable Sub-charter or the rights or remedies of the Owners under any of the Leasing Documents or any Assignable Sub-charter;

"**Maturity Date**" means the date falling thirty-six (36) months from the Commencement Date.

"**MOA**" means the memorandum of agreement dated on or about the date of this Charter and made between the Owners (in their capacity as buyers) and the Charterers (in their capacity

as sellers), pursuant to which the Charterers agree to sell and the Owners agree to purchase the Vessel upon the terms and conditions set out therein.

"Net Sales Proceeds" has the meaning given to such term in Clause 40.4(b)(ii).

"Net Trading Proceeds" has the meaning given to such term in Clause 40.4(b)(i).

"Obligor" means any of the Charterers, the Other Charterers, the Guarantor and the Approved Managers (other than a Third Party Approved Manager) and each other person that may be a party to a Leasing Document from time to time (other than the Owners or their Affiliates) and any other party that provides security for the Leasing Documents.

"Original Financial Statements" means, with respect to the Guarantor, its audited consolidated annual financial reports for the financial year ended 31 December 2022, in form and substance satisfactory to the Owners.

"Original Jurisdiction" means, in relation to each Obligor, the jurisdiction under whose laws they are incorporated as at the date of this Charter.

"Other Charter" means, in relation to each Other Vessel, a bareboat charter entered into or to be entered into on or about the date of this Charter between the relevant Other Owner, as owner, and the corresponding Other Charterer, as demise owner, and collectively, the **"Other Charters"**.

"Other Charterer" means, in relation to each Other Vessel, the entity designated under the column headed "Project Charterers" in Schedule 3 and corresponding to such Other Vessel, and collectively, the **"Other Charterers"**.

"Other Leasing Documents" means, collectively, the "Leasing Documents" as defined in each Other Charter.

"Other Owner" means, in relation to each Other Vessel, the entity designated under the column headed "Project Owners" in Schedule 3 and corresponding to such Other Vessel, and collectively, the **"Other Owners"**.

"Other Vessel" means each or, as the context may require, any of the vessels designated under the column headed "Project Vessels" in Schedule 3 (other than the Vessel), and collectively, the **"Other Vessels"**.

"Outstanding Finance Amount" means, on any relevant date, (i) the Finance Amount minus (ii) the aggregate Fixed Charterhire which have been paid by the Charterers and received by the Owners as at such date.

"Owners' Financier" shall have the meaning as defined under Clause 58.2(a).

"Owners' Sale" shall have the meaning as defined under Clause 40.4(b)(ii).

"Party" means any party to this Charter.

"Payment Date" means each of, or as the context may require, any of:

- (a) in respect of the first Charterhire instalment, the date falling one (1) month after the Commencement Date;
- (b) each date falling at monthly intervals during the Charter Period after the date described in paragraph (a) above; and
- (c) the Maturity Date,

such that there are a total of thirty-six (36) Payment Dates during the Charter Period.

"**Payment Notice**" has the meaning given to that term in the MOA.

"**Permitted Security Interests**" means:

- (a) Security Interests created by a Leasing Document or a Financial Instrument;
- (b) liens for unpaid master's and crew's wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime, ownership and management practice;
- (c) liens for salvage provided such liens do not secure amounts more than thirty (30) days overdue;
- (d) liens for master's disbursements incurred in the ordinary course of trading provided such liens do not secure amounts more than thirty (30) days overdue;
- (e) any other liens arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Vessel provided such liens do not secure amounts more than thirty (30) days overdue;
- (f) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the Charterers are prosecuting or defending such action in good faith by appropriate steps; and
- (g) Security Interests arising by operation of law in respect of taxes which are not overdue or for payment of taxes which are overdue for payment but which are being contested by the Owners or the Charterers in good faith by appropriate steps and in respect of which adequate reserves have been made.

"**Potential Termination Event**" means, an event or circumstance which, with the giving of any notice, the lapse of time, a determination of the Owners and/or the satisfaction of any other condition, would constitute a Termination Event.

"**Prepositioning Date**" shall have the same meaning as defined under the MOA.

"**Purchase Obligation**" means the purchase obligation referred to in Clause 48 (*Purchase Obligation*).

"**Purchase Obligation Price**" means US\$5,000,000.

"**Purchase Option**" means the early purchase option which the Charterers are entitled to exercise pursuant to Clause 47 (*Purchase Option*).

"**Purchase Option Date**" has the meaning given to that term in Clause 47.1.

"**Purchase Option Notice**" has the meaning given to that term in Clause 47.1 (*Purchase Option*).

"**Purchase Option Price**" means the aggregate of:

- (a) the Outstanding Finance Amount as at the Purchase Option Date together with a fee calculated at the rate of (i) two per cent. (2)% of such Outstanding Finance Amount if the Purchase Option is exercised on a date falling six (6) months after the Commencement Date and until (including) the first (1st) anniversary of the Commencement Date, (ii) one point five per cent. (1.5)% of such Outstanding Finance Amount if the Purchase Option is exercised after the first (1st) anniversary of the Commencement Date and until (including) the second (2nd) anniversary of the Commencement Date and (iii) zero per cent. (0%) if the Purchase Option is exercised after the second (2nd) anniversary of the Commencement Date;
- (b) any amounts of interest accrued from the last Payment Date up to and including the Purchase Option Date;
- (c) any accrued but unpaid Variable Charterhire as at the Purchase Option Date;
- (d) any Breakfunding Costs and any other costs, expenses and fees payable by the Owners to the Owner's Financier under the relevant Financial Instruments but excluding any Swap Costs;
- (e) any documented legal costs, expenses reasonably incurred by the Owners and in connection with the exercise of the Purchase Option under Clause 47 (*Purchase Option*);
- (f) any other reasonable and documented costs, expenses, losses and liabilities and by the Owners under the Leasing Documents as a result of the exercise of the Purchase Option under Clause 47 (*Purchase Option*) (including, but not limited to, the release of securities and the cost of redelivery); and
- (g) all other amounts due and outstanding under this Charter and the other Leasing Documents together with any applicable interest thereon.

"**Published Rate**" means Term SOFR for three (3) months.

"**Published Rate Replacement Event**" means, in relation to a Published Rate:

- (a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Owners, materially changed;
- (b)
 - (i)

- (A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or
- (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;

- (ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or
- (c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
- (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Owners) temporary;
 - (ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than a reasonable time period as determined by the Owners; or
- (d) in the opinion of the Charterers and the Owners (each acting reasonably), that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Charter.

"Purchase Price" means the aggregate amount which has been paid by the Owners (in their capacity as Buyers) to the Charterers (in their capacity as Sellers) for the purchase of the Vessel pursuant to clause 18 (*payment of purchase price*) of the MOA.

"Quotation Day" means in relation to a Term for which an Interest Rate is to be determined, two (2) US Government Securities Business Days before the first day of that Term unless market practice differs in the relevant syndicated loan market in which case the Quotation Day will be determined by the Owners in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

"Reference Rate" means, in relation to a Term:

- (a) the applicable Term SOFR for three (3) months as of the relevant Quotation Day; or
- (b) as otherwise determined pursuant to Clause 36.13,

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

"Relevant Jurisdiction" means, in relation to each Obligor:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any property owned by it and charged under a Leasing Document or an Assignable Sub-charter is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) any jurisdiction whose laws govern the perfection of any of the Leasing Documents the Assignable Sub-charter entered into by it creating a Security Interest.

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"Replacement Reference Rate" means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Published Rate by;
 - (i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate);
 - (ii) any Relevant Nominating Body; orand 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 Owners and the Charterer, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to a Published Rate; or
- (c) in the opinion of the Owners and the Charterer, an appropriate successor or alternative to a Published Rate.

"Reporting Time" means close of business in Shanghai on the date falling two (2) Business Days after the Quotation Day for the relevant Term.

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

"Restricted Country" means any country or territory whose government is the target of Sanctions or that is or whose government is, subject to comprehensive country-wide or territory-wide Sanctions (including, without limitation, as regards United States Sanctions, Cuba, Syria, Iran, North Korea, Crimea and Venezuela).

"Restricted Person" means any person who is the subject of Sanctions (whether designated by name or by reason of being included in a class of persons to whom any applicable Sanctions apply in accordance with their terms) or against whom Sanctions are directed, including, without limitation, as a result of being (a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions, or (b) organized under the laws of, or a citizen or resident of, any Restricted Country, or otherwise a target of Sanctions.

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

- (a) imposed, administered, enacted or enforced by law or regulation of the United Kingdom, the Council of the European Union, the People's Republic of China, the United Nations or its Security Council or the US (including, but not limited to, "secondary sanctions" imposed by the US), the Hong Kong SAR, the Flag State or any government, official institution or agency of any of the foregoing, whether or not any Obligor or any Sub-charterer is legally bound to comply with the foregoing; or
- (b) otherwise imposed by any law or regulation binding on any Obligor or any Sub-charterer or to which an Obligor or a Sub-charterer is subject.

"Sanctions Advisory" means the Sanctions Advisory for the Maritime Industry, Energy and Metals Sectors, and Related Communities issued May 14, 2020 by the US Department of the Treasury, Department of State and Coast Guard, as may be amended or supplemented, and any similar future advisory.

"Security Documents" means the Account Security, the Guarantee, the General Assignment, the Shares Security Deed, the Manager's Undertakings and any other security documents granting a Security Interest in respect of the obligations of the Charterers under or in connection with this Charter.

"Security Interest" means:

- (a) a mortgage, charge (whether fixed or floating) or pledge, any maritime or other lien or any other security interest of any kind;
- (b) the security rights of a plaintiff under an action *in rem*; or
- (c) any other right which confers on a creditor or potential creditor a right or privilege to receive the amount actually or contingently due to it ahead of the general unsecured creditors of the debtor concerned; however this paragraph (c) does not apply to a right of set off or combination of accounts conferred by the standard terms of business of a bank or financial institution.

"Sellers" means the Charterers acting in their capacity as seller of the Vessel under the MOA.

"Shares Security Deed" means the shares security deed executed or to be executed by the Guarantor in favour of the Owners over the shares in the Charterers in agreed form.

"SOFR" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"Special Termination Sum" means, in respect of any date (for the purposes of this definition only, the "**Relevant Date**"), the aggregate of:

- (a) the Outstanding Finance Amount as at the Relevant Date;
- (b) any accrued but unpaid Variable Charterhire and/or any default interest as at the Relevant Date;
- (c) any Breakfunding Costs and any other costs, expenses and fees payable by the Owners to the Owner's Financier under the relevant Financial Instruments but excluding any Swap Costs;
- (d) any reasonable and documented costs, expenses, losses and liabilities incurred by the Owners in connection with the termination of this Charter under Clause 44(A); and
- (e) all other outstanding amounts payable under this Charter and other Leasing Documents together with any applicable interest thereon.

"Sub-charter" means, as the context requires, any sub-charter or other form of contract for employment in respect of the Vessel (including, but not limited to, any Assignable Sub-charter) entered or to be entered into by the Charterers (as disponent owners) and any other Sub-charterer, whether or not already in existence.

"Sub-charterer" means the charterer under a Sub-charter.

"Swap Costs" means any amount payable by the Owners or costs incurred by the Owners (after netting out any gains) as a result of the termination or close-out of any Treasury Transaction entered into in connection with the Leasing Documents.

"Term" means each consecutive one (1) month's period falling during the Charter Period, provided that:

- (a) the first Term shall commence on (and include) the Commencement Date and end on (and include) the first Payment Date;
- (b) each subsequent Term (apart from the final Term) shall commence on (and include) the date falling immediately after the last day of the previous Term;
- (c) any Term which would otherwise overrun a Payment Date shall instead end on (and include) that Payment Date; and
- (d) the final Term shall end on (and include) the Maturity Date.

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

"**Termination Event**" means any event described in Clause 44 (*Termination Events*).

"**Termination Notice Date**" shall have the meaning as defined under Clause 44.2.

"**Termination Sum**" means, in respect of any date (for the purposes of this definition only, the "**Relevant Date**"), the aggregate of (without double counting amounts that may be included in more than one sub-paragraph below):

- (a) the Outstanding Finance Amount as at the Relevant Date together with a fee calculated at the rate of three per cent. (3%) of such Outstanding Finance Amount;
- (b) any accrued but unpaid Variable Charterhire as at the Relevant Date;
- (c) any Breakfunding Costs and any other costs, expenses and fees payable by the Owners to the Owner's Financier under the relevant Financial Instruments but excluding any Swap Costs;
- (d) any and all costs, expenses, losses and liabilities incurred by the Owners in connection with the termination of this Charter under Clause 44 (*Termination Events*); and
- (e) any and all costs, expenses, losses and liabilities incurred by the Owners (and the Owners' Financier (if any)), and in locating, repossessing, recovering, repositioning, berthing, insuring and maintaining the Vessel and/or in collecting any payments due under this Charter and/or in obtaining the due performance of the obligations of the Charterers under this Charter or the other Leasing Documents;
- (f) all other outstanding amounts payable under this Charter and other Leasing Documents together with any applicable interest thereon (including, but not limited to, any default interest on any amount owing under paragraphs (a) to (e) above).

"**Third Party Approved Manager**" means any Approved Manager which is not owned or controlled by the Guarantor.

"**Total Loss**" means:

- (a) in the case of an actual loss of the Vessel, the date on which it occurred or, if that is unknown, the date when the Vessel was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of the Vessel, 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 Owners with the insurers in which the insurers agree to treat the Vessel as a Total Loss;

- (c) in the case of any expropriation, confiscation, requisition or acquisition of the Vessel whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority (excluding a requisition for hire for a fixed period not exceeding one (1) year without any right to an extension), on the date on which the expropriation, confiscation, requisition or, as the case may be, the acquisition of the Vessel is completed by delivery of the Vessel to the relevant government or official authority or the person or persons claiming to be or to represent the relevant government or official authority, unless it is redelivered within forty-five (45) days to the full control of the Owners or the Charterers; and
- (d) in the case of any arrest, condemnation, capture, seizure or detention of the Vessel (including any hijacking or theft), unless it is redelivered within forty-five (45) days to the full control of the Owners or the Charterers, the date falling on the expiration of such days.

"Total Loss Payment Date" shall have the meaning given to that term in Clause 40.9.

"Total Loss Proceeds" means the proceeds of any policy or contract of insurance or any Requisition Compensation in each case arising in respect of a Total Loss.

"Treasury Transaction" means any derivative transaction entered into in connection with protection against or benefit from any fluctuation in price or rate.

"Upfront Fee" has the meaning given to that term in Clause 41.1.

"US" means United States of America.

"US Government Securities Business Day" means any day other than:

- (a) a Saturday or a Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"US Tax Obligor" means (a) a person which is resident for tax purposes in the United States of America or (b) a person some or all of whose payments under the Leasing Documents are from sources within the United States for United States federal income tax purposes.

"Variable Charterhire" means, in relation to a Payment Date, a variable element of charterhire which shall be an amount calculated by applying the applicable Interest Rate for the relevant Term to the Outstanding Finance Amount prevailing on the first day of the relevant Term (which for the avoidance of doubt, shall be the Finance Amount in respect of the first Charterhire instalment), for the actual number of days elapsed within the relevant Term.

"Vessel" means the 180K dwt bulk carriers (Capesize) named m.v. "Gloriuship" registered under the Flag State with IMO number 9266944.

"**agreed form**" means, in relation to a document, such document in a form agreed in writing between the Owners and the Charterers and, if required by the Owners in their sole discretion, the Owners' Financier;

"**asset**" includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

"**company**" includes any partnership, joint venture and unincorporated association;

"**consent**" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

"**contingent liability**" means a liability which is not certain to arise and/or the amount of which remains unascertained;

"**continuing**" means, in relation to any Termination Event, a Termination Event which has not been waived by the Owners and in relation to any Potential Termination Event, a Potential Termination Event which has not been waived by the Owners or remedied to the satisfaction of the Owners;

"**control**" over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

- (a) cast, or control the casting of, more than fifty one percent (51%) per cent, of the maximum number of votes that might be cast at a general meeting of such company; or
- (b) appoint or remove all, or the majority, of the directors or other equivalent officers of such company; or
- (c) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;

"**document**" includes a deed; also a letter, fax or telex;

"**expense**" means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;

"**law**" includes any order or decree, any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

"**legal or administrative action**" means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

"**liability**" includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

"**months**" shall be construed in accordance with Clause 61.3;

the Owners' "**cost of funds**" in relation to the Outstanding Finance Amount or any part thereof is a reference to the average cost (determined either on an actual or a notional basis) which the Owners would incur if they were to fund or finance, from whatever source(s) they may reasonably select, an amount equal to the amount of the Outstanding Finance Amount or any part thereof for a period equal in length to the Term of the Outstanding Finance Amount or any part thereof;

"**person**" includes any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

"**policy**", in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

"**protection and indemnity risks**" means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Clubs including pollution risks, extended passenger cover and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02 or 1/11/03), clause 8 of the Institute Time Clauses (Hulls)(1/10/83) or clause 8 of the Institute Time Clauses (Hulls) (1/11/1995) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

"**regulation**" includes any regulation, rule, official directive, request or guideline whether or not having the force of law of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

"**subsidiary**" has the meaning given in Clause 61.4; and

"**tax**" includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine.

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

- (a) on the Business Day preceding the numerically corresponding day if the numerically corresponding day is not a Business Day; or
- (b) on the last Business Day in the relevant calendar month, if the period started on the last Business Day in a calendar month or if the last calendar month of the period has no numerically corresponding day;

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

61.4 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,
- (e) and any company of which S is a subsidiary is a parent company of S.

61.5 In this Charter:

- (a) references to a Leasing Document or any other document being in the form of a particular appendix or to any document referred to in the recitals include references to that form with any modifications to that form which the Owners approve;
- (b) references to, or to a provision of, a Leasing Document or any other document are references to it as amended or supplemented, whether before the date of this Charter or otherwise;
- (c) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Charter or otherwise;
- (d) words denoting the singular number shall include the plural and vice versa; and
- (e) references 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 Owners after consultation with the Charterers.

61.6 Headings. In interpreting a Leasing Document or any provision of a Leasing Document, all clauses, sub-clauses and other headings in that and any other Leasing Document shall be entirely disregarded.

SCHEDULE 1

ACCEPTANCE CERTIFICATE

SEA GLORIUS SHIPPING CO. (the "**Charterers**") hereby acknowledges that at _____ hours on _____, there was delivered to, and accepted by, the Charterers the Vessel known as m.v. "Gloriuship", registered in the name of **GIANT 6 HOLDING LIMITED** (the "**Owners**") under the flag of the Republic of the Marshall Islands with IMO number 9266944 under a bareboat charter dated _____ (the "**Charter**") and made between the Owners and the Charterers and that Delivery (as defined in the Charter) thereupon took place and that, accordingly, the Vessel is and will be subject to all the terms and conditions contained in the Charter.

The Charterers warrant that the representations and warranties made by them in Clause 45 (*Representations and Warranties*) of the Charter remain correct and that no Termination Event (as defined in the Charter) has occurred and is continuing at the date of this Acceptance Certificate.

Name:

Title:

for and on behalf of

SEA GLORIUS SHIPPING CO.

Date:

SCHEDULE 2

Part A

The following are the documents referred to in Clause 34.2(f)(i):

1 Corporate Authority

- 1.1 A copy of the constitutional documents of the Charterers and the Guarantor.
- 1.2 If required, a copy of the resolutions of the board of directors (or equivalent) of the Charterers and the Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Leasing Documents to which it is a party and resolving that it execute the Leasing Documents to which it is a party;
 - (b) authorizing a specified person or persons to execute the Leasing Documents to which it is a party on its behalf; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under, or in connection with, the Leasing Documents to which it is a party.
- 1.3 If required, an copy of the power of attorney of any party to a Leasing Document authorising a specified person or persons to execute the Leasing Documents to which it is a party.
- 1.4 If required, a specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2 above.
- 1.5 If required, a copy of the resolutions signed by all the holder(s) of the issued shares of the Charterers, approving the terms of, and the transactions contemplated by such Leasing Documents.
- 1.6 A certificate of an officer or authorised signatory of each of the Charterers and the Guarantor certifying that each copy document relating to it specified in this Part A of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Charter.

2 Leasing Documents

- 2.1 Duly executed copies of each Leasing Document (other than the Account Security, the General Assignment, the Manager's Undertakings and the Shares Security Deed) and of each document to be delivered under each of them.
- 2.2 Agreed forms of the Account Security, the General Assignment, the Manager's Undertakings and the Shares Security Deed and of each document to be delivered under each of them.

3 Vessel Documents

- 3.1 A copy of each executed Approved Management Agreement establishing that the Vessel will, as from the Commencement Date, be managed by the relevant Approved Manager and approved by the Owners.

- 3.2 A copy of the Document of Compliance of the relevant Approved Technical Manager.
- 3.3 A copy of the Vessel's class certificate evidencing that the Vessel maintains such classification (free of any overdue recommendations and conditions) as is acceptable to the Owners.
- 3.4 Copies of the Vessel's Safety Management Certificate (together with any other details of the applicable safety management system which the Owners may require) and of any other documents required under the ISM Code and the ISPS Code (including, without limitation, an ISSC and IAPPC).
- 4 Legal opinions**
- 4.1 An agreed form legal opinion by English law legal advisers to the Owners on such matters on the laws of England in relation to the documents listed in paragraphs 2.1 and 2.2 of Part A of this Schedule, in form and substance acceptable to the Owners.
- 4.2 Agreed forms of legal opinions by lawyers appointed by the Owners on such matters relating to the documents listed in paragraphs 2.1 and 2.2 of Part A of this Schedule, concerning the laws of the Republic of the Marshall Islands, the Republic of Liberia and Greece and such other relevant jurisdictions as the Owners may require, in form and substance acceptable to the Owners.
- 5 Initial Sub-charter**
- 5.1 A copy of the Initial Sub-charter (and any addendums thereto).
- 5.2 Evidence to the satisfaction of the Owners that the Initial Sub-charterer consents to the sale and leaseback of the Vessel contemplated by the Leasing Documents.
- 6 Escrow Agreement**
- A copy of the executed Escrow Agreement.
- 7 Vessel Insurances**
- 7.1 Agreed form of letters of undertaking and certificates of entry (as the case may be) relating to insurances as set out in Clause 38 (*Insurance*) acknowledged by the relevant insurer, insurance broker, protection and indemnity association or war risks association (as the case may be).
- 7.2 An insurance report or certificate by an insurance broker or consultant appointed by the Owners (but at the cost of the Charterers) in an agreed form acceptable to the Owners.
- 8 Payment Notice**
- A duly completed Payment Notice to be received by the Owners not later than five (5) Business Days prior to the Prepositioning Date.
- 9 Deed of Release**
- An agreed form deed of release discharging (i) all of the Charterers' obligations under the Existing Facility Agreement and documents conferring Security Interests entered into in connection with the Existing Facility Agreement and (ii) all Security Interests encumbering the Vessel or any part thereof (if any), in such form as is satisfactory to the Owners.

10 Others

- 10.1 A copy of the duly executed commercial invoice of the Vessel.
- 10.2 Copies of the Original Financial Statements.
- 10.3 Evidence that the Earnings Account has been or will be opened.
- 10.4 Evidence that any fees, costs and expenses then due from the Charterers to the Owners under the Leasing Documents have been paid and received by, or will be paid and received by, the Owners.
- 10.5 Such evidence relating to the Charterers or the Guarantor as the Owners may reasonably require for their (or their financiers) to be able to satisfy each of their "know your customer" or similar identification procedures in relation to the Leasing Documents.
- 10.6 A copy of any other consents, approvals, authorization or other document, opinion or assurance which the Owners consider to be reasonably necessary or desirable in connection with the entry into and performance of the transactions contemplated by any of the documents listed in paragraph 2 of Schedule 2, Part A or for the validity and enforceability of such documents.
- 10.7 If required, evidence that any process agent referred to under the Leasing Documents has accepted its appointment.
- 10.8 Such other information and documents as the Owners may reasonably require by giving notice to the Charterers.
- 10.9 If the Owners so require, in relation to any of the documents referred to in this Schedule 2 Part A, an English translation of that document (with such cost to be borne by the Charterers).

Part B

The following are the documents referred to in Clause 34.2(f)(ii):

1 Bringdown Certificate

If required, a certificate of an authorised signatory of the Charterers and the Guarantor certifying that each document which they are required to provide under Part A of Schedule 2 of this Charter, is correct, complete and in full force and effect as at the Commencement Date.

2 Deed of Release

Duly executed copy of the deed of release referred to in paragraph 9 of Schedule 2, Part A of this Charter.

3 Security Documents

Duly executed copies of each of the Account Security, the General Assignment, the Manager's Undertakings and the Shares Security Deed and of each document to be delivered under each of them.

4 Vessel Documents

Documentary evidence that the Vessel:

- (a) is or will be definitively and permanently registered in the name of the Owners under the Flag State;
- (b) is or will be in the absolute and unencumbered ownership of the Owners; and
- (c) has been or will be unconditionally delivered by the Charterers to the Owners pursuant to the terms of the MOA, where such documents shall include without limitation:
 - (i) a copy of the certificate or transcript issued by the competent authorities of the Flag State on the date of Delivery evidencing the Charterers' (as sellers under the MOA) ownership of the Vessel and that the Vessel is free from registered encumbrances and mortgages;
 - (ii) the original (if required by the Flag State) or a copy of the bill of sale in a form recordable in the Flag State, transferring title of the Vessel by the Charterers (as sellers under the MOA) to the Owners (as buyers under the MOA) and stating that the Vessel is free from all mortgages, encumbrances and maritime liens (whether maritime or otherwise) or any other debts whatsoever, duly notarially attested and legalised or apostilled as may be required by the Flag State; and
 - (iii) a copy of the protocol of delivery and acceptance duly executed by the Charterers and Owners.
- (d) Any additional documents as may be required by the competent authorities of the Flag State for the purpose of registering the Vessel in the name of the Owners as registered owner.

5 Others

- 5.1 Evidence that any fees, costs and expenses then due from the Charterers to the Owners under the Leasing Documents have been paid and received by, or will be paid and received by, the Owners, on Delivery of the Vessel.
- 5.2 If the Owners so require, in relation to any of the documents referred to in this Schedule 2 Part B, an English translation of that document (with such cost to be borne by the Charterers).
- 5.3 Such other information or documents as the Owners may reasonably require by giving notice to the Charterers.

Part C

The following are the documents referred to in Clause 34.2(f)(iii):

1 Registration of security

Documentary evidence that, if applicable, the Security Interests intended to be created by the Security Documents have been duly perfected within the time periods as set out under applicable law.

2 Legal opinions

Not later than five (5) Business Days after the date that (i) the Delivery under this Charter and (ii) the "Delivery" as defined under each Other Charter have all taken place, issued signed copies of the legal opinions referred to in paragraphs 4.1 and 4.2 of Schedule 2, Part A of this Charter.

3 Insurances

(a) Not later than fifteen (15) Business Days after the Commencement Date, receipt of copies of the executed letters of undertaking and certificates of entry (as the case may be) relating to insurances as set out in Clause 38 (*Insurance*) acknowledged by the relevant insurer, insurance broker, protection and indemnity association or war risks association (as the case may be), each in the agreed form under paragraph 5 of Schedule 2, Part A of this Charter.

(b) Not later than twenty (20) Business Days after the Commencement Date, the issued insurance report in the form agreed under paragraph 5 of Schedule 2, Part A of this Charter.

SCHEDULE 3

PROJECT VESSELS

Project Vessels	IMO Number	Project Owners (jurisdiction of incorporation)	Project Charterers (jurisdiction of incorporation)
M.V. "TRADERSHIP"	9310135	GIANT 4 HOLDING LIMITED	TRADERS MARITIME CO.
M.V. "GOODSHIP"	9311476	GIANT 5 HOLDING LIMITED	GOOD MARITIME CO.
M.V. "GLORIUSHIP"	9266944	GIANT 6 HOLDING LIMITED	SEA GLORIUS SHIPPING CO.

OWNERS

SIGNED)
for and on behalf of)
GIANT 6 HOLDING LIMITED)
acting by Cao Jiong) /s/ Cao Jiong
its attorney-in-fact)
in the presence of:)

/s/ Sun Linzi _____

Witness:
Name: Sun Linzi
Address: Room 6006, 6th Floor, No.15
Second East Zhongshan Road,
Shanghai, P.R. China 200002

CHARTERERS

EXECUTED)
for and on behalf of)
SEA GLORIUS SHIPPING CO.)
acting by Stavros Gyftakis) /s/ Stavros Gyftakis
being its attorney-in-fact)
witnessed by:)

/s/ Maria Moschopoulou _____

Witness:
Name: Maria Moschopoulou
Address: 154 Vouliagmenis Avenue, 16674, Glyfada, Greece

EXECUTION VERSION

Dated 15 November 2023

UNITED MARITIME CORPORATION
as Guarantor

and

GIANT 6 HOLDING LIMITED
as Owner

GUARANTEE

relating to
a bareboat charter in respect of m.v. "Gloriuship"

WATSON FARLEY
&
WILLIAMS

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THIS GUARANTEE is made on 15 November 2023

BETWEEN

- (1) **UNITED MARITIME CORPORATION**, a corporation incorporated and existing under the laws of the Republic of the Marshall Islands with entity number 112801 and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH 96960 (the "**Guarantor**")
- (2) **GIANT 6 HOLDING LIMITED**, a company incorporated and existing under the laws of Hong Kong with registration number 3304175 and having its registered office at 6/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong (the "**Owner**", which expression includes its successors and assigns)

BACKGROUND

- (A) By a memorandum of agreement dated 15 November 2023 (as amended and supplemented from time to time, the "**MOA**") and made between (i) Sea Glorius Shipping Co. (the "**Bareboat Charterer**") as seller and (ii) the Owner as buyer, the Bareboat Charterer has agreed to sell and deliver and the Owner has agreed to purchase and accept the legal and beneficial title of the Vessel pursuant to the terms and conditions contained therein.
- (B) By a bareboat charterparty dated 15 November 2023 (as amended and supplemented from time to time, the "**Bareboat Charter**") and made between (i) the Bareboat Charterer as bareboat charterer and (ii) the Owner as owner, the Owner has agreed to bareboat charter the Vessel to the Bareboat Charterer pursuant to the terms and conditions contained therein.
- (C) The Guarantor directly holds 100 per cent. of the issued shares of the Bareboat Charterer.
- (D) It is one of the conditions precedent to the purchase of the Vessel by the Owner from the Bareboat Charterer under the MOA and the subsequent chartering of the Vessel by the Owner to the Bareboat Charterer under the Bareboat Charter that the Guarantor enters into this Guarantee.
- (E) This Guarantee is the "Guarantee" referred to in the Bareboat Charter.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Defined expressions

Words and expressions defined in the Bareboat Charter shall have the same meanings when used in this Guarantee unless the context otherwise requires.

1.2 Construction of certain terms

In this Guarantee:

"**bankruptcy**" includes a liquidation, receivership or administration and any form of suspension of payments, arrangement with creditors or reorganisation under any corporate or insolvency law of any country.

"**Code**" means the US Internal Revenue Code of 1986.

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

"**Party**" means a party to this Guarantee.

"**Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Bareboat Charterer to the Owner under or in connection with any Leasing Documents or any judgment or any arbitral award relating to any Leasing Documents and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country.

"**Security Period**" means the period commencing on the date hereof and ending on the date on which the Owner is satisfied that the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

1.3 "References to "Bareboat Charterer"

References to the Bareboat Charterer under this Guarantee shall, for the avoidance of doubt, include reference to the Bareboat Charterer in its various capacities under the Leasing Documents.

1.4 Application of construction and interpretation provisions of Bareboat Charter

Clauses 61.2 to 61.6 of the Bareboat Charter apply, with any necessary modifications, to this Guarantee.

2 GUARANTEE

2.1 Guarantee and indemnity

The Guarantor unconditionally and irrevocably:

- (a) guarantees the due payment of all amounts payable by the Bareboat Charterer under or in connection with the Leasing Documents (or any of them) to which the Bareboat Charterer is a party;
- (b) guarantees the punctual performance by the Bareboat Charterer of all the Bareboat Charterer's obligations under or in connection with the Leasing Documents (or any of them) to which the Bareboat Charterer is a party;
- (c) undertakes to pay to the Owner, within three (3) Business Days from the Owner's demand as if it was the principal obligor, any such amount which is not paid by the Bareboat Charterer when due and payable under or in connection with the Leasing Documents (or any of them), taking into account any grace period for such payment as may be applicable under the terms of the Leasing Documents; and

- (d) undertakes to fully indemnify, as an independent and primary obligation, the Owner within three (3) Business Days from its demand in respect of all documented claims, expenses, liabilities, costs and losses which are made or brought against or incurred by the Owner as a result of or in connection with any obligation or liability of the Bareboat Charterer under the Leasing Documents to which the Bareboat Charterer is a party and/or any obligation or liability guaranteed by the Guarantor being or becoming unenforceable, invalid, void or illegal; and the amount recoverable under this indemnity shall be equal to the amount which the Owner would otherwise have been entitled to recover under the Leasing Documents to which the Bareboat Charterer is a party.

2.2 No limit on number of demands

The Owner may serve more than one demand under Clause 2.1 (*Guarantee and indemnity*).

2.3 Guarantee of whole amount

This Guarantee shall be construed and take effect as a guarantee of all amounts due to the Owner under the Leasing Documents (or any of them) to which the Bareboat Charterer is a party.

3 LIABILITY AS PRINCIPAL AND INDEPENDENT DEBTOR

3.1 Principal and independent debtor

The Guarantor shall be liable under this Guarantee as a principal and independent debtor and accordingly it shall not have, as regards this Guarantee, any of the rights or defences of a surety.

3.2 Waiver of rights and defences

Without limiting the generality of Clause 3.1 (*Principal and independent debtor*), the Guarantor shall neither be discharged by, nor have any claim against the Owner in respect of:

- (a) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (b) any amendment or supplement being made to any Leasing Document;
- (c) any arrangement or concession (including a rescheduling or acceptance of partial payments) relating to, or affecting, any Leasing Document;
- (d) any release or loss (even though negligent) of any right or Security Interest created by any Leasing Document;
- (e) any failure (even though negligent) promptly or properly to exercise or enforce any such right or Security Interest, including a failure to realise for its full market value an asset covered by such a Security Interest;
- (f) any Leasing Document being or later becoming void, unenforceable, illegal or invalid or otherwise defective in whole or in part for any reason, including a neglect to register it; or
- (g) any insolvency or similar proceedings.

4 EXPENSES

4.1 Costs of preservation of rights, enforcement etc.

The Guarantor shall pay to the Owner on its demand the amount of all documented expenses (including, without limitation, out of pocket expenses and legal fees) incurred by the Owner in connection with the enforcement of, or the preservation of any rights under this Guarantee or any other Leasing Document, including any advice, claim or proceedings relating to this Guarantee or any other Leasing Document.

4.2 Fees and expenses payable under Bareboat Charter

Clause 4.1 (*Costs of preservation of rights, enforcement etc.*) is without prejudice to the Guarantor's liabilities in respect of the Bareboat Charterer's obligations under clause 41 (*Fees and Expenses*) of the Bareboat Charter.

5 ADJUSTMENT OF TRANSACTIONS

The Guarantor shall pay to the Owner within three (3) Business Days from its demand any amount which the Owner is required, or agrees, to pay pursuant to any claim by, or settlement with, a trustee in bankruptcy of the Bareboat Charterer on the ground that the Bareboat Charter (as the case may be), or a payment by the Bareboat Charterer or other Obligor, was invalid or on any similar ground.

6 PAYMENTS

6.1 Method of payments

Any amount due under this Guarantee shall be paid:

- (a) in immediately available funds;
- (b) to such account as the Owner may from time to time notify to the Guarantor;
- (c) without any form of set-off, cross-claim or condition; and
- (d) free and clear of any tax deduction or withholding for or on account of any tax payable under the laws of its Relevant Jurisdictions except a tax deduction or withholding which the Guarantor is required by law to make.

6.2 Grossing-up for taxes

If the Guarantor is required by law to make a tax deduction, the amount due to the Owner shall be increased by the amount necessary to ensure that the Owner receives and retains a net amount which, after the tax deduction, is equal to the full amount that it would otherwise have received.

6.3 Indemnity and evidence of payment of taxes

- (a) The Guarantor shall fully indemnify the Owner on the Owner's demand in respect of all documented claims, expenses, liabilities and losses incurred by the Owner by reason of any failure of the Guarantor to make any tax deduction or by reason of any increased payment not being made on the due date for such payment in accordance with Clause 6.2 (*Grossing-up for taxes*).

- (b) Within thirty (30) days after making tax deduction, the Guarantor shall deliver to the Owner any receipts, certificates or other documentary evidence satisfactory to the Owner that the tax had been paid to the appropriate taxation authority.

7 INTEREST

7.1 Accrual of interest

Any amount due under this Guarantee shall carry interest following the date on which the Owner demands payment of it from the Guarantor until it is actually paid, unless interest on that same amount also accrues under the relevant Leasing Document.

7.2 Calculation of interest

Interest under this Guarantee shall be calculated and accrue at the rate described in clauses

36.10 and 36.11 of the Bareboat Charter and otherwise in accordance with the terms thereof.

7.3 Guarantee extends to interest payable under Leasing Documents

For the avoidance of doubt, it is confirmed that this Guarantee covers all interest payable under the Leasing Documents.

8 SUBORDINATION

8.1 Subordination of rights of Guarantor

Until the end of the Security Period, all rights which the Guarantor at anytime has (whether in respect of this Guarantee or any other transaction) against the Bareboat Charterer or any other Obligor or their respective assets shall be fully subordinated to the rights of the Owner under the Leasing Documents (or any of them), and in particular, the Guarantor shall not:

- (a) claim, or in a bankruptcy of the Bareboat Charterer or any other Obligor prove for, any amount payable to the Guarantor by the Bareboat Charterer or any other Obligor, whether in respect of this Guarantee or any other transaction;
- (b) take or enforce any Security Interest for any such amount;
- (c) claim to set-off any such amount against any amount payable by the Guarantor to the Bareboat Charterer or any other Obligor; or
- (d) claim any subrogation or other right in respect of any Leasing Document or any sum received or recovered by the Owner under the Leasing Documents.

9 ENFORCEMENT

9.1 No requirement to commence proceedings against Bareboat Charterer

The Owner will not need to commence any proceedings under, or enforce any Security Interest created by any Leasing Document before claiming or commencing proceedings under this Guarantee.

9.2 Conclusive evidence of certain matters

However, as against the Guarantor:

- (a) any judgment or order of a court in England or any other Relevant Jurisdiction or award of an arbitration in London in connection with any other Leasing Document; and
- (b) any statement or admission of any other Obligor in connection with any Leasing Document, shall be binding and conclusive as to all matters of fact and law to which it relates.

9.3 Suspense account

The Owner may, for the purpose of claiming or proving in an insolvency of any Obligor, place any sum received or recovered under or by virtue of this Guarantee on a separate interest bearing suspense or other nominal account without applying it in satisfaction of the Bareboat Charterer's or Guarantor's obligations under any Leasing Document.

10 REPRESENTATIONS AND WARRANTIES

10.1 General

The Guarantor represents and warrants to the Owner, as at the date of this Guarantee, and on each day henceforth until the last day of the Security Period, as follows.

10.2 Status

- (a) The Guarantor is duly incorporated and validly existing and in good standing under the laws of the Republic of the Marshall Islands.
- (b) The Guarantor is not a FATCA FFI or a US Tax Obligor.
- (c) The Bareboat Charterer is wholly legally and beneficially owned and controlled by the Guarantor.
- (d) There has been no Change of Control.
- (e) The shares of the Guarantor are trading on the Nasdaq Capital Market.
- (f) The Guarantor is an entity reporting with the Nasdaq Capital Market.

10.3 Corporate power

The Guarantor has the corporate capacity, and has taken all corporate action and obtained all consents, approvals, authorisations, licenses or permits necessary for it:

- (a) to execute this Guarantee or any other Leasing Document to which it is a party; and
- (b) to make all the payments contemplated by, and to comply with and perform its obligations under, this Guarantee or any other Leasing Document to which it is a party.

10.4 No conflicts

The entry into and the performance by the Guarantor of, and the transactions contemplated by, this Guarantee and the other Leasing Documents to which it is a party do not and will not conflict with:

- (a) any law or regulation applicable to it; or
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or constitute a default or termination event (however described) under any such agreement or instrument.

10.5 Consents in force

All the consents, approvals, authorisations, licenses or permits referred to in Clause 10.3 (*Corporate power*) remain in force and nothing has occurred which makes any of them liable to revocation.

10.6 Legal validity

This Guarantee and the other Leasing Documents to which the Guarantor is a party constitute the Guarantor's legal, valid and binding obligations enforceable against the Guarantor in accordance with its respective terms and any relevant insolvency laws affecting creditors' rights generally.

10.7 No third party Security Interests

Without limiting the generality of Clause 10.6 (*Legal validity*), at the time of the execution and delivery of this Guarantee and any other Security Document to which the Guarantor is a party:

- (a) the Guarantor will have the right to create all the Security Interests which such Security Documents purport 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 withholding taxes

All payments which the Guarantor is liable to make under this Guarantee and the other Leasing Documents to which it is a party may be made by it without deduction or withholding for or on account of any tax payable under the laws of the Relevant Jurisdiction of the Guarantor.

10.9 No default

No Termination Event or Potential Termination Event has occurred, or is continuing or might reasonably be expected to result from the entry into and performance of this Guarantee or any other Leasing Document.

10.10 Information

All information which has been provided in writing by or on behalf of the Guarantor to the Owner in connection with any Leasing Document satisfies the requirements of Clause 11.2 (*Information provided to be accurate*); all audited and unaudited accounts which have been so provided satisfies the requirements of Clause 11.4 (*Form of financial statements*); and there has been no material adverse effect in the financial position or state of affairs of the Guarantor from that disclosed in the latest of those accounts.

10.11 No litigation

No legal or administrative action involving the Guarantor involving claim(s) amounting to more than US\$ 5,000,000 has been commenced or taken.

10.12 Pari passu

The obligations of the Guarantor under this Guarantee and each other Leasing Document to which the Guarantor is a party, are the direct, general and unconditional obligations of the Guarantor and rank at least pari passu with all other present and future unsecured and unsubordinated creditors of it save for any obligation which is mandatorily preferred by law and not by virtue of any contract.

10.13 Sanction

- (a) Neither the Guarantor, nor any of its respective Affiliates, members, directors, officers, employees or agents, nor (to the best of its knowledge) any Sub-charterer:
- (i) is a Restricted Person;
 - (ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Restricted Person;
 - (iii) owns or controls a Restricted Person; or
 - (iv) has a Restricted Person serving as a director, officer or, to the best of its knowledge, employee.
- (b) The Guarantor and its respective directors, officers, employees and agents and (to the best of its knowledge) any Sub-charterer is in compliance with all Sanctions laws, and none of them have been or are currently being investigated on compliance with Sanctions, they have not received notice or are aware of any claim, action, suit or proceeding against any of them with respect to Sanctions and they have not taken any action to evade the application of Sanctions.

10.14 Anti-Money Laundering and other Laws

The Guarantor, each other Obligor and (to the best of its knowledge) any Sub-charterer is not in breach of any laws or regulations relating to the Vessel and its ownership, employment, operation, management and registration, including the ISM Code, the ISPS Code, all Environmental Laws, the laws of the Vessel's registry and in particular, all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws and each of the Guarantor, other Obligor and (to the best of its knowledge) Sub-charterer has instituted and maintained systems, controls, policies and procedures designed to:

- (a) prevent and detect incidences of bribery and corruption, money laundering and terrorism financing; and

- (b) promote and achieve compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws.

10.15 No immunity

Neither the Guarantor nor any of its assets, in each case, has any right to immunity from set off, legal proceedings, attachment prior to judgement or other attachment or execution of judgement on the grounds of sovereign immunity or otherwise.

10.16 No insolvency

The Guarantor is not insolvent or in liquidation or administration or subject to any other formal or informal insolvency procedure, and no receiver, administrative receiver, administrator, liquidator, trustee or analogous officer has been appointed in respect of it or all or material part of its assets.

10.17 Provisions of Leasing Documents

The Guarantor is fully familiar with and agrees with all provisions of the Leasing Documents to which the Bareboat Charterer is a party.

10.18 No waiver

No oral or written statement has been made to the Guarantor by or on behalf of the Owner or any other person which could be construed as a waiver of any provisions of this Guarantee or a statement of intention not to enforce this Guarantee in accordance with its terms.

11 UNDERTAKINGS

11.1 General

The Guarantor undertakes with the Owner to comply with the following provisions of this Clause 11 (*Undertakings*) commencing from the date hereof and up to the last day of the Security Period, except as the Owner may otherwise permit.

11.2 Information provided to be accurate

All financial and other information which is provided in writing by or on behalf of the Guarantor under or in connection with this Guarantee will be true and not misleading and will not omit any material fact or consideration.

11.3 Provision of financial statements

The Guarantor will send to the Owner:

- (a) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Guarantor (beginning with the financial year ending 31 December 2022), the audited consolidated annual financial reports of the Guarantor for that financial year; and
- (b) as soon as possible, but in no event later than ninety (90) days after the end of each half-year of the Guarantor, the unaudited consolidated half-yearly accounts of the Guarantor certified as to their correctness by a director of the Guarantor.

11.4 Form of financial statements

All accounts (audited and unaudited) delivered under Clause 11.3 (*Provision of financial statements*) will:

- (a) be prepared in accordance with all applicable laws and generally accepted accounting principles consistently applied;
- (b) give a true and fair view of (in respect of the audited and unaudited accounts) or fairly representing (in the case of the management accounts) the state of affairs of the Guarantor at the date of those accounts and of their profit for the period to which those accounts relate;
- (c) fully disclose or provide for all significant liabilities of the Guarantor and its subsidiaries; and
- (d) if not in the English language, be accompanied by an English translation duly certified as to its correctness.

11.5 Consents

The Guarantor will maintain in force and promptly obtain or renew, and will, upon the request of the Owner, promptly send certified copies to the Owner of, any necessary consents, approvals, authorisations, licenses or permits of any regulatory body or authority required:

- (a) for the Guarantor to perform its obligations under this Guarantee and any other Leasing Document to which it is a party; and
- (b) for the validity or enforceability of this Guarantee and any other Leasing Document to which it is a party,

and the Guarantor will comply with the terms of all such consents, approvals, authorisations, licenses or permits.

11.6 Maintenance of Security Interests

The Guarantor will at their own cost:

- (a) ensure that any Leasing Document to which it is a party validly creates the obligations and the Security Interests which it purports to create; and
- (b) without limiting the generality of paragraph (a), promptly register, file, record or enrol any Leasing Document to which it is a party with any court or authority in all relevant jurisdictions, pay any stamp duty, registration or similar tax in all relevant jurisdictions in respect of any Leasing Document to which it is a party, give any notice or take any other step which, is or has become necessary or desirable for any such Leasing Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which it creates.

11.7 Notification of default

The Guarantor will promptly notify the Owner:

- (a) any circumstances which could give rise to a breach of any representation or undertaking in the Bareboat Charter, or any Termination Event, relating to Sanctions;

- (b) any Termination Event; or
- (c) any matter which indicates that a Termination Event may have occurred, and will thereafter keep the Owner fully up-to-date with all developments.

11.8 Maintenance of status

The Guarantor will maintain its separate corporate existence as a corporation and remain in good standing under the laws of the Republic of the Marshall Islands.

11.9 Negative Pledge

The Guarantor shall not, and shall procure none of its subsidiaries will create or permit to arise any Security Interest over any asset which is subject to the Security Interest created under any Leasing Documents present or future except the Permitted Security Interests.

11.10 Pari passu

The Guarantor shall procure that its liabilities under this Guarantee will rank at least pari passu with all its other present and future unsecured liabilities, except for liabilities which are mandatorily preferred by law.

11.11 No disposal of assets, change of business

The Guarantor:

- (a) shall not make any substantial change to the nature of its business or its corporate structure from that existing at the date of this Guarantee; and
- (b) shall procure that the Bareboat Charterer will not transfer, lease (other than in relation to the chartering of the Vessel pursuant to the terms of the Bareboat Charter) or otherwise enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.

11.12 No payment of dividend

The Guarantor shall not declare, make or pay any dividend or other distribution (or interest on any unpaid dividend or other distribution) (whether in cash or in kind) on or in respect of its share capital (including any class of its share capital) unless:

- (a) at the relevant time no Termination Event has occurred and is continuing; and
- (b) a Termination Event would not occur as a direct result of such payment or distribution.

11.13 No merger etc.

The Guarantor shall not, and shall procure that no other Obligor (other than a Third Party Approved Manager) will, enter into any form of merger, amalgamation, demerger or corporate reconstruction without the Owner's prior written consent.

11.14 Maintenance of ownership of Bareboat Charterer

The Guarantor shall remain the ultimate corporate beneficial owner of all the issued and allotted share capital of the Bareboat Charterer.

11.15 Sanctions

The Guarantor shall comply, and shall procure that each other Obligor (including, in each case, procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity or (on a best effort basis) any Sub-charterer to do the same) complies, with all applicable laws and regulations in respect of Sanctions.

11.16 Trading not contrary to Sanctions

Without limiting Clause 11.15 (*Sanctions*), the Guarantor will procure that:

- (a) the Vessel shall not be operated, employed, managed, used by or for the benefit of a Restricted Person;
- (b) the Vessel shall not be employed in trading with any Restricted Person or in any manner contrary to Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom;
- (c) notwithstanding any provision of the Bareboat Charter, the Vessel shall not be permitted to call at any port in any Restricted Country or any area or country where trading in such area or country would constitute or would be reasonably expected to constitute a breach of Sanctions;
- (d) the Vessel shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances or in any manner which would result in any Obligor, any Sub-charterer or the Owner becoming a Restricted Person; and
- (e) that each charterparty in respect of the Vessel shall contain, for the benefit of the Owners, language which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions and which prohibits trading to any Restricted Country.

11.17 Compliance with Anti-Money Laundering Laws and other Laws.

The Guarantor:

- (a) shall, and shall procure that each other Obligor shall, promptly notify the Owner of any non-compliance, by any Obligor or their respective officers, directors, employees, consultants, agents or intermediaries or (on a best efforts basis) any Sub-charterer, with all laws and regulations relating to Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws;
- (b) shall, and shall procure that each other Obligor shall (including procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) or (on a best effort basis) any Sub-charterer shall:

- (i) comply with all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
 - (ii) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws; and
 - (iii) procure the Bareboat Charterer, not to use, or permit or authorize any person to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (c) procure that the Bareboat Charterer do not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws.

12 JUDGMENTS AND CURRENCY INDEMNITY

12.1 Judgments relating to Leasing Documents

This Guarantee shall cover any amount payable by the Bareboat Charterer under or in connection with any judgment relating to any Leasing Document.

12.2 Currency indemnity

If any sum (a "**Sum**") due from the Guarantor to the Owner under this Guarantee or under any order, judgment or award given or made relating to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (a) making or filing a claim or proof against the Guarantor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings; or

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

In this Clause 12.2 (*Currency indemnity*), the "**available rate of exchange**" means the rate at which the Owner is able at the opening of business (Shanghai time) on the Business Day after it receives the Sum concerned to purchase the First Currency with the Second Currency.

13 SET-OFF

13.1 Application of credit balances

The Owner may, following the occurrence of a Termination Event which is continuing, without prior notice, but notifying the Guarantor afterwards:

- (a) apply any balance (whether or not then due) which at any time stands to the credit of any account in the name of the Guarantor at any office in any country of either an affiliate of the Owner or the Owner's financiers in or towards satisfaction of any sum then due from the Guarantor to the Owner under this Guarantee and any other Security Document; and
- (b) for that purpose:
 - (i) break, or alter the maturity of, all or any part of a deposit of the Guarantor;
 - (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 Owner considers appropriate.

13.2 Existing rights unaffected

The Owner shall not be obliged to exercise any of its rights under Clause 13.1 (*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 the Owner is entitled (whether under the general law or any document).

14 SUPPLEMENTAL

14.1 Continuing guarantee

This Guarantee shall remain in force as a continuing security at all times from the date of this Guarantee up to the last day of the Security Period.

14.2 Rights cumulative, non-exclusive

The Owner's rights under and in connection with this Guarantee are cumulative, may be exercised as often as appears expedient and shall not be taken to exclude or limit any right or remedy conferred by law.

14.3 No impairment of rights under Guarantee

If the Owner omits to exercise, delays in exercising or invalidly exercises any of its rights under this Guarantee, that shall not impair that or any other right of the Owner under this Guarantee.

14.4 Severability of provisions

If any provision of this Guarantee is or subsequently becomes void, illegal, unenforceable or otherwise invalid, that shall not affect the validity, legality or enforceability of its other provisions.

14.5 Guarantee not affected by other security

This Guarantee shall not impair, nor be impaired by, any other guarantee, any Security Interest or any right of set-off or netting or to combine accounts which the Owner may now or later hold in connection with the Leasing Documents.

14.6 Applicability of provisions of Guarantee to other Security Interests

Any Security Interest which the Guarantor creates (whether at the time at which it signs this Guarantee or at any later time) to secure any liability under this Guarantee shall be a principal and independent security, and Clauses 1 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*) shall, with any necessary modifications, apply to it, notwithstanding that the document creating the Security Interest neither describes it as a principal or independent security nor includes provisions similar to Clauses 3 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*).

14.7 Applicability of provisions of Guarantee to other rights

Clauses 3 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*) shall also apply to any right of set-off or netting or to combine accounts which the Guarantor creates by an agreement entered into at the time of this Guarantee or at any later time (notwithstanding that the agreement does not include provisions similar to Clauses 3 (*Liability as principal and independent debtor*) and 17 (*Invalidity of Leasing Documents*)), being an agreement referring to this Guarantee.

14.8 Third party rights

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

14.9 Counterpart

This Guarantee may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Guarantee.

14.10 Immunity

The Guarantor waives any rights of sovereign immunity which it or any of its assets may enjoy in any jurisdiction and subjects itself to civil and commercial law with respect to their obligations under this Guarantee.

15 ASSIGNMENT

15.1 Assignment or transfer by Guarantor

The Guarantor shall not assign any of its rights or transfer by novation of its rights and obligations under this Guarantee except with the Owner's prior consent in writing.

15.2 Assignment by Owner

The Owner may assign or transfer its rights under and in connection with this Guarantee to the same extent as it may do so under the Bareboat Charter.

16 NOTICES

16.1 Notices

Any notice, certificate, demand or other communication to be served, given made or sent under or in relation to this Guarantee shall be in English and in writing and (without prejudice to any other valid method or giving making or sending the same) shall be deemed sufficiently given or made or sent if sent by registered post or by email to the following respective addresses:

- (a) to the Owner: China Huarong Shipping Financial Leasing Company Limited Room 6006, 6th Floor, No. 15 Second East Zhongshan Road, Shanghai, China, 200002
Attention: Jones Cao/Annie Tao/ Sun Linzi
Tel:
Email:
- (b) to the Guarantor: c/o United Management Corp., 154 Vouliagmenis Avenue, 16674 Glyfada, Athens, Greece
Attention: Mr. Stavros Gyftakis
Email:
Tel:

or, if a party hereto changes its address or email address, to such other address or email address as that party may notify to the other.

16.2 Service of notices

Any such communication shall be deemed to have reached the Party to whom it was addressed (a) when delivered (in case of a registered letter), or (b) when actually received in readable form (in case of an email). A notice or other such communication received on a non-working day or after 5.00 p.m. in the place of receipt shall be deemed to be served on the next following working day in such place.

16.3 Validity of demands

A demand under this Guarantee shall be valid notwithstanding that it is served:

- (a) on the date on which the amount to which it relates is payable by the Bareboat Charterer under a Leasing Document;
- (b) at the same time as the service of a notice under clause 44.2 of the Bareboat Charter;

and a demand under this Guarantee may refer to all amounts payable under or in connection with a Leasing Document without specifying a particular sum or aggregate sum.

17 INVALIDITY OF LEASING DOCUMENTS

17.1 Invalidity of Leasing Documents

In the event of:

- (a) any Leasing Document now being or later becoming, with immediate or retrospective effect, void, illegal, unenforceable or otherwise invalid for any other reason whatsoever, whether of a similar kind or not; or
- (b) without limiting the scope of paragraph (a), a bankruptcy or insolvency of any Obligor, the introduction of any law or any other matter resulting in any Obligor being discharged from liability under any Leasing Document, or any Leasing Document ceasing to operate (for example, by interest ceasing to accrue),

this Guarantee shall cover any amount which would have been or become payable under or in connection with a Leasing Document if such Leasing Document had been and remained entirely valid, legal and enforceable, or the Bareboat Charterer had not suffered bankruptcy or insolvency, or any combination of such events or circumstances, as the case may be, and the Bareboat Charterer had remained fully liable under it for liabilities whether invalidly incurred or validly incurred but subsequently retrospectively invalidated; and references in this Guarantee to amounts payable by the Bareboat Charterer under or in connection with a Leasing Document shall include references to any amount which would have so been or become payable as aforesaid.

18 INCORPORATION OF BAREBOAT CHARTER PROVISIONS

- 18.1 The following provisions of the Bareboat Charter apply to this Guarantee as if they were expressly incorporated therein with any necessary modifications:

clause 42 (*No Waiver of Rights*);

clause 51 (*No Set-Off or Tax Deduction*);

clause 53 (*FATCA*);

clause 55 (*Confidentiality*); and

clause 56 (*Partial Invalidity*).

- 18.2 Clause 18.1 (*Incorporation of Bareboat Charter provisions*) is without prejudice to the application to this Guarantee of any provision of the Bareboat Charter which, by its terms, applies or relates to this Guarantee.

19 GOVERNING LAW AND ARBITRATION

- 19.1 This Guarantee and any non-contractual obligations arising under or in connection with it, shall be governed by and construed in accordance with English law.

- 19.2 Any dispute arising out of or in connection with this Guarantee, including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement (a "**Dispute**") shall be referred to and finally resolved by arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause 19 (*Governing Law and Arbitration*).

- 19.3** The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.
- 19.4** The seat of the arbitration shall be London, England, even where any hearing takes place outside England.
- 19.5** The reference shall be to three (3) arbitrators. A party wishing to refer a Dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of the date that the notice is delivered to the other party and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and gives notice that it has done so within the fourteen (14) days specified, the party referring a Dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.
- 19.6** Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
- 19.7** Where the reference is to three (3) arbitrators the procedure for making appointments shall be in accordance with the procedure for full arbitration stated above.
- 19.8** In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
- 19.9** The language of the arbitration shall be English.

THIS GUARANTEE has been executed and delivered as a deed on the date stated at the beginning of this Guarantee.

EXECUTION PAGE

GUARANTOR

EXECUTED AS A DEED

By Stavros Gyftakis)
for and on behalf of) /s/ Stavros Gyftakis
UNITED MARITIME CORPORATION)
attorney-in-fact)
in the presence of:)
)

/s/ Maria Moschopoulou

Witness' Signature:

Witness' name: Maria Moschopoulou

Witness' address: 154 Vouliagmenis Avenue, 166 74 Glyfada, Greece

OWNER

SIGNED, SEALED AND DELIVERED

AS A DEED

for and on behalf of)
GIANT 6 HOLDING LIMITED)
acting by Cao Jiong) /s/ Cao Jiong
its attorney-in-fact)
in the presence of:)
)

/s/ Sun Linzi

Witness' Signature:

Witness' Name: Sun Linzi

Witness' address: Room

6006, 6th Floor, No.15

Second East Zhongshan

Road, Shanghai, P.R.

China 200002



BARECON 2001

STANDARD BAREBOAT CHARTER

PART I

1. Shipbroker Pacific Partners Co., Ltd., Japan Fearnley Securities AS, Norway	2. Place and date 22 February 2024
3. Owners/Place of business (Cl.1) Village Seven Co., Ltd. (99.99% ownership) 6-21, Konan 3-chome, Minato-ku, Tokyo, Japan , and V7 Fune Inc. (0.01% ownership) BICSA Financial Center, 60th Floor, Balboa Avenue, Panama City, Republic of Panama c/o 6-21, Konan 3-chome, Minato-ku, Tokyo, Japan Email:	4. Bareboat Charterers / Place of business (Cl.1) Exelixsea Maritime Co. Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960 (guaranteed by United Maritime Corporation, of the Republic of the Marshall Islands) c/o 154 Vouliagmenis Avenue, 16674 Glyfada, Greece Email:
5. Vessel's name, call sign and flag (Cl. 1 and 3) MV Exelixsea Call Sign: V7A7394 Flag: Marshall Islands	
6. Type of Vessel Bulk carrier	7. GT/NT 40,077/25,302 tons
8. When / Where built 2011 / Oshima Shipbuilding Co., Ltd	9. Total DWT (abt.) in metric tons on summer freeboard 76,361 tons
10. Classification Society (Cl.3) NKK or other IACS	11. Date of last special survey by the Vessel's classification society 19 June 2021
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to (Cl.3)	
13. Port or Place of delivery (Cl. 3) Safely afloat at an accessible safe berth or anchorage at a safe port or at sea within worldwide Range at the Charterer's option.	14. Time for delivery (Cl. 4) 29 February 2024 – 27 March 2024 in Charterer's option
16. Port or Place of redelivery (Cl. 15) Safely afloat at an accessible safe berth or anchorage at a safe port or place worldwide, in Charterers' option	15. Cancelling date (Cl. 5) 27 March 2024
17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) minimum 3 months	
18. Running days' notice if other than stated in Cl. 4 N/A	19. Frequency of dry-docking (Cl. 10(g)) As required by the Classification Society
20. Trading limits (Cl. 6) Worldwide trading within Institute Warranty Limits (IWL). Charterers may breach IWL against paying all additional premium/expenses. North Korea and States sanctioned by UN to be excluded in case sanctions apply to Charterers and/or Vessel and prohibit trading, and Owners to be informed by Charterers. Failure to provide such notifications shall not constitute a breach of this Charter, but if such calling constitutes a breach of UN sanctions, then Charterers to undertake to indemnify Owners against all direct losses and costs sustained as a result of such violation.	
21. Charter period 4 years from delivery (the "Initial Term"), followed by an additional 2-year period (the "Optional Period") at the Charterers' option (the "Charterers' Extension Option") See clause 40.2	22. Charter hire (Cl. 11) See also Clause 44 Fixed part: USD191,666.67 per month; plus Floating part: (3M CME TERM SOFR + 2.65%) x Loan Outstanding x Number of Days / 360 Loan Outstanding as per Clause 44. If 3M CME TERM SOFR falls below zero, then 3M CME TERM SOFR equal to zero to be applied to calculate the Floating Part of the Charter Hire.
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29) (Cl.10 (a)(ii)) N/A	
24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV 3 month CME TERM SOFR plus 2.65 (two point sixty-five) percentage points per annum	25. Currency and method of payment (Cl. 11) USD, payable monthly in advance by bank transfer (Floating part of the Charter Hire to be determined no later than 5 Banking Days before hire due date)

PART II

BARECON 2001 Standard Bareboat Charter

26. Place of payment; also state beneficiary and bank account (Cl. 11) SUMITOMO MITSUI BANKING CORPORATION Address: 1-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo, Japan Dollar Ordinary a / c no: Account Name: Swift Code:	27. Bank guarantee / bond (sum and place) (Cl. 24) (optional) N/A
28. Mortgage(s), if any (state whether 12 (a) or (b) applies; if 12 (b) applies state date of Financial Instrument and name of Mortgage(s) / Place of business (Cl.12) SUMITOMO MITSUI BANKING CORPORATION Address: 1-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo, Japan Date of Financial Instrument: [TBA]	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) See Clause 41
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13 (b) or, if applicable, Cl. 14(g)) N/A	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13 (b) or, if applicable, Cl. 14(g)) N/A
32. Latent defects (only to be filled in if period other than stated in Cl. 3) N/A	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) Five (5) Banking days	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) (a) English law, London arbitration
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) No	38. Name and place of Builders (only to be filled in if PART III applies) N/A
39. Vessel's Yard Building No. (only to be filled in if PART III applies) N/A	40. Date of Building Contract (only to be filled in if PART III applies) N/A
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1 a) b) c)	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) See however Clause 40	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) Yes, in Charterers' option
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) (optional) Marshall Islands	45. Country of the Underlying Registry (only to be filled in if PART V applies) Marshall Islands
46. Number of additional clauses covering special provisions, if agreed See Clause 32-48	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Village Seven Co., Ltd. & V7 FUNE Inc.

Exelixsea Maritime Co.

Signature (Owners) <i>/s/ Mamoru Nanamura</i>	Signature (Owners) <i>/s/ Stavros Gyftakis</i>

Mamoru Nanamura
Representative Director/President of each of the Owners

Stavros Gyftakis
Director/ Treasurer

PART II

BARECON 2001 Standard Bareboat Charter

- 1 1. Definitions
2 In this Charter, the following terms shall have the
3 meanings hereby assigned to them:
4 "The Owners" shall mean the party identified in Box 3;
5 "The Charterers" shall mean the party identified in Box 4;
6 "The Vessel" shall mean the vessel named in Box 5 and
7 with particulars as stated in Boxes 6 to 12.
8 "Financial Instrument" means the mortgage, deed of
9 covenant or other such financial security instrument as
10 annexed to this Charter and stated in Box 28.
11 "MOA" means the Memorandum of Agreement entered
into between the Owners as buyers and the Charterers
as sellers dated 22 February 2024.
12 "Banking Days" means a day on which banks are open for
transaction of business of the nature required by this Charter in
Marshall Islands, Tokyo, Greece, London and New York.
13 2. Charter Period See also Clause 40.
14 In consideration of the hire detailed in Box 22,
15 the Owners have agreed to let and the Charterers have
16 agreed to hire the Vessel for the period stated in Box 21
("The Charter Period").
17 3. Delivery See also clauses 33, 34 and 35.
18 ~~(not applicable when Part III applies, as indicated in Box 37)~~
19 ~~(a) The Owners shall before and at the time of delivery~~
20 ~~exercise due diligence to make the Vessel seaworthy~~
21 ~~And in every respect ready in hull, machinery and~~
22 ~~equipment for service under this Charter.~~
23 The Vessel shall be delivered by the Owners and taken
24 over by the Charterers at the port/berth/anchorage or place
indicated in
25 Box 13 in such ready safe berth as the Charterers may
26 direct.
27 ~~(b) The Vessel shall be properly documented on~~
28 ~~delivery in accordance with the laws of the flag State~~
29 ~~indicated in Box 5 and the requirements of the~~
30 ~~classification society stated in Box 10. The Vessel upon~~
31 ~~delivery shall have her survey cycles up to date and~~
32 ~~trading and class certificates valid for at least the number~~
33 ~~of months agreed in Box 12.~~
34 ~~(c) The delivery of the Vessel by the Owners and the~~
35 ~~taking over of the Vessel by the Charterers shall~~
36 ~~constitute a full performance by the Owners of all the~~
37 ~~Owners' obligations under this Clause 3, and thereafter~~
38 ~~the Charterers shall not be entitled to make or assert~~
39 ~~any claim against the Owners on account of any~~
40 ~~conditions, representations or warranties expressed or~~
41 ~~implied with respect to the Vessel. but the Owners shall~~
42 ~~be liable for the cost of but not the time for repairs or~~
43 ~~renewals occasioned by latent defects in the Vessel,~~
44 ~~her machinery or appurtenances, existing at the time of~~
45 ~~delivery under this Charter, provided such defects have~~
46 ~~manifested themselves within twelve (12) months after~~
47 ~~delivery unless otherwise provided in Box 32.~~
48 4. Time for Delivery See clause 33
49 ~~(not applicable when Part III applies, as indicated in Box 37)~~
50 ~~The Vessel shall not be delivered before the date~~
51 ~~indicated in Box 14 without the Charterers' consent and~~
52 ~~the Owners shall exercise due diligence to deliver the~~
53 ~~Vessel not later than the date indicated in Box 15.~~
54 ~~Unless otherwise agreed in Box 18, the Owners shall~~
55 ~~give the Charterers not less than thirty (30) running days'~~
56 ~~preliminary and not less than fourteen (14) running days'~~
57 ~~definite notice of the date on which the Vessel is~~
58 ~~expected to be ready for delivery.~~
59 ~~The Owners shall keep the Charterers closely advised~~
60 ~~of possible changes in the Vessel's position.~~
61 5. Cancelling See clause 33
62 ~~(not applicable when Part III applies, as indicated in Box 37)~~
63 ~~(a) Should the Vessel not be delivered latest by the~~
64 ~~cancelling date indicated in Box 15, the Charterers shall~~
65 ~~have the option of cancelling this Charter by giving the~~
66 ~~Owners notice of cancellation within thirty six (36)~~
67 ~~running hours after the cancelling date stated in Box~~
68 ~~15, failing which this Charter shall remain in full force~~
69 ~~and effect.~~
70 ~~(b) If it appears that the Vessel will be delayed beyond~~
71 ~~the cancelling date, the Owners may, as soon as they~~
72 ~~are in a position to state with reasonable certainty the~~
73 ~~day on which the Vessel should be ready, give notice~~
74 ~~thereof to the Charterers asking whether they will~~
75 ~~exercise their option of cancelling, and the option must~~
76 ~~then be declared within one hundred and sixty eight~~
77 ~~(168) running hours of the receipt by the Charterers of~~
78 ~~such notice or within thirty six (36) running hours after~~
79 ~~the cancelling date, whichever is the earlier. If the~~
80 ~~Charterers do not then exercise their option of cancelling,~~
81 ~~the seventh day after the readiness date stated in the~~
82 ~~Owners' notice shall be substituted for the cancelling~~
83 ~~date indicated in Box 15 for the purpose of this Clause 5.~~
84 ~~(c) Cancellation under this Clause 5 shall be without~~
85 ~~prejudice to any claim the Charterers may otherwise~~
86 ~~have on the Owners under this Charter.~~
87 6. Trading Restrictions
88 The Vessel shall be employed in lawful trades for the
89 carriage of suitable lawful merchandise within the trading
90 limits indicated in Box 20.
91 The Charterers undertake not to employ the Vessel or
92 suffer the Vessel to be employed otherwise than in
93 conformity with the terms of the contracts of insurance
94 (including any warranties expressed or implied therein)
95 without first obtaining the consent of the insurers to such
96 employment and complying with such requirements as
97 to extra premium or otherwise as the insurers may
98 prescribe.
99 The Charterers also undertake not to employ the Vessel
100 or suffer her employment in any trade or business which
101 is forbidden by the law of any country to which the Vessel
102 may sail or is otherwise illicit or in carrying illicit or
103 prohibited goods or in any manner whatsoever which
104 may render her liable to condemnation, destruction,
105 seizure or confiscation.
106 Notwithstanding any other provisions contained in this
107 Charter it is agreed that nuclear fuels or radioactive
108 products or waste are specifically excluded from the
cargo permitted to be loaded or carried under this

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BARECON 2001 Standard Bareboat Charter

109 Charter. This exclusion does not apply to radio-isotopes
110 used or intended to be used for any industrial,
111 commercial, agricultural, medical or scientific purposes
112 provided the Owners' prior approval has been obtained
113 to loading thereof.

114 **7. Surveys on Delivery and Redelivery** See clauses 36 and 37
115 (not applicable when Part III applies, as indicated in Box 37)
~~116 The Owners and Charterers shall each appoint~~
~~117 surveyors for the purpose of determining and agreeing~~
~~118 in writing the condition of the Vessel at the time of~~
~~119 redelivery hereunder. The Owners shall~~
~~120 bear all expenses of the On-hire Survey including loss~~
~~121 of time, if any, and the Charterers shall bear all expenses~~
~~122 of the Off-hire Survey including loss of time, if any, at~~
~~123 the daily equivalent to the rate of hire or pro-rata thereof.~~

Not earlier than 45 days nor later than 30 days or if not possible then as soon as the Vessel becomes available before re-delivery of the Vessel, the Owners and the Charterers shall jointly agree upon the appointment of an independent surveyor for the purpose of determining in writing the condition of the Vessel at the time of redelivery hereunder. The surveyor, whose decision shall be final and binding on both parties, shall report in writing, specifying all items, if any, which have not been properly maintained in accordance with the terms and conditions of the Charter and the work required to correct such deficiencies. The costs of such a surveyor shall be equally shared between the parties. In the event that the parties are not able to agree upon a single surveyor, each shall appoint their own and the two surveyors so appointed shall conduct a joint survey of the Vessel. In such event, each party shall pay their own appointed surveyor's costs. The survey shall be carried out at the port of redelivery and in Charterer's time. Any works required as a result of such survey shall be carried by the Charterer prior to their redelivering of the Vessel. This clause shall not apply if Charterers exercise their purchase option as set out in Clause 40.

124 8. Inspection

125 The Owners shall, once a year, have the right after giving
126 reasonable notice to the Charterers to inspect or survey
127 the Vessel or instruct a duly authorised surveyor to carry
128 out such survey on their behalf provided it does not interfere with the operation and trading of the Vessel and/or crew:-

129 (a) to ascertain the condition of the Vessel and satisfy
130 themselves that the Vessel is being properly repaired
131 and maintained. The costs and fees for such inspection
132 or survey shall be paid by the Owners unless the Vessel
133 is found to require repairs or maintenance in order to

134 achieve the condition so provided;

135 (b) in dry-dock if the Charterers have not dry-docked
136 Her in accordance with Clause 10(g). The costs and fees
137 for such inspection or survey shall be paid by the
138 Charterers; and

~~139 (c) for any other commercial reason they consider~~
~~140 necessary (provided it does not unduly interfere with~~
~~141 the commercial operation of the Vessel). The costs and~~
~~142 fees for such inspection and survey shall be paid by the~~
~~143 Owners.~~

144 All time used in respect of inspection, survey or repairs
145 shall be for the Charterers' account and form part of the
146 Charter Period.
147 The Charterers shall also permit the Owners to inspect
148 the Vessel's log books whenever reasonably requested and shall
149 whenever required by the Owners furnish them with full
150 information regarding any casualties or other accidents
151 or damage to the Vessel.

152 9. Inventories, Oil and Stores

~~153 A complete inventory of the Vessel's entire equipment,~~
~~154 outfit including spare parts, appliances and of all~~
~~155 consumable stores on board the Vessel shall be made~~
~~156 by the Charterers in conjunction with the Owners on~~
~~157 delivery and again on redelivery of the Vessel. The~~
~~158 Charterers and the Owners, respectively, shall at the~~
~~159 time of delivery and redelivery take over and pay for all~~
~~160 bunkers, lubricating oil, unbreached provisions, paints,~~
~~161 ropes and other consumable stores (excluding spare~~
~~162 parts) in the said Vessel at the then current market prices~~
~~163 at the ports of delivery and redelivery, respectively. The~~
~~164 Charterers shall ensure that all spare parts listed in the~~
~~165 inventory and used during the Charter Period are~~
~~166 replaced at their expense prior to redelivery of the~~
~~167 Vessel.~~

168 10. Maintenance and Operation

169 (a)(i) **Maintenance and Repairs** - During the Charter
170 Period the Vessel shall be in the full possession
171 and at the absolute disposal for all purposes of the
172 Charterers and under their complete control in
173 every respect. The Charterers shall maintain the
174 Vessel, her machinery, boilers, appurtenances and
175 spare parts in a good state of repair, in efficient
176 operating condition and in accordance with good
177 commercial maintenance practice and, ~~except as~~
~~178 provided for in Clause 14(i), if applicable~~, at their
179 own expense they shall at all times keep the
180 Vessel's Class fully up to date with the Classification
181 Society indicated in Box 10 and maintain all other
182 necessary certificates in force at all times.

183 (ii) **New Class and Other Safety Requirements** - In the
184 event of any improvement, structural changes or
185 new equipment becoming necessary for the
186 continued operation of the Vessel by reason of new
187 class requirements or by compulsory legislation
including but not limited to Ballast Water Treatment System, the cost and time of compliance shall be for the Charterers account. Notwithstanding the foregoing, Charterers are allowed to make improvements to the Vessel provided cost of same to be for the Charterers account

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188 costing (excluding the Charterers' loss of time)
189 more than the percentage stated in Box 23, or if
190 Box 23 is left blank, 5 per cent. of the Vessel's
191 insurance value as stated in Box 29, then the
192 extent, if any, to which the rate of hire shall be varied
193 and the ratio in which the cost of compliance shall
194 be shared between the parties concerned in order
195 to achieve a reasonable distribution thereof as
196 between the Owners and the Charterers having
197 regard, inter alia, to the length of the period
198 remaining under this Charter shall, in the absence
199 of agreement, be referred to the dispute resolution
200 method agreed in Clause 30.

201 **(iii) Financial Security** - The Charterers shall maintain
202 financial security or responsibility in respect of third
203 party liabilities as required by any government,
204 including federal, state or municipal or other division
205 or authority thereof, to enable the Vessel, without
206 penalty or charge, lawfully to enter, remain at, or
207 leave any port, place, territorial or contiguous
208 waters of any country, state or municipality in
209 performance of this Charter without any delay. This
210 obligation shall apply whether or not such
211 requirements have been lawfully imposed by such
212 government or division or authority thereof.
213 The Charterers shall make and maintain all arrange-
214 ments by bond or otherwise as may be necessary to
215 satisfy such requirements at the Charterers' sole
216 expense and the Charterers shall indemnify the Owners
217 against all consequences whatsoever (including loss of
218 time) for any failure or inability to do so.

219 **(b) Operation of the Vessel** - The Charterers shall at
220 their own expense and by their own procurement man,
221 victual, navigate, operate, supply, fuel and, whenever
222 required, repair the Vessel during the Charter Period
223 and they shall pay all charges and expenses of every
224 kind and nature whatsoever incidental to their use and
225 operation of the Vessel under this Charter, including
226 annual flag State fees and any foreign general
227 municipality and/or state taxes. The Master, officers
228 and crew of the Vessel shall be the servants of the Charterers
229 for all purposes whatsoever, even if for any reason
230 appointed by the Owners.
231 Charterers shall comply with the regulations regarding
232 officers and crew in force in the country of the Vessel's
233 flag or any other applicable law.

234 **(c) The Charterers shall keep the Owners and the**
235 **mortgagee(s) advised of the intended employment,**
236 **planned dry-docking and major repairs of the Vessel,**
237 **as reasonably required.**

238 **(d) Flag and Name of Vessel** - ~~The Owners have no right to~~
~~change the name and the flag of the Vessel during the Charter~~
~~Period.~~ The Owners have no rights to change the name and the
flag of the Vessel during the Charter Period. During the Charter
Period, the Charterers shall have the liberty to paint the Vessel in
their own colours, install and display their
239 funnel insignia and fly their own house flag. The
240 Charterers shall also have the liberty, with the Owners'
241 consent, which shall not be unreasonably withheld, to
242 change the ~~flag and/or the name of the Vessel and Class~~ (to be a
member of IACS) during
243 the Charter Period by providing 14 Banking Days prior notice to
the Owners and such expense shall be for Charterer's account. In
case Charterers do not exercise their Purchase Option, as set out
in clause 40, -P-painting and re-painting, instalment

244 and re-instalment, registration and re-registration at redelivery, if
245 required by the Owners, shall be at the Charterers'
246 expense and time. Tonnage tax charged on the basis of tonnage
by the Vessel's flag state during the Charter Period for current
and any new flag to be for Charterers' account. During the Charter
Period, the Charterers shall have the option to change the flag of
the Vessel with the Owners' prior written consent which shall not
be unreasonably withheld or delayed, provided that all costs and
expense incurred by the Owners in relation to flag changes
(including but not limited to documentation fee in relation to the
Financial Documents and deletion of the existing registration of
the ownership and mortgage of the Vessel and the new
registration of ownership and mortgage over the Vessel) shall be
on Charterers' account.

247 **(e) Changes to the Vessel** - Subject to Clause 10(a)(ii),
248 the Charterers shall make no structural changes in the
249 Vessel or changes in the machinery, boilers, appurten-
250 ances or spare parts thereof without in each instance
251 first securing the Owners' approval thereof. Notwithstanding the
above, Owners' consent will not be required for any changes
(including structural changes) to the vessel related to the
installation of the ammonia (propulsion) system on the Vessel. ~~if~~
the Owners
252 so agree, the Charterers shall, if the Owners so require,
253 restore the Vessel to its former condition before the
254 termination of this Charter at the Charterer's account.

255 **(f) Use of the Vessel's Outfit, Equipment and**
256 **Appliances** - The Charterers shall have the use of all
257 outfit, equipment, and appliances on board the Vessel
258 at the time of delivery, provided the same or their
259 substantial equivalent shall be returned to the Owners
260 on redelivery in the same condition as
261 when received, ordinary wear and tear excepted. The
262 Charterers shall from time to time during the Charter
263 Period replace such items of equipment as shall be so
264 damaged or worn as to be unfit for use. The Charterers
265 are to procure that all repairs to or replacement of any
266 damaged, worn or lost parts or equipment be effected
267 in such manner (both as regards workmanship and
268 quality of materials) as not to diminish the value of the
269 Vessel. The Charterers have the right to fit additional
270 equipment at their expense and risk but the Charterers
271 shall remove such equipment at the end of the period if
272 requested by the Owners. Any equipment including radio
273 equipment on hire on the Vessel at time of delivery shall
274 be kept and maintained by the Charterers and the
275 Charterers shall assume the obligations and liabilities
276 of the Owners under any lease contracts in connection
277 therewith and shall reimburse the Owners for all
278 expenses incurred in connection therewith, also for any
279 new equipment required in order to comply with radio
280 regulations.

281 **(g) Periodical Dry-Docking** - The Charterers shall dry-
282 dock the Vessel and clean and paint her underwater
283 parts whenever the same may be necessary,
284
285
286
287

288 11. Hire

289 **(a) The Charterers shall pay hire due to the Owners**

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290 punctually in accordance with the terms of this Charter
291 in respect of which time shall be of the essence.

292 **(b)** The Charterers shall pay to the Owners for the hire
293 of the Vessel ~~a lump sum in the amount the rate~~ indicated in
294 Box 22 which shall be payable ~~monthly not later every thirty~~
295 ~~(30) running days~~ in advance, the first ~~hire lump sum~~ being
296 payable on the date and hour of the Vessel's delivery to
297 the Charterers. Hire shall be paid continuously
298 throughout the Charter Period.

299 **(c)** Payment of hire shall be made in cash without
300 discount in the currency and in the manner indicated

301 Box 25 and at the place mentioned in Box 26.
302 **(d)** Final payment of hire, if for a period of less than
303 ~~one calendar month thirty (30) running days~~, shall be calculated
304 proportionally
305 according to the number of days and hours remaining
306 before redelivery and advance payment to be effected
accordingly.

307 ~~(e) Should the Vessel be lost or missing, hire shall~~
308 ~~cease from the date and time when she was lost or last~~
309 ~~heard of. The date upon which the Vessel is to be treated~~
310 ~~as lost or missing shall be ten (10) days after the Vessel~~
311 ~~was last reported or when the Vessel is posted as~~
312 ~~missing by Lloyd's, whichever occurs first. Any hire paid~~
313 ~~in advance to be adjusted accordingly.~~

314 **(f)** Any delay in payment of hire shall entitle the
315 Owners to interest at the rate per annum as agreed
316 in Box 24. ~~If Box 24 has not been filled in, the three months~~
317 ~~interbank offered rate in London (LIBOR or its successor)~~
318 ~~for the currency stated in Box 25, as quoted by the British~~
319 ~~Bankers' Association (BBA) on the date when the hire~~
320 ~~fell due, increased by 2 per cent., shall apply.~~

321 **(g)** Payment of interest due under sub-clause 11(f)
322 shall be made within seven (7) Banking Days of the date
323 of the Owners' invoice specifying the amount payable
324 or, in the absence of an invoice, at the time of the next
325 hire payment date.

326 **12. Mortgage**
327 *(only to apply if Box 28 has been appropriately filled in)*
328 ~~***) (a) The Owners warrant that they have not effected**~~
329 ~~any mortgage(s) of the Vessel and that they shall not~~
330 ~~effect any mortgage(s) without the prior consent of the~~
331 ~~Charterers, which shall not be unreasonably withheld.~~

332 ***) (b)** The Vessel chartered under this Charter is financed
333 by a mortgage according to the Financial Instrument.
334 ~~The Charterers undertake to comply, and provide such~~
335 ~~information and documents to enable the Owners to~~
336 ~~comply, with all such instructions or directions in regard~~
337 ~~to the employment, insurances, operation, repairs and~~
338 ~~maintenance of the Vessel as laid down in the Financial~~
339 ~~Instrument or as may be directed from time to time during~~
340 ~~the currency of the Charter by the mortgagee(s) in~~
341 ~~conformity with the Financial Instrument. The Charterers~~
342 ~~confirm that, for this purpose, they have acquainted~~
343 ~~themselves with all relevant terms, conditions and~~
344 ~~provisions of the Financial Instrument and agree to~~
345 ~~acknowledge this in writing in any form that may be~~
346 ~~required by the mortgagee(s).~~
At the reasonable request of the Owner, the
Charterers
shall provide such documents and information as the
Owners reasonably needs towards their financiers.

347 The Owners warrant that

348 they have not effected any mortgage(s) other than stated
349 in Box 28 and that they shall not agree to any
350 amendment of the mortgage(s) referred to in Box 28 or
351 effect any other mortgage(s) without the prior consent
352 of the Charterers, which shall not be unreasonably
353 withheld.

354 ***) (Optional, Clauses 12(a) and 12(b) are alternatives;**
355 **indicate alternative agreed in Box 28).**

356 **13. Insurance and Repairs see also clause 41**
357 **(a)** During the Charter Period the Vessel shall be kept
358 insured by the Charterers at their expense against hull
359 and machinery, war and Protection and Indemnity risks
360 (and any risks against which it is compulsory to insure
361 for the operation of the Vessel, including maintaining
362 financial security in accordance with sub-clause
363 10(a)(iii)) in such form as the Owners shall in writing approve,
which approval shall not be unreasonably withheld
364

365 . Such insurances shall be arranged by the
366 Charterers to protect the interests of both the Owners
367 and the Charterers and the mortgagee(s) (if any), and
368 The Charterers shall be at liberty to protect under such
369 insurances the interests of any managers they may
370 appoint. Insurance policies shall cover the Owners and
371 the Charterers according to their respective interests.
372 Subject to the provisions of the Financial Instrument, if
373 any, and the approval of the Owners and the insurers,
374 the Charterers shall effect all insured repairs and shall
375 undertake settlement and reimbursement from the
376 insurers of all costs in connection with such repairs as
377 well as insured charges, expenses and liabilities to the
378 extent of coverage under the insurances herein provided
379 for.

380 The Charterers also to remain responsible for and to
381 effect repairs and settlement of costs and expenses
382 incurred thereby in respect of all other repairs not
383 covered by the insurances and/or not exceeding any
384 possible franchise(s) or deductibles provided for in the
385 insurances.

386 All time used for repairs under the provisions of sub-

387 clause 13(a) and for repairs of latent defects according
388 to Clause 3(c) above, including any deviation, shall be
389 for the Charterers' account.

390 **(b)**
391
392
393 The Owners or
394 the Charterers as the case may be shall immediately
395 furnish the other party with particulars of any additional
396 insurance effected, including copies of any cover notes
397 or policies and the written consent of the insurers of
398 any such required insurance in any case where the
399 consent of such insurers is necessary.

400 **(c)** The Charterers shall upon the request of the
401 Owners, provide reasonable information and promptly execute
402 such
403 documents as may be reasonably required to enable the Owners
404 to
comply with the insurance provisions of the Financial
Instrument. Cost and time, if any, for Owners' account.

405 **(d)** Subject to the provisions of the Financial Instru-
406 ment, if any, should the Vessel become an actual,
407 constructive, compromised or agreed total loss under
408 the insurances required under sub-clause 13(a), all
409 insurance payments for such loss shall be paid in accordance with
clause 41 to the

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410	Owners who shall distribute the moneys between the	472	defects according to Clause 3 above, including any
411	Owners and the Charterers according to their respective	473	deviation, shall be for the Charterers' account and shall
412	interests. The Charterers undertake to notify the Owners	474	form part of the Charter Period.
413	and the mortgagee(s), if any, of any occurrences in	475	The Owners shall not be responsible for any expenses
414	consequence of which the Vessel is likely to become a	476	as are incident to the use and operation of the Vessel
415	total loss as defined in this Clause.	477	for such time as may be required to make such repairs.
416	(e) The Owners shall upon the request of the	478	(g) If the conditions of the above insurances permit
417	Charterers, promptly execute such documents as may	479	additional insurance to be placed by the parties such
418	be required to enable the Charterers to abandon the	480	cover shall be limited to the amount for each party set
419	Vessel to insurers and claim a constructive total loss.	481	out in Box 30 and Box 31, respectively. The Owners or
420	(f) For the purpose of insurance coverage against hull	482	the Charterers as the case may be shall immediately
421	and machinery and war risks under the provisions of	483	furnish the other party with particulars of any additional
422	sub-clause 13(a), the value of the Vessel is the sum	484	insurance effected, including copies of any cover notes
423	indicated in Clause 41.	485	or policies and the written consent of the insurers of
424	14. Insurance, Repairs and Classification	486	any such required insurance in any case where the
425	<i>(Optional, only to apply if expressly agreed and stated</i>	487	consent of such insurers is necessary.
426	<i>in Box 29, in which event Clause 13 shall be considered</i>	488	(h) Should the Vessel become an actual, constructive,
427	<i>deleted).</i>	489	compromised or agreed total loss under the insurances
428	(a) During the Charter Period the Vessel shall be kept	490	required under sub-clause 14(a), all insurance payments
429	insured by the Owners at their expense against hull and	491	for such loss shall be paid to the Owners, who shall
430	machinery and war risks under the form of policy or	492	distribute the moneys between themselves and the
431	policies attached hereto. The Owners and/or insurers	493	Charterers according to their respective interests.
432	shall not have any right of recovery or subrogation	494	(i) If the Vessel becomes an actual, constructive,
433	against the Charterers on account of loss of or any	495	compromised or agreed total loss under the insurances
434	damage to the Vessel or her machinery or appur-	496	arranged by the Owners in accordance with sub-clause
435	tenances covered by such insurance, or on account of	497	14(a), this Charter shall terminate as of the date of such
436	payments made to discharge claims against or liabilities	498	loss.
437	of the Vessel or the Owners covered by such insurance.	499	(j) The Charterers shall upon the request of the
438	Insurance policies shall cover the Owners and the	500	Owners, promptly execute such documents as may be
439	Charterers according to their respective interests.	501	required to enable the Owners to abandon the Vessel
440	(b) During the Charter Period the Vessel shall be kept	502	to the insurers and claim a constructive total loss.
441	insured by the Charterers at their expense against	503	(k) For the purpose of insurance coverage against hull
442	Protection and Indemnity risks (and any risks against	504	and machinery and war risks under the provisions of
443	which it is compulsory to insure for the operation of the	505	sub-clause 14(a), the value of the Vessel is the sum
444	Vessel, including maintaining financial security in	506	indicated in Box 29.
445	accordance with sub-clause 10(a)(iii)) in such form as	507	(l) Notwithstanding anything contained in sub-clause
446	the Owners shall in writing approve which approval shall	508	10(a), it is agreed that under the provisions of Clause
447	not be unreasonably withheld.	509	14, if applicable, the Owners shall keep the Vessel's
448	(c) In the event that any act or negligence of the	510	Class fully up to date with the Classification Society
449	Charterers shall vitiate any of the insurance herein	511	indicated in Box 10 and maintain all other necessary
450	provided, the Charterers shall pay to the Owners all	512	certificates in force at all times.
451	losses and indemnify the Owners against all claims and	513	15. Redelivery
452	demands which would otherwise have been covered by	514	At the expiration of the Charter Period the Vessel shall
453	such insurance.	515	be redelivered by the Charterers to the Owners at a
454	(d) The Charterers shall, subject to the approval of the	516	safe and ice-free port or place as indicated in Box 16, in
455	Owners or Owners' Underwriters, effect all insured	517	such ready safe berth as the Charterers may direct. The
456	repairs, and the Charterers shall undertake settlement	518	Charterers shall give the Owners not less than thirty
457	of all miscellaneous expenses in connection with such	519	(30) running days' preliminary notice of expected date,
458	repairs as well as all insured charges, expenses and	520	range of ports of redelivery or port or place of redelivery
459	liabilities, to the extent of coverage under the insurances	521	and not less than fourteen (14) running days' definite
460	provided for under the provisions of sub-clause 14(a).	522	notice of expected date and port or place of redelivery.
461	The Charterers to be secured reimbursement through	523	Any changes thereafter in the Vessel's position shall be
462	the Owners' Underwriters for such expenditures upon	524	notified immediately to the Owners.
463	presentation of accounts.	525	The Charterers warrant that they will not permit the
464	(e) The Charterers to remain responsible for and to	526	Vessel to commence a voyage (including any preceding
465	effect repairs and settlement of costs and expenses	527	ballast voyage) which cannot reasonably be expected
466	incurred thereby in respect of all other repairs not	528	to be completed in time to allow redelivery of the Vessel
467	covered by the insurances and/or not exceeding any	529	within the Charter Period. Notwithstanding the above,
468	possible franchise(s) or deductibles provided for in the	530	should the Charterers fail to redeliver the Vessel within
469	insurances.	531	the Charter Period, the Charterers shall pay the daily
470	(f) All time used for repairs under the provisions of	532	equivalent to the rate of hire stated in Box 22 (USD 6,388.89) plus
471	sub-clauses 14(d) and 14(e) and for repairs of latent		10 per cent. or to the market rate, whichever is the higher,

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533
534 for the number of days by which the Charter Period is
535 exceeded. All other terms, conditions and provisions of
536 this Charter shall continue to apply.
537 Subject to the provisions of Clause 10, the Vessel shall
538 be redelivered to the Owners in the same
539 condition and class as that in which she
540 was delivered, fair wear and tear not affecting class
541 excepted.
542 The Vessel upon redelivery shall have her survey cycles
543 up to date and trading and class certificates valid for at
544 least the number of months agreed in Box 17.
**This Clause shall not apply if the Charterers exercise
their purchase option set out in clause 40, in which
event, a Protocol of Delivery and Acceptance and a
Bill of Sale will be signed.**

545 16. Non-Lien

546 The Charterers will not suffer, nor permit to be continued,
547 any lien or encumbrance incurred by them or their
548 agents, which might have priority over the title and
549 interest of the Owners in the Vessel.

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558 17. Indemnity

559 **(a)** The Charterers shall indemnify the Owners against
560 any loss, damage or expense incurred by the Owners
561 arising out of or in relation to the operation of the Vessel
562 by the Charterers, and against any lien of whatsoever
563 nature arising out of an event occurring during the
564 Charter Period. If the Vessel be arrested or otherwise
565 detained by reason of claims or liens arising out of her
566 operation hereunder by the Charterers, the Charterers
567 shall at their own expense take all reasonable steps to
568 secure that within a reasonable time the Vessel is
569 released, including the provision of bail.
570 Without prejudice to the generality of the foregoing, the
571 Charterers agree to indemnify the Owners against all
572 consequences or liabilities arising from the Master,
573 officers or agents signing Bills of Lading or other
574 documents.

575 **(b)** If the Vessel be arrested or otherwise detained by
576 reason of a claim or claims against the Owners, the
577 Owners shall at their own expense take all necessary
578 steps to secure that, within a reasonable time, the Vessel
579 is released, including the provision of bail.
580 In such circumstances the Owners shall indemnify the
581 Charterers against any loss, damage or expense
582 incurred by the Charterers (including hire paid under
583 this Charter) as a direct consequence of such arrest or
584 detention.

585 18. Lien

586 The Owners to have a lien upon all cargoes, sub-hires
587 and sub-freights belonging or due to the Charterers or
588 any sub-charterers and any Bill of Lading freight for all
589 claims under this Charter, and the Charterers to have a
590 lien on the Vessel for all moneys paid in advance and
591 not earned.

592 19. Salvage

593 All salvage and towage performed by the Vessel shall
594 be for the Charterers' benefit and the cost of repairing
595 damage occasioned thereby shall be borne by the
596 Charterers.

597 20. Wreck Removal

598 In the event of the Vessel becoming a wreck or
599 obstruction to navigation the Charterers shall indemnify
600 the Owners against any sums whatsoever which the
601 Owners shall become liable to pay and shall pay in
602 consequence of the Vessel becoming a wreck or
603 obstruction to navigation.

604 21. General Average

605 The Owners shall not contribute to General Average.

606 22. Assignment, Sub-Charter and Sale *see also clause 38*

607 **(a)** The Charterers shall not assign this Charter nor
608 sub-charter the Vessel on a bareboat basis (internal bareboat
charters excluded) except with
609 the prior consent in writing of the Owners, which shall
610 not be unreasonably withheld or delayed, and subject to such
611 terms
and conditions as the Owners shall approve.

612 **(b)** ~~see clauses 39 and 40 The Owners shall not sell the Vessel
during the~~

~~currency of this Charter except with the prior written
consent of the Charterers, which shall not be unreason-
ably withheld, and subject to the buyer accepting an
assignment of this Charter.~~

617 23. Contracts of Carriage

618 ***) (a)** The Charterers are to procure that all documents
619 issued during the Charter Period evidencing the terms
620 and conditions agreed in respect of carriage of goods
621 shall contain a paramount clause incorporating any
622 legislation relating to carrier's liability for cargo
623 compulsorily applicable in the trade; if no such legislation
624 exists, the documents shall incorporate the *Hague Rules or
Hague-Visby*
625 *Rules*. The documents shall also contain the New Jason
626 Clause and the Both-to-Blame Collision Clause.

~~627 ***) (b)** The Charterers are to procure that all passenger
628 tickets issued during the Charter Period for the carriage
629 of passengers and their luggage under this Charter shall
630 contain a paramount clause incorporating any legislation
631 relating to carrier's liability for passengers and their
632 luggage compulsorily applicable in the trade; if no such
633 legislation exists, the passenger tickets shall incorporate
634 the Athens Convention Relating to the Carriage of
635 Passengers and their Luggage by Sea, 1974, and any
636 protocol thereto.
637 ***) Delete as applicable.**~~

638 24. Bank Guarantee

~~639 *(Optional, only to apply if Box 27 filled in)*
640 The Charterers undertake to furnish, before delivery of
641 the Vessel, a first class bank guarantee or bond in the
642 sum and at the place as indicated in Box 27 as guarantee
643 for full performance of their obligations under this
644 Charter.~~

645 25. Requisition/Acquisition

646 **(a)** In the event of the Requisition for Hire of the Vessel
647 by any governmental or other competent authority
648 (hereinafter referred to as "Requisition for Hire")
649 irrespective of the date during the Charter Period when
650 "Requisition for Hire" may occur and irrespective of the
651 length thereof and whether or not it be for an indefinite

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652 or a limited period of time, and irrespective of whether it
653 may or will remain in force for the remainder of the
654 Charter Period, this Charter shall not be deemed thereby
655 or thereupon to be frustrated or otherwise terminated
656 and the Charterers shall continue to pay the stipulated

657 hire in the manner provided by this Charter until the time
658 when the Charter would have terminated pursuant to
659 any of the provisions hereof always provided however
660 that in the event of "Requisition for Hire" any Requisition
661 Hire or compensation received or receivable by the
662 Owners shall be payable to the Charterers during the
663 remainder of the Charter Period or the period of the
664 "Requisition for Hire" whichever be the shorter.

665 **(b)** In the event of the Owners being deprived of their
666 ownership in the Vessel by any Compulsory Acquisition
667 of the Vessel or requisition for title by any governmental
668 or other competent authority (hereinafter referred to as
669 "Compulsory Acquisition"), then, irrespective of the date
670 during the Charter Period when "Compulsory Acquisition"
671 may occur, this Charter shall be deemed
672 terminated as of the date of such "Compulsory
673 Acquisition". In such event Charter Hire to be considered
674 as earned and to be paid up to the date and time of
675 such "Compulsory Acquisition".

676 26. War

677 **(a)** For the purpose of this Clause, the words "War
678 Risks" shall include any war (whether actual or
679 threatened), act of war, civil war, hostilities, revolution,
680 rebellion, civil commotion, warlike operations, the laying
681 of mines (whether actual or reported), acts of piracy,
682 acts of terrorists, acts of hostility or malicious damage,
683 blockades (whether imposed against all vessels or
684 imposed selectively against vessels of certain flags or
685 ownership, or against certain cargoes or crews or
686 otherwise howsoever), by any person, body, terrorist or
687 political group, or the Government of any state
688 whatsoever, which may be dangerous or are likely to be
689 or to become dangerous to the Vessel, her cargo, crew
690 or other persons on board the Vessel.

691 **(b)** The Vessel, unless the written consent of the
692 Owners be first obtained, shall not continue to or go
693 through any port, place, area or zone (whether of land
694 or sea), or any waterway or canal, where it reasonably
695 appears that the Vessel, her cargo, crew or other
696 persons on board the Vessel, in the reasonable
697 judgement of the Owners, may be, or are likely to be,
698 exposed to War Risks. Should the Vessel be within any
699 such place as aforesaid, which only becomes dangerous,
700 or is likely to be or to become dangerous, after her
701 entry into it, the Owners shall have the right to require
702 the Vessel to leave such area.

703 **(c)** The Vessel shall not load contraband cargo, or to
704 pass through any blockade, whether such blockade be
705 imposed on all vessels, or is imposed selectively in any
706 way whatsoever against vessels of certain flags or
707 ownership, or against certain cargoes or crews or
708 otherwise howsoever, or to proceed to an area where
709 she shall be subject, or is likely to be subject to
710 a belligerent's right of search and/or confiscation.

711 **(d)** If the insurers of the war risks insurance, when
712 Clause 14 is applicable, should require payment of
713 premiums and/or calls because, pursuant to the
714 Charterers' orders, the Vessel is within, or is due to enter
715 and remain within, any area or areas which are specified

716 by such insurers as being subject to additional premiums
717 because of War Risks, then such premiums and/or calls
718 shall be reimbursed by the Charterers to the Owners at
719 the same time as the next payment of hire is due.

720 **(e)** The Charterers shall have the liberty:
721 **(i)** to comply with all orders, directions, recommend-
722 ations or advice as to departure, arrival, routes,
723 sailing in convoy, ports of call, stoppages,
724 destinations, discharge of cargo, delivery, or in any
725 other way whatsoever, which are given by the
726 Government of the Nation under whose flag the
727 Vessel sails, or any other Government, body or
728 group whatsoever acting with the power to compel
729 compliance with their orders or directions;

730 **(ii)** to comply with the orders, directions or recom-
731 mendations of any war risks underwriters who have
732 the authority to give the same under the terms of
733 the war risks insurance;

734 **(iii)** to comply with the terms of any resolution of the
735 Security Council of the United Nations, any
736 directives of the European Community, the effective
737 orders of any other Supranational body which has
738 the right to issue and give the same, and with
739 national laws aimed at enforcing the same to which
740 the Owners are subject, and to obey the orders
741 and directions of those who are charged with their
742 enforcement.

743 **(f)** In the event of outbreak of war (whether there be a
744 declaration of war or not) (i) between any two or more
745 of the following countries: the United States of America;
746 Russia; the United Kingdom; France; and the People's
747 Republic of China, (ii) between any two or more of the
748 countries stated in Box 36, both the Owners and the
749 Charterers shall have the right to cancel this Charter,
750 whereupon the Charterers shall redeliver the Vessel to
751 the Owners in accordance with Clause 15, if the Vessel
752 has cargo on board after discharge thereof at
753 destination, or if debarrd under this Clause from
754 reaching or entering it at a near, open and safe port as
755 directed by the Owners, or if the Vessel has no cargo
756 on board, at the port at which the Vessel then is or if at
757 sea at a near, open and safe port as directed by the
758 Owners. In all cases hire shall continue to be paid in
759 accordance with Clause 11 and except as aforesaid all
760 other provisions of this Charter shall apply until
761 redelivery.

762 27. Commission
763 The Owners to pay a commission at the rate indicated
764 in Box 33 to the Brokers named in Box 33 on any hire
765 paid under the Charter. If no rate is indicated in Box 33,
766 the commission to be paid by the Owners shall cover
767 the actual expenses of the Brokers and a reasonable
768 fee for their work.
769 If the full hire is not paid owing to breach of the Charter
770 by either of the parties the party liable therefor shall
771 indemnify the Brokers against their loss of commission.
772 Should the parties agree to cancel the Charter, the
773 Owners shall indemnify the Brokers against any loss of
774 commission but in such case the commission shall not
775 exceed the brokerage on one year's hire.

776 28. Termination

777 **(a) Charterers' Default**

778 The Owners shall be entitled to withdraw the Vessel from

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779	the service of the Charterers and terminate the Charter	833	~~with her underwriters is not reached it is adjudged by a~~
780	with immediate effect by written notice to the Charterers if:	834	~~competent tribunal that a constructive loss of the Vessel~~
		835	~~has occurred.~~
781	(i) the Charterers fail to pay hire in accordance with	836	(d) Either party shall be entitled to terminate this
782	Clause 11. However, where there is a failure to	837	Charter with immediate effect by written notice to the
		838	other party and its Guarantor in the event of an order being made
783	make punctual payment of hire due to oversight,	839	or
784	negligence, errors or omissions on the part of the	839	resolution passed for the winding up, dissolution,
785	Charterers or their bankers, the Owners shall give	840	liquidation or bankruptcy of the other party (otherwise
786	the Charterers written notice of the number of clear	841	than for the purpose of reconstruction or amalgamation)
787	Banking days stated in Box 34 (as recognised at	842	or if a receiver is appointed, or if it suspends payment,
788	the agreed place of payment) in which to rectify	843	ceases to carry on business or makes any special
789	the failure, and when so rectified within such	844	arrangement or composition with its creditors.
790	number of days following the Owners' notice, the		
791	payment shall stand as regular and punctual.	845	(e) The termination of this Charter shall be without
792	Failure by the Charterers to pay hire within the	846	prejudice to all rights accrued due between the parties
793	number of days stated in Box 34 of their receiving	847	prior to the date of termination and to any claim that
794	the Owners' notice as provided herein, shall entitle	848	either party might have.
795	the Owners to withdraw the Vessel from the service		
796	of the Charterers and terminate the Charter without		
797	further notice;	849	29. Repossession
		850	In the event of the termination of this Charter in
798	(ii) the Charterers fail to comply with the requirements of:	851	accordance with the applicable provisions of Clause 28,
799	(1) Clause 6 (Trading Restrictions)	852	the Owners shall have the right to repossess the Vessel
		853	from the Charterers at her current or next port of call, or
800	(2) Clause 13(a) (Insurance and Repairs)	854	at a port or place convenient to them without hindrance
801	provided that the Owners may, by	855	or interference by the Charterers, courts or local
802	written notice to the Charterers, give the	856	authorities. Pending physical repossession of the Vessel
803	Charterers a specified number of days grace within	857	in accordance with this Clause 29, the Charterers shall
804	which to rectify the failure without prejudice to the	858	hold the Vessel as gratuitous bailee only to the Owners.
805	Owners' right to withdraw and terminate under this	859	The Owners shall arrange for an authorised represent-
806	Clause if the Charterers fail to comply with such	860	ative to board the Vessel as soon as reasonably
807	notice;	861	practicable following the termination of the Charter. The
		862	Vessel shall be deemed to be repossessed by the
808	(iii) the Charterers fail to rectify any failure to comply	863	Owners from the Charterers upon the boarding of the
809	with the requirements of sub-clause 10(a)(i)	864	Vessel by the Owners' representative. All arrangements
810	(Maintenance and Repairs) within a reasonable time	865	and expenses relating to the settling of wages,
811	after the Owners have requested them in	866	disembarkation and repatriation of the Charterers'
812	writing so to do and in any event so that the Vessel's	867	Master, officers and crew shall be the sole responsibility
813	insurance cover is not prejudiced.	868	of the Charterers.
814	(iv) In the event of a termination as aforesaid, the Charterers shall	869	30. Dispute Resolution
	be entitled to exercise its Purchase Option set out in Clause 40	870	*) (a) This Contract shall be governed by and construed
	within 30 days from receipt of Owners' written notice of	871	in accordance with English law and any dispute arising
	termination. If such Purchase Option is exercised within the due	872	out of or in connection with this Contract shall be referred
	date, this Charter Party shall continue in full force and effect until	873	to arbitration in London in accordance with the Arbitration
	the successful completion of the sale of the Vessel pursuant to the	874	Act 1996 or any statutory modification or re-enactment
	Purchase Option at which point in time any default (except for any	875	thereof save to the extent necessary to give effect to
	outstanding payment following a default under clause 28(a)(i))	876	the provisions of this Clause.
	shall be deemed cured with no further rights or obligations		
	between the parties.	877	The arbitration shall be conducted in accordance with
815	(b) Owners' Default	878	the London Maritime Arbitrators Association (LMAA)
816	If the Owners shall by any act or omission be in breach	879	Terms current at the time when the arbitration proceed-
817	of their obligations under this Charter to the extent that	880	ings are commenced.
818	the Charterers are deprived of the use of the Vessel	881	The reference shall be to three arbitrators. A party
819	and such breach continues for a period of fourteen (14)	882	wishing to refer a dispute to arbitration shall appoint its
820	running days after written notice thereof has been given	883	arbitrator and send notice of such appointment in writing
821	by the Charterers to the Owners, the Charterers shall	884	to the other party requiring the other party to appoint its
822	be entitled to terminate this Charter with immediate effect	885	own arbitrator within 14 calendar days of that notice and
823	by written notice to the Owners.	886	stating that it will appoint its arbitrator as sole arbitrator
		887	unless the other party appoints its own arbitrator and
824	(c) Loss of Vessel See clause 41	888	gives notice that it has done so within the 14 days
825	~~This Charter shall be deemed to be terminated if the~~	889	specified. If the other party does not appoint its own
826	~~Vessel becomes a total loss or is declared as a~~	890	arbitrator and give notice that it has done so within the
827	~~constructive or compromised or arranged total loss. For~~	891	14 days specified, the party referring a dispute to
828	~~the purpose of this sub-clause, the Vessel shall not be~~	892	arbitration may, without the requirement of any further
829	~~deemed to be lost unless she has either become an~~	893	prior notice to the other party, appoint its arbitrator as
830	~~actual total loss or agreement has been reached with~~	894	sole arbitrator and shall advise the other party
831	~~her underwriters in respect of her constructive,~~	895	accordingly. The award of a sole arbitrator shall be
832	~~compromised or arranged total loss or if such agreement~~	896	binding on both parties as if he had been appointed by

PART II

BARECON 2001 Standard Bareboat Charter

897 agreement.
898 Nothing herein shall prevent the parties agreeing in
899 writing to vary these provisions to provide for the
900 appointment of a sole arbitrator.
901 In cases where neither the claim nor any counterclaim
902 exceeds the sum of US\$100,000 (or such other sum as
903 the parties may agree) the arbitration shall be conducted
904 in accordance with the LMAA Small Claims Procedure
905 current at the time when the arbitration proceedings are
906 commenced.

~~907 *) (b) This Contract shall be governed by and construed
908 in accordance with Title 9 of the United States Code
909 and the Maritime Law of the United States and any
910 dispute arising out of or in connection with this Contract
911 shall be referred to three persons at New York, one to
912 be appointed by each of the parties hereto, and the third
913 by the two so chosen; their decision or that of any two
914 of them shall be final, and for the purposes of enforcing
915 any award, judgement may be entered on an award by
916 any court of competent jurisdiction. The proceedings
917 shall be conducted in accordance with the rules of the
918 Society of Maritime Arbitrators, Inc.
919 In cases where neither the claim nor any counterclaim
920 exceeds the sum of US\$50,000 (or such other sum as
921 the parties may agree) the arbitration shall be conducted
922 in accordance with the Shortened Arbitration Procedure
923 of the Society of Maritime Arbitrators, Inc. current at
924 the time when the arbitration proceedings are commenced.~~

~~925 *) (c) This Contract shall be governed by and construed
926 in accordance with the laws of the place mutually agreed
927 by the parties and any dispute arising out of or in
928 connection with this Contract shall be referred to
929 arbitration at a mutually agreed place, subject to the
930 procedures applicable there.~~

931 (d) Notwithstanding (a), (b) or (c) above, the parties
932 may agree at any time to refer to mediation any
933 difference and/or dispute arising out of or in connection
934 with this Contract.
935 In the case of a dispute in respect of which arbitration
936 has been commenced under (a), (b) or (c) above, the
937 following shall apply:-

938 (i) Either party may at any time and from time to time
939 elect to refer the dispute or part of the dispute to
940 mediation by service on the other party of a written
941 notice (the "Mediation Notice") calling on the other
942 party to agree to mediation.

943 (ii) The other party shall thereupon within 14 calendar
944 days of receipt of the Mediation Notice confirm that
945 they agree to mediation, in which case the parties
946 shall thereafter agree a mediator within a further
947 14 calendar days, failing which on the application
948 of either party a mediator will be appointed promptly
949 by the Arbitration Tribunal ("the Tribunal") or such
950 person as the Tribunal may designate for that
951 purpose. The mediation shall be conducted in such
952 place and in accordance with such procedure and

953 on such terms as the parties may agree or, in the
954 event of disagreement, as may be set by the
955 mediator.

956 (iii) If the other party does not agree to mediate, that
957 fact may be brought to the attention of the Tribunal
958 and may be taken into account by the Tribunal when
959 allocating the costs of the arbitration as between
960 the parties.

961 (iv) The mediation shall not affect the right of either
962 party to seek such relief or take such steps as it
963 considers necessary to protect its interest.

964 (v) Either party may advise the Tribunal that they have
965 agreed to mediation. The arbitration procedure shall
966 continue during the conduct of the mediation but
967 the Tribunal may take the mediation timetable into
968 account when setting the timetable for steps in the
969 arbitration.

970 (vi) Unless otherwise agreed or specified in the
971 mediation terms, each party shall bear its own costs
972 incurred in the mediation and the parties shall share
973 equally the mediator's costs and expenses.

974 (vii) The mediation process shall be without prejudice
975 and confidential and no information or documents
976 disclosed during it shall be revealed to the Tribunal
977 except to the extent that they are disclosable under
978 the law and procedure governing the arbitration.
979 (Note: The parties should be aware that the mediation
980 process may not necessarily interrupt time limits.)

~~981 (e) If Box 35 in Part I is not appropriately filled in, sub-clause
982 30(a) of this Clause shall apply. Sub-clause 30(d) shall
983 apply in all cases.~~

~~984 *) Sub-clauses 30(a), 30(b) and 30(c) are alternatives;
985 indicate alternative agreed in Box 35.~~

986 31. Notices

987 (a) Any notice to be given by either party to the other
988 party shall be in writing and may be sent by e-mail,
989 registered or recorded mail or by personal service.

990 (b) The address of the Parties for service of such
991 communication shall be as stated in Boxes 3 and 4
992 respectively.

PART II

BARECON 2001 Standard Bareboat Charter

- 1 Specifications and Building Contract
2 (a) The Vessel shall be constructed in accordance with
3 the Building Contract (hereafter called "the Building
4 Contract") as annexed to this Charter, made between the
5 Builders and the Owners and in accordance with the
6 specifications and plans annexed thereto, such Building
7 Contract, specifications and plans having been counter-
8 signed as approved by the Charterers.
- 9 (b) No change shall be made in the Building Contract or
10 in the specifications or plans of the Vessel as approved by
11 the Charterers as aforesaid, without the Charterers'
12 consent.
- 13 (c) The Charterers shall have the right to send their
14 representative to the Builders' Yard to inspect the Vessel
15 during the course of her construction to satisfy themselves
16 that construction is in accordance with such approved
17 specifications and plans as referred to under sub-clause
18 (a) of this Clause.
- 19 (d) The Vessel shall be built in accordance with the
20 Building Contract and shall be of the description set out
21 therein. Subject to the provisions of sub-clause 2(e)(ii)
22 hereunder, the Charterers shall be bound to accept the
23 Vessel from the Owners, completed and constructed in
24 accordance with the Building Contract, on the date of
25 delivery by the Builders. The Charterers undertake that
26 having accepted the Vessel they will not thereafter raise
27 any claims against the Owners in respect of the Vessel's
28 performance or specification or defects, if any.
29 Nevertheless, in respect of any repairs, replacements or
30 defects which appear within the first 12 months from
31 delivery by the Builders, the Owners shall endeavour to
32 compel the Builders to repair, replace or remedy any defects
33 or to recover from the Builders any expenditure incurred in
34 carrying out such repairs, replacements or remedies.
35 However, the Owners' liability to the Charterers shall be
36 limited to the extent the Owners have a valid claim against
37 the Builders under the guarantee clause of the Building
38 Contract (a copy whereof has been supplied to the
39 Charterers). The Charterers shall be bound to accept such
40 sums as the Owners are reasonably able to recover under
41 this Clause and shall make no further claim on the Owners
42 for the difference between the amount(s) so recovered and
43 the actual expenditure on repairs, replacement or
44 remedying defects or for any loss of time incurred.
45 Any liquidated damages for physical defects or deficiencies
46 shall accrue to the account of the party stated in Box 41(a)
47 or if not filled in shall be shared equally between the parties.
48 The costs of pursuing a claim or claims against the Builders
49 under this Clause (including any liability to the Builders)
50 shall be borne by the party stated in Box 41(b) or if not
51 filled in shall be shared equally between the parties.
- 52 2. Time and Place of Delivery
53 (a) Subject to the Vessel having completed her
54 acceptance trials including trials of cargo equipment in
55 accordance with the Building Contract and specifications
56 to the satisfaction of the Charterers, the Owners shall give
57 and the Charterers shall take delivery of the Vessel afloat
58 when ready for delivery and properly documented at the
59 Builders' Yard or some other safe and readily accessible
60 dock, wharf or place as may be agreed between the parties
61 hereto and the Builders. Under the Building Contract the
- 62 Builders have estimated that the Vessel will be ready for
63 delivery to the Owners as therein provided but the delivery
64 date for the purpose of this Charter shall be the date when
65 the Vessel is in fact ready for delivery by the Builders after
66 completion of trials whether that be before or after as
67 indicated in the Building Contract. The Charterers shall not
68 be entitled to refuse acceptance of delivery of the Vessel
69 and upon and after such acceptance, subject to Clause
70 1(d), the Charterers shall not be entitled to make any claim
71 against the Owners in respect of any conditions,
72 representations or warranties, whether express or implied,
73 as to the seaworthiness of the Vessel or in respect of delay
74 in delivery.
- 75 (b) If for any reason other than a default by the Owners
76 under the Building Contract, the Builders become entitled
77 under that Contract not to deliver the Vessel to the Owners,
78 the Owners shall upon giving to the Charterers written
79 notice of Builders becoming so entitled, be excused from
80 giving delivery of the Vessel to the Charterers and upon
81 receipt of such notice by the Charterers this Charter shall
82 cease to have effect.
- 83 (c) If for any reason the Owners become entitled under
84 the Building Contract to reject the Vessel the Owners shall,
85 before exercising such right of rejection, consult the
86 Charterers and thereupon
- 87 (i) if the Charterers do not wish to take delivery of the Vessel
88 they shall inform the Owners within seven (7) running days
89 by notice in writing and upon receipt by the Owners of such
90 notice this Charter shall cease to have effect; or
- 91 (ii) if the Charterers wish to take delivery of the Vessel
92 they may by notice in writing within seven (7) running days
93 require the Owners to negotiate with the Builders as to the
94 terms on which delivery should be taken and/or refrain from
95 exercising their right to rejection and upon receipt of such
96 notice the Owners shall commence such negotiations and/
97 or take delivery of the Vessel from the Builders and deliver
98 her to the Charterers;
- 99 (iii) in no circumstances shall the Charterers be entitled to
100 reject the Vessel unless the Owners are able to reject the
101 Vessel from the Builders;
- 102 (iv) if this Charter terminates under sub-clause (b) or (c) of
103 this Clause, the Owners shall thereafter not be liable to the
104 Charterers for any claim under or arising out of this Charter
105 or its termination.
- 106 (d) Any liquidated damages for delay in delivery under the
107 Building Contract and any costs incurred in pursuing a claim
108 therefor shall accrue to the account of the party stated in
109 Box 41(c) or if not filled in shall be shared equally between
110 the parties.
- 111 3. Guarantee Works
112 If not otherwise agreed, the Owners authorise the
113 Charterers to arrange for the guarantee works to be
114 performed in accordance with the building contract terms,
115 and hire to continue during the period of guarantee works.
116 The Charterers have to advise the Owners about the
117 performance to the extent the Owners may request.
- 118 4. Name of Vessel
119 The name of the Vessel shall be mutually agreed between
120 the Owners and the Charterers and the Vessel shall be

PART III

PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY

~~121 painted in the colours, display the funnel insignia and fly~~
~~122 the house flag as required by the Charterers.~~
~~123 5. Survey on Redelivery~~
~~124 The Owners and the Charterers shall appoint surveyors~~
~~125 for the purpose of determining and agreeing in writing the~~
~~126 condition of the Vessel at the time of re-delivery.~~
~~127 Without prejudice to Clause 15 (Part II), the Charterers~~

~~128 shall bear all survey expenses and all other costs, if any,~~
~~129 including the cost of docking and undocking, if required,~~
~~130 as well as all repair costs incurred. The Charterers shall~~
~~131 also bear all loss of time spent in connection with any~~
~~132 docking and undocking as well as repairs, which shall be~~
~~133 paid at the rate of hire per day or pro rata.~~

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A
BAREBOAT CHARTER REGISTRY

~~1 On expiration of this Charter and provided the Charterers~~
~~2 have fulfilled their obligations according to Part I and II~~
~~3 as well as Part III, if applicable, it is agreed, that on~~
~~4 payment of the final payment of hire as per Clause 11~~
~~5 the Charterers have purchased the Vessel with~~
~~6 everything belonging to her and the Vessel is fully paid~~
~~7 for.~~
~~8 In the following paragraphs the Owners are referred to~~
~~9 as the Sellers and the Charterers as the Buyers.~~
~~10 The Vessel shall be delivered by the Sellers and taken~~
~~11 over by the Buyers on expiration of the Charter.~~
~~12 The Sellers guarantee that the Vessel, at the time of~~
~~13 delivery, is free from all encumbrances and maritime~~
~~14 liens or any debts whatsoever other than those arising~~
~~15 from anything done or not done by the Buyers or any~~
~~16 existing mortgage agreed not to be paid off by the time~~
~~17 of delivery. Should any claims, which have been incurred~~
~~18 prior to the time of delivery be made against the Vessel,~~
~~19 the Sellers hereby undertake to indemnify the Buyers~~
~~20 against all consequences of such claims to the extent it~~
~~21 can be proved that the Sellers are responsible for such~~
~~22 claims. Any taxes, notarial, consular and other charges~~
~~23 and expenses connected with the purchase and~~
~~24 registration under Buyers' flag, shall be for Buyers'~~
~~25 account. Any taxes, consular and other charges and~~
~~26 expenses connected with closing of the Sellers' register,~~

~~27 shall be for Sellers' account.~~
~~28 In exchange for payment of the last month's hire~~
~~29 instalment the Sellers shall furnish the Buyers with a~~
~~30 Bill of Sale duly attested and legalized, together with a~~
~~31 certificate setting out the registered encumbrances, if~~
~~32 any. On delivery of the Vessel the Sellers shall provide~~
~~33 for deletion of the Vessel from the Ship's Register and~~
~~34 deliver a certificate of deletion to the Buyers.~~
~~35 The Sellers shall, at the time of delivery, hand to the~~
~~36 Buyers all classification certificates (for hull, engines,~~
~~37 anchors, chains, etc.), as well as all plans which may~~
~~38 be in Sellers' possession.~~
~~39 The Wireless Installation and Nautical Instruments,~~
~~40 unless on hire, shall be included in the sale without any~~
~~41 extra payment.~~
~~42 The Vessel with everything belonging to her shall be at~~
~~43 Sellers' risk and expense until she is delivered to the~~
~~44 Buyers, subject to the conditions of this Contract and~~
~~45 the Vessel with everything belonging to her shall be~~
~~46 delivered and taken over as she is at the time of delivery,~~
~~47 after which the Sellers shall have no responsibility for~~
~~48 possible faults or deficiencies of any description.~~
~~49 The Buyers undertake to pay for the repatriation of the~~
~~50 Master, officers and other personnel if appointed by the~~
~~51 Sellers to the port where the Vessel entered the Bareboat~~
~~52 Charter as per Clause 3 (Part II) or to pay the equivalent~~
~~53 cost for their journey to any other place.~~

PART IV

HIRE/PURCHASE AGREEMENT (Optional, only to apply if expressly agreed and stated in Box 43)

1. Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

"The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

2. Mortgage

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.

3. Termination of Charter by Default

~~If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.~~

In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

**Rider Clauses 32 to 48
to be deemed incorporated to the
Bareboat Charter Party
Dated 22 February 2024
(the "Charter")**

**Between
Exelixsea Maritime Co. (guaranteed by United Maritime Corporation) as Charterers
and Village Seven Co., Ltd. and V7 Fune Inc. as Owners
in respect of the vessel**

MV "Exelixsea"

32. Additional Definitions

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

"Additional Clauses" means these additional clauses 32 to 48 to the Barecon 2001 bareboat charter dated 22 February 2024.

"Charter" means the Barecon 2001 bareboat charter dated 22 February 2024 and these Additional Clauses.

"Charterers' Guarantor" means United Maritime Corporation.

"Charter Hire" means the charter hire as per Box 22, Clause 11 and Clause 44.

"Classification Society" means classification society of the Vessel as indicated in Box 10 or such other classification society elected in accordance with Clause 10.

"Delivery Date" has the meaning given to it in Clause 33.

"Loan Outstanding" has the meaning given to it in Clause 44.

"MOA" means the memorandum of agreement in respect of the Vessel of even date herewith entered into between the Charterers (as sellers) and the Owners (as buyers) (as the same may be amended, supplemented or varied from time to time).

"Mortgagee" means Sumitomo Mitsui Banking Corporation (SMBC), in its capacity as registered holder of a first priority mortgage on the Vessel or any replacement holder of a first priority mortgage on the Vessel.

"Owners" means collectively Village Seven Co., Ltd. and V7 Fune Inc.

"Purchase Option" means Charterers' option to purchase the Vessel as further described in Clause 40.

"Purchase Option Price" means the price payable by the Charterers to the Owners for the purchase of the Vessel in accordance with Clause 40.

"Quotation Day" means, in relation to any period for which 3 Month TERM CME SOFR is to be determined, five (5) US Government Securities Business Days before the first day of that period. The first Quotation Day will be five (5) US Government Securities Business Days before the Delivery Date.

"Total Loss" has the meaning given to it in Clause 41.

33. Delivery

The Charterers shall take delivery of the Vessel under this Charter simultaneously with delivery by the Charterers as sellers to the Owners as buyers under the MOA, and the Owners shall be obliged to deliver the Vessel to the Charterers hereunder in the same moment as the Owners is taking delivery of the Vessel under the MOA (such date to be referred to as the **"Delivery Date"**) without any settlement for any remaining bunkers and unused lubricating oils including hydraulic oils and greases, unbrokeed provisions, paints, ropes and other consumable stores which are excluded from the sale and taken over by the Charterers from the Sellers directly.

In the event that the Vessel is not delivered under the MOA for whatever reason, this Charter shall automatically terminate.

34. Conditions for delivery

Prior to delivery of the Vessel under this Charter, the parties shall exchange the following documents:

- (a) one (1) copy of a Certificate of Incumbency or equivalent issued not more than five (5) Banking Days before the date of delivery of the Vessel, stating all Directors and shareholders and that the subject company is in good standing;
- (b) certified copies of the corporate resolutions of the Owners and the Charterers approving the contents of and the entering into of the Charter;
- (c) one (1) copy of a notarised or legalized and apostilled Power of Attorney granted by the Owners and the Charterers with respect to the representative(s) at closing and the persons signing this Charter and the MOA, with the originals to be exchanged within five (5) Banking Days from the date of delivery of the Vessel; and
- (d) such other documents as each of the Owners and Charterers may reasonably require.

35. Vessel's condition on delivery

The Vessel shall be delivered under this Charter in the same condition and with the same equipment, inventory and spare parts as she is delivered to the Owners under the MOA. The Charterers know the Vessel's condition at the time of delivery, and expressly agree that the Vessel's condition as delivered under the MOA is acceptable and in accordance with the provisions of this Charter. The Vessel shall be delivered to the Charterers under the Charter strictly "as is/where is", and the Charterers shall have no claim against the Owners under this Charter or otherwise as a result of the Vessel's physical condition.

36. Inspection on re-delivery of the Vessel (see also clause 7)

In connection with the redelivery of the Vessel under the Charter, the Vessel shall not be dry-docked unless required by the Classification Society.

In lieu of dry-docking, Owners shall have the right to appoint a diver acceptable to the Classification Society to undertake an underwater inspection at a convenient port after giving reasonable notice and with due consultation between Owners and Charterers. Such divers' inspection shall be carried out at Owners' expense and without interference to the Vessel's trading and normal operation.

Should such underwater inspection reveal damages that affect the class of the Vessel whereby such damage repairs cannot be made to the Vessel without dry-docking and the Classification Society will not grant an extension, then Vessel is to be dry-docked as soon as possible by Charterers to repair such damages to the Classification Society's satisfaction at Charterers' time and expense.

If in the opinion of the Classification Society the damages do not necessitate immediate dry-docking, then the Classification Society shall issue a certificate showing the extent and place of damage and Charterers shall repair same to the satisfaction of the Classification Society at next dry-docking, provided that such dry-docking is within the Charter Period. If the next Classification Society dry-docking is after the re-delivery of the Vessel under this Charter, the Charterers shall in their option (i) repair such damages before redelivery of the Vessel hereunder or (ii) provide the Owners with an agreed lump sum, (the Charterers and the Owners shall each select a reputable shipyard in the redelivery range and obtain from such shipyard a quotation for the cost of repairs of the damage. The estimated cost of repairs shall be defined as the average of the two quotations obtained from the two shipyards), a first class bank guarantee or sum a cash deposit to be provided, in the Charterers' option, covering the expected costs of such repairs.

This Clause 36 shall not apply if the Charterers exercise their purchase option as set out in Clause 40.

The Vessel with everything belonging to her shall be at the Charterers' risk and expense until she is delivered to the Owners, but subject to the terms and conditions of this Charter she shall be re-delivered and taken over as she was at the time of joint surveys in accordance with clause 7 in this Charter, fair wear and tear excepted.

37. Familiarisation

The Owners shall have a right to place two representatives on board the Vessel for familiarisation purposes twenty-one (21) days prior to the redelivery of the Vessel to Owners under this Charter. These representatives shall sign the Charterers' usual indemnity form. Charterers shall cooperate with Owners' representatives for their reasonable comments, requests and questions which they may have for familiarisation purpose.

This Clause 37 shall not apply if the Charterers exercise their purchase option as set out in Clause 40.

38. Owners' Assignment, Performance Guarantee and Quiet Enjoyment Letter

The Owners warrant that its purpose and business will be the acquisition and bareboat chartering out of the Vessel as contemplated in this Charter and the MOA.

The Owners shall have the right to assign to any and all mortgagees of the Vessel who are banks financing the Vessel any and all of the rights, benefits and interest of the Owners in and to this Charter, including but not limited to assignments of earnings and assignment of this Charter and Vessel's insurance subject to Clause 41.

The Charterers are entitled to receive a quiet enjoyment letter from the financiers of the Owners, in customary form for these transactions, and the Owners shall also agree to issue a quiet enjoyment letter from the Owners to its customers if so requested by the Charterer's customer. Such quiet enjoyment letters to be on terms acceptable to the Charterers.

The Owners hereby undertake to the Charterers throughout the term of this Charter that, as long as no Charterers' Default has occurred and is continuing, the Owners shall not disturb or interfere in any way whatsoever with the quiet and peaceful use, enjoyment, possession and employment of the Vessel by the Charterers.

The performance of the Charterers hereunder shall be guaranteed by the Charterers' Guarantor. The guarantee shall be in the format attached hereto as Appendix B.

39. Transfer of the Vessel

(a) Any change of ownership of the Vessel or of the ownership of the Owners during the Charter Period shall require the Charterers' prior written approval which Charterers shall be at full discretion whether to grant or decline.

(b) The Owners undertake that V7 Fune Inc. shall remain a wholly owned subsidiary of Village Seven Co., Ltd. during the term of this Charter. A change of control in V7 Fune Inc. shall be deemed as owners' default under Clause 28 of this Charter.

(c) Each of the Owners and Charterers shall during the Charter Period be entitled to assign their rights and obligations to any of their affiliates under the Charter subject to the prior written consent of the other Party, which shall not be unreasonably withheld, and in such case the guarantees granted hereunder shall continue to remain in full force and effect irrespective of the said assignment(s) under the Charter. Each Party shall bear their own costs related to the above assignments.

40. Charterers' Options

40.1. Charterers' Purchase Option

Charterers may purchase the Vessel at any time during the Charter (the "**Purchase Option**"), starting from the 2nd anniversary of the Delivery Date, or in case of a default hereunder by the Owners, at any time during the Charter at a price (the "**Purchase Option Price**") calculated as follows:

The Purchase Option Price = $[A - [(A-B) / 365 \times C]] \times (1+D)$

Where:

A: the Loan Outstanding at the end of the year preceding the year in which the Vessel is delivered (i.e. Loan Outstanding in month 24, 36, 48 or 60 as the case may be). If the Vessel is delivered at an exact anniversary of the Delivery Date, "A" in the formula above shall be the same as "B" i.e. Loan Outstanding at the date on which the Vessel is delivered;

B: the Loan Outstanding at the end of the year in which the Vessel is delivered (i.e. in month 24, 36, 48, 60 or 72 as the case may be); and

C: the actual number of days from the beginning of the year in which the Vessel was delivered to (and including) the actual delivery date of the Vessel under the Purchase Option.

D: a premium (the "Purchase Option Premium") depending on the time of the Vessel delivery as follows:

- 4%, starting from the end of the 24th month
- 3%, starting from the end of the 36th month

In case the Charterers' Extension Option is exercised:

- 2%, starting from the end of the 48th month
- 1%, starting from the end of the 60th month.

The Purchase Option Price at the end of the Optional Period of this Charter shall be USD1.00.

Charterers obligation to pay Charter Hire shall cease to apply from the actual delivery date of the Vessel under Purchase Option.

The Charterers must give a minimum of 90 (ninety) days' written notice of their intention to buy the Vessel, subject to the options being exercised in the months from July to March, otherwise the Charterers must give a minimum of 120 (one hundred twenty) days' written notice of their intention to buy the vessel (from April to June). The Purchase Option Price shall be paid to the Owners upon delivery of the Vessel as per Clause 3 of the MOA attached hereto as Appendix A. The Vessel shall be delivered as soon as possible after expiry of the 90 (ninety) or 120 (one hundred twenty) days' notice and Owners undertake to render the necessary assistance in order to achieve this. Once the Purchase Option has been exercised by Charterers, they may not withdraw same.

The Charterers shall accept the Vessel on an "AS IS, WHERE IS" basis and the Owners shall, take such steps to obtain and furnish such documents and take such other actions as the Charterers may reasonably request in order to facilitate the sale and re-registration of the Vessel under such flag as the Charterers may designate.

With respect to such sale, the Owners warrant that the Vessel at such sale shall be free of any encumbrances, debts, mortgages and maritime liens whatsoever and that the Owners have not committed any act or omission which would impair title to the Vessel and Owners hereby agree to indemnify and hold harmless Charterers in respect of any and all damages, costs and expenses whatsoever resulting from any breach of such warranty.

The terms and conditions of the form of the MOA attached hereto as Appendix A shall govern the purchase of the Vessel as set out in this Clause 40.

Upon completion of such purchase of the Vessel as set out in this Clause 40, the Charter and all further rights and obligations of the parties hereunder (except for indemnities and other obligations that by their nature should survive the termination of this Charter) shall terminate.

40.2. Charterers' Extension Option

The Charterers shall have the option to extend the Charter Period for a period of further two (2) years (the "**Optional Period**") on the same terms and conditions as set forth herein upon giving written notice to the Owners of not less than ninety (90) days prior to the expiration of the Initial Term of the Charter Period.

41. Insurance

(a) For the purposes of this Charter, the term "Total Loss" shall mean any actual or constructive or compromised or agreed or arranged total loss of the Vessel including any such total loss as may arise during a requisition for hire.

(b) The Charterers undertake with the Owners that throughout the Charter Period:-

- (i) without prejudice to their obligations under Clause 13 hereof, they will keep the Vessel insured on the basis of the Institute of London Underwriters "Institute Time Clause-Hull" and "Institute War and Strikes Clauses" as amended or similar, as the Charterers shall choose with such insurers (including P&I Clubs and war risks Associations) as the Charterers shall choose, provided that all insurances are issued with reputable insurers and that any P&I association which is a member of the International Group of P&I Clubs and the current H&M terms and underwriters shall be deemed to be pre-approved (it being agreed and understood by the Charterers that there shall be no element of self-insurance or insurance through captive insurance companies without the prior written consent of the Owners);
- (ii) the policies in respect of the insurances against fire and usual marine risks and the policies or entries in respect of the insurances against war risks shall, in each case, be endorsed to the effect that payment of a claim for a Total Loss will be made to the Owners (or the Mortgagees as assignees thereof) (who shall upon the receipt thereof apply the same in the manner described in Clause 41(e) hereof);
- (iii) the Charterers shall procure that duplicates or copies of all cover notes, policies and certificates of entry shall be furnished to the Owners for their custody, upon request;
- (iv) the Charterers shall procure that the insurers and the war risk and protection and indemnity associations with which the Vessel is entered shall:
 - (A) furnish the Owners and Mortgagee with a letter or letter of undertaking in such form as may from time to time be reasonably required by the Owners, and
 - (B) supply to the Owners such information in relation to the insurances effected, or to be effected, with them as the Owners may from time to time reasonably require; and
- (v) the Charterers shall procure that the policies, entries or other instruments evidencing the insurances are endorsed to the effect that the insurers shall give to the Owners not less than five (5) days prior written notification of any amendment, suspension, cancellation or termination of the insurances, unless subject to any automatic termination/cancellation of cover provisions in the relevant insurances, in which event, if such insurances are automatically terminated/cancelled, Owners shall be advised promptly and Charterers shall immediately procure re-instatement or replacement insurances of those terminated/cancelled insurances.

(c) Notwithstanding anything to the contrary contained in Clauses 13 and 41 (b) hereof, the Vessel shall be kept insured during the Charter Period in respect of marine and war risks on hull and machinery basis for not less than one hundred and ten per cent (110%) of the Loan Outstanding or the Purchase Option Prices, whichever is higher (hereinafter referred to as the "Minimum Insured Value").

The Owners may request the Charterers to increase the insurance value above the Minimum Insured Value, however, any additional insurance costs related thereby shall be for the Owners' account.

(d) If the Vessel becomes a Total Loss or becomes subject to Compulsory Acquisition the chartering of the Vessel to the Charterers hereunder shall cease and the Charterers shall:-

(i) immediately pay to the Owners all hire, and any other amounts, which have fallen due for payment under this Charter and have not been paid as at up to the date on which the Total Loss or Compulsory Acquisition occurred as described below (the "Date of Loss") and shall cease to be under any liability to pay any further hire. All hire and any other amounts prepaid by the Charterers relating to the period after the Date of Loss shall be forthwith refunded by the Owners and any hire paid in advance to be adjusted/reimbursed.

(ii) For the purpose of ascertaining the Date of Loss:

(A) an actual total loss of the Vessel shall be deemed to have occurred on the actual date the Vessel was lost but in the event of the date of the loss being unknown the actual total loss shall be deemed to have occurred on the date on which it is acknowledged by the insurers to have occurred;

(B) a constructive, compromised, agreed, or arranged total loss of the Vessel shall be deemed to have occurred on the date that notice claiming such a total loss of the Vessel is given to the insurers, or, if the insurers do not admit such a claim, at the date and time at which a total loss is subsequently admitted by the insurers or the date and time adjudged by a competent court of law or arbitration tribunal to have occurred. Either the Owners or, with the prior written consent of the Owners (such consent not to be unreasonably withheld), the Charterers shall be entitled to give notice claiming a constructive total loss but prior to the giving of such notice there shall be consultation between the Charterers and the Owners and the party proposing to give such notice shall be supplied with all such information as such party may request; Each of the Owners and the Charterers, upon the request of the other, shall promptly execute such documents as may be required to enable the other to abandon the Vessel and claim a constructive total loss and shall give all possible assistance in pursuing the said claim; and

(C) Compulsory Acquisition shall be deemed to have occurred at the time of occurrence of the relevant circumstances described in Clause 25(b) hereof.

(e) All moneys payable under the insurance effected by the Charterers pursuant to Clauses 13 and 41, or other compensation, in respect of a Total Loss or pursuant to Compulsory Acquisition of the Vessel shall be received in full by the Owners (or the Mortgagees as assignees thereof) and applied by the Owners (or, as the case may be, the Mortgagees):

FIRSTLY, in payment of all the Owners' or the Charterers' costs incidental to the collection thereof,

SECONDLY, in or towards payment to the Owners (to the extent that the Owners have not already received the same in full) of a sum equal to the Purchase Option Price as per the provisions in clause 40 immediately above, for the year in which the Date of Loss occurs and which shall be calculated pro rata per diem (and determined on the same principles should a Date of Loss occur prior to the Purchase Option being applicable),

THIRDLY, in payment of any surplus to the Charterers by way of compensation for early termination.

(f) In respect of partial losses, any payment by insurance underwriters not exceeding USD500,000.00 shall be paid directly to the Charterers who shall apply the same to effect the repairs in respect of which payment

is made. Any moneys in excess of USD 500,000.00 payable under such insurance other than Total Loss shall be paid to the Charterers subject to the prior written consent of the Owners or the Owners' bank but such consent shall not be unreasonably withheld or delayed. In the absence of such prior written consent the money shall be paid to the Owners or the Owners' bank who shall apply the same for Charterers' effect of the repairs in respect of which payment is made.

- (g) The provisions of Clauses 13 and 41 hereof shall not apply in any way to the proceeds of any additional insurance cover effected by the Owners and/or the Charterers for their own account and benefit.
- (h) The Charterers shall promptly notify the Owners of:
- (i) any accident to the Vessel involving repairs the cost of which exceeds USD 500,000.00 or the equivalent in any other currencies; or
 - (ii) any occurrence in consequence whereof the Vessel has become a Total Loss or Compulsory Acquisition.

42. Inconsistency

In case of any inconsistency between (i) the standard terms of this Charter and (ii) the Rider Clauses, the latter shall prevail.

43. Registration Fees

Any and all documented fees and charges incurred by the Owners/Buyers in connection with registration or reregistration of the Vessel on delivery or re-delivery of the Vessel, including but not limited to SMBC's upfront fee, mortgage registration fees, the amount of USD 2,500.00 which shall be payable by the Charterers to the Owners under Clause 16 of the MOA, escrow agent fees, if any, and discharge of mortgage fees at the end of the Charter, to be borne by the Charterers, with the aggregate amount to be limited to USD 150,000.00.

44. Floating part of charter hire

In the charter hire structure set out in Box 22, the Floating part shall be calculated by Loan Outstanding in the table set out below times (3 Month TERM CME SOFR plus 2.65%) times number of days during the upcoming month divided by 360 days.

3 Month TERM CME SOFR will be set on each applicable Quotation Day, will be updated on a quarterly basis and shall remain stable for three (3) consecutive charter hire payments. Should the 3 Month TERM CME SOFR rate fall below zero, a SOFR rate equal to zero to be applied.

Month	Loan Outstanding
0	13,800,000.00
1	13,608,333.33
2	13,416,666.67
3	13,225,000.00
4	13,033,333.33
5	12,841,666.67

6	12,650,000.00
7	12,458,333.33
8	12,266,666.67
9	12,075,000.00
10	11,883,333.33
11	11,691,666.67
12	11,500,000.00
13	11,308,333.33
14	11,116,666.67
15	10,925,000.00
16	10,733,333.33
17	10,541,666.67
18	10,350,000.00
19	10,158,333.33
20	9,966,666.67
21	9,775,000.00
22	9,583,333.33
23	9,391,666.67
24	9,200,000.00
25	9,008,333.33
26	8,816,666.67
27	8,625,000.00
28	8,433,333.33
29	8,241,666.67
30	8,050,000.00
31	7,858,333.33
32	7,666,666.67
33	7,475,000.00
34	7,283,333.33
35	7,091,666.67
36	6,900,000.00
37	6,708,333.33
38	6,516,666.67
39	6,325,000.00
40	6,133,333.33
41	5,941,666.67
42	5,750,000.00
43	5,558,333.33
44	5,366,666.67
45	5,175,000.00
46	4,983,333.33
47	4,791,666.67
48	4,600,000.00
	Following the exercise of Charterers' Extension Option:
49	4,408,333.33

50	4,216,666.67
51	4,025,000.00
52	3,833,333.33
53	3,641,666.67
54	3,450,000.00
55	3,258,333.33
56	3,066,666.67
57	2,875,000.00
58	2,683,333.33
59	2,491,666.67
60	2,300,000.00
61	2,108,333.33
62	1,916,666.67
63	1,725,000.00
64	1,533,333.33
65	1,341,666.67
66	1,150,000.00
67	958,333.33
68	766,666.67
69	575,000.00
70	383,333.33
71	191,666.67
72	0.00

45. Charterers' information undertaking

- (a) The Charterers shall obtain an appraisal report from Clarksons Platou, Braemar ACM, Fearnleys AS, Arrow Valuations, Simpson Spence & Young Limited, Howe Robinson, BRS Group and Allied Shipbroking or any other firm or firms of shipbrokers approved in writing by the Owners as of each last bussiness day of March during the Charter Period and provide such report to the Owners.
- (b) The Charterers and/or the Charterers' Guarantor shall provide the Owners with each of its audited or unaudited (in the case of the Charterer) financial reports on an annual basis during the Charter Period within 180 days from each of its financial year end.

46. Money laundering, sanctions, anti-corruption:

Notwithstanding any other clause in this Charter, each Party warrants, represents and undertakes to the other Party on a continuing basis:

(Money laundering):

that it, and parties acting on its behalf in relation to this Charter, shall observe and abide with, including but not limited any law, official requirement or other regulatory measure or procedure implemented to combat money laundering as defined in any laws or regulations applicable to such Party, and

(Sanctions):

that it, nor any of their directors, executive managers and owners, is sanctioned by USA, the UK, the European union or the United Nations or any other nation or governmental body or organization relevant to the trading of the Vessel under this Charter, and

that it, its directors, executive managers and owners, has not been a party, either directly or indirectly, to any contract or conduct in contravention of any applicable sanctions legislation or directives of either the USA, the UK, the European union or the United Nations or any other nation or governmental body or organization relevant to the trading of the Vessel under this Charter. Moreover, the Party is acting for itself only and is not acting on behalf of any other individual or corporation, and

(Anti-corruption):

that it, its directors, executive managers and owners shall comply with all applicable anti-corruption laws, regulations and contractual provisions, including without limitation the US Foreign Corrupt Practices Act and the UK Bribery Act, and

that it, its directors, executive managers and owners shall not, directly or through third parties, in relation to the Charter, give, promise or attempt to give, or approve or authorize the giving of, anything of value to any person, any public official or any entity for the purpose of:

- securing any improper advantage for either Party;
- inducing or influencing anyone improperly to take action or refrain from taking action in order for either Party to obtain or retain business, or to secure the direction of business to either Party;
- inducing or influencing anyone to use his/her influence with any Government or public international organization for such purpose; and

that:

- to the best of its knowledge, none of its directors, executive managers or owners have carried out any of the actions described above;
- all remuneration received under this Charter is solely intended as compensation for the services expressly provided under this Charter, including the Parties' related documented costs and expenses, and that it is not receiving remuneration for any other purpose; and,
- neither the Party, nor any of its companies, directors, executive managers or owners shall use any part of said remuneration for any purpose prohibited under this clause 46

(Others):

that neither it, its directors, executive managers and owners, have been suspended from doing business in any form subject to investigation or charged with or sentenced for relevant criminal behaviour, fraud, false statements, corruption or other related activities;

47. Confidentiality

This Charter including all negotiations, fixtures and written correspondence shall remain strictly confidential between the Owners, the Charterers, financiers/banks and insurance companies provided however that each of the Owners, Charterers and United Maritime Corporation may disclose as much as may be necessary of the terms of this Charter and relevant documentation to their auditors, third party managers, legal counsels, accountants, affiliates and as otherwise may be required by applicable laws or regulations, including but not limited to any stock exchange and/or securities and exchange commission laws and regulations. Any report or release or publication of the lease back shall not be grounds for either the Owners or the Charterers to withdraw from their obligations under this Charter. Press releases or reports as required by stock exchange rules and regulations are allowed.

48. ETS - EMISSION TRADING SCHEME

Notwithstanding any other provision in this Charter, the Owners and the Charterers agree as follows:

"Emission Allowances" means an allowance, credit, quota, permit or equivalent, representing a right of a vessel to emit a specified quantity of greenhouse gas emissions recognised by the Emission Scheme, or generally in connection with emissions, carbon reduction or other environmental or sustainability national or international laws or regulations applicable to the Vessel and her operation.

"Emission Scheme" means a greenhouse gas emissions trading scheme and any emissions, carbon reduction or other environmental or sustainability national or international laws or regulations applicable to the Vessel and her operation, which for the purposes of this Clause shall include (without limitation) the European Union Emissions Trading System and any other similar systems imposed by any similar or equivalent international, regional, national or local scheme implemented by the IMO or any other lawful national or other authority that regulate the issuance, allocation, trading or surrendering of Emission Allowances.

- (i) Subject to any mandatory provisions of any applicable Emissions Scheme and the corresponding national or international laws and regulations, the Charterers shall exercise their best endeavours to take all necessary actions to be the sole responsible party for compliance with all Emission Scheme obligations in relation to the Vessel, provided this is feasible and legally permissible, pursuant to any domestic or international law or regulation, directed to the Owners as registered or beneficial owners of the Vessel.
 - (ii) Notwithstanding sub-paragraph (i) above, the Charterers shall be permitted to sub-delegate such Emission Scheme responsibility on to any entity, including without limitation to the relevant holder of Document of Compliance/ISM Company under the ISM Code in respect of the Vessel, as it may be lawfully allowed by the applicable Emission Scheme and subject to the consent of the holder of the Document of Compliance/ISM Company of the Vessel. Such sub-delegation shall be documented in accordance with the requirements imposed by the relevant Emissions Scheme and a signed copy of such documentation shall be provided by or made available to the Owners, as may be applicable, including but not limited to any written mandate requested by the competent authorities.
 - (iii) The Charterers and the Owners shall co-operate and assist each other to deliver all such forms as are required to be filed to any relevant authorities in relation to the delegation and assumption of any Emission Scheme responsibilities within reasonable time and always in accordance with any deadlines set by the competent authority and the applicable laws or regulations.
 - (iv) Without limiting the foregoing, throughout the Charter Period, the Charterers or any mandated entity, shall arrange for providing and paying for or otherwise surrendering the Emission Allowances corresponding to the Vessel's emissions under the scope of the applicable Emission Scheme without any delay whatsoever.
 - (v) Emission Allowances, taxes, charges, levies, fees, fines, costs or expenses incurred or imposed in connection with any Emissions Scheme, shall be for the Charterers' account and are to be settled directly by them or their mandated entity (subject always to any mandatory provisions of the applicable Emissions Scheme or relevant laws or regulations).
 - (vi) The Charterers shall use their best endeavours to ensure that the Charterers or any mandated, as above, entity shall comply, sign, acknowledge in writing in any form that may be reasonably required, and provide all such information and documents to the Owners as necessary to enable the Owners and any Emission Scheme obligor to document and evidence to any authority their delegation/mandating of all Emission Scheme obligations in relation to the Vessel (and the assumption of same by the relevant mandated entity), as may be required from time to time during the Charter Period by the Owners, any manager or other mandated entity, and any
-

- (vii) relevant Emission Scheme authority, in conformity with the provisions of this Clause. The Owners shall also ensure to provide the Charterers with all necessary information, documents or details as above and as same may be required by any authorities in connection any applicable Emissions Scheme, including but not limited to opening any accounts and/or surrendering any Emissions Allowances, in order to ensure that the Vessel will comply with any applicable Emissions Scheme laws and regulations.
 - (viii) The Owners undertake to relay to the Charterers, without delay, any information that might be received by the Owners for any reason whatsoever, including by error of any authority, and which might relate to compliance with any Emission Scheme.
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IN WITNESS HEREOF the Owners and the Charterers have signed and executed TWO COPIES of this Charter the day and year first written.

For the Owners:

/s/ Mamoru Nanamura

Village Seven Co., Ltd.
Mamoru Nanamura
Representative Director/ President

For the Owners:

/s/ Mamoru Nanamura

V7 Fune Inc.
Mamoru Nanamura
Representative Director/ President

List of Appendices:

Appendix A: Memorandum of Agreement for purchase option
Appendix B Form of performance guarantee

For the Charterers:

/s/ Stavros Gyftakis

Exelixsea Maritime Co.
Stavros Gyftakis
Director/ Treasurer

Appendix A

Memorandum of Agreement for purchase option

To be agreed between the parties following Charterers' written notice to the Owners of their intention to buy the Vessel

Appendix B

Form of performance guarantee

To: Village Seven Co., Ltd.,
6-21, Konan 3-chome, Minato-ku, Tokyo, Japan
and
V7 Fune Inc.
BICSA Financial Center, 60th Floor, Balboa Avenue, Panama City, Republic of Panama
(collectively, the "Owners")

Dear Sirs,

GUARANTEE

In consideration of the entry into by you of a Memorandum of Agreement (hereinafter called the "MOA") dated [...] [...] 2024, with Exelixsea Maritime Co. as sellers (hereinafter called "Exelixsea Maritime") for the sale and purchase of the motor vessel "Exelixsea" with IMO number 9476953 (hereinafter called the "Vessel") and a Bareboat Charter Party (hereinafter called the "BBCP") dated [...] [...] 2024, with Exelixsea Maritime as charterers for the bareboat chartering of the Vessel, we, the undersigned, as the primary obligor, irrevocably and unconditionally guarantee to you and your successors and assignees the due and punctual performance by Exelixsea Maritime of all its liabilities, obligations and responsibilities under the MOA and the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto.

If, at any time, default is made by Exelixsea Maritime in the performance and/or observance of any term, provision, condition, obligation or agreement, or in any other matter or thing pertaining to the MOA or the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto, or in the payment of any sums payable pursuant thereto which are to be complied with by Exelixsea Maritime, its successors or assignees, then we will perform, or cause to be so performed, all terms, provisions, conditions, obligations and agreements contained in the MOA or the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto, and will pay, as our own debt and within three (3) Banking Days (as defined in the BBCP) on demand, any sum that is due and payable in consequence of the non-performance by Exelixsea Maritime, its successors and assignees, of any of the said terms, provisions, conditions, obligations and agreements.

Any demand made by the Owners under this guarantee shall be made in writing signed by an authorized signatory of the Owners and shall specify the default of Exelixsea Maritime and shall be accompanied by a copy of the notice of such default served on Exelixsea Maritime by the Owners together with a statement (if any) that Exelixsea Maritime have failed to remedy such default within any applicable grace period.

We hereby irrevocably and unconditionally agree to indemnify you on demand and keep you indemnified against all costs, charges, expenses, claims, liabilities, losses, duties and fees (including, but not limited to, reasonable and documented legal fees and expenses on a full indemnity basis) and taxes thereon suffered or incurred by you, directly as a result of any breach or non-performance of, or non-compliance by Exelixsea Maritime with, any of its obligations under or pursuant to the MOA or the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto, or as a result of any of those obligations being or becoming void, voidable or unenforceable.

The undersigned hereby affirm and consent to any and all amendments, changes or modifications to be hereafter made to the MOA or BBCP without requesting any further notice and without such amendments, changes or modifications in any way affecting, changing or releasing us from our obligations given under this guarantee.

We hereby represent, warrant and undertake, that:

- a) We have full power, authority and capacity to enter into and perform our obligations under this guarantee and have taken all necessary corporate or other action (as the case may be) required to enable us to do so and our entry into of this guarantee will not exceed any power in our constitutional documents;
- b) This guarantee constitutes valid and legally binding obligations of us enforceable in accordance with its terms;
- c) All consents, licenses, approvals and authorizations of governmental authorities and agencies required to make this guarantee valid, enforceable and admissible in evidence and to authorize and permit the execution, delivery and performance of this guarantee by us have been obtained or made and will remain in full force and effect and there has been no default in the observance of any of the terms or conditions of any of them;
- d) We have not taken nor received, and undertake that until all the obligations of Exelixsea Maritime under the MOA or the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto have been paid or discharged in full we will not take or receive, the benefit of any security from Exelixsea Maritime or any other person in respect of our obligations under this guarantee;
- e) We will promptly inform you of any occurrence of which we become aware which might adversely affect the ability of us to perform our obligations under this guarantee and will from time to time, if so reasonably requested by you, confirm to you in writing that, save as otherwise stated in such confirmation, no event of default under the BBCP has occurred and is continuing; and
- f) We will not assign or transfer any of our rights or obligations under this guarantee.

This guarantee:

- a) shall become effective upon signing of the MOA and BBCP and shall only become null and void upon the fulfillment of all obligations of Exelixsea Maritime under the MOA and BBCP whereafter this guarantee shall be immediately returned to us upon such fulfillment;
- b) shall be in addition to, and shall not be prejudiced or affected by, any other security for the obligations of Exelixsea Maritime which may be from time to time held by you; and
- c) shall not be discharged or prejudiced by the liquidation, bankruptcy or dissolution (or proceedings analogous thereto) of Exelixsea Maritime or the appointment of a receiver or administrative receiver or administrator or trustee or similar officer of any of the assets of Exelixsea Maritime or any term or concessions given by you to Exelixsea Maritime or any other party, or, subject to applicable limitation periods, by anything which you may do or omit to do or by any other dealing or thing whatsoever which but for the provisions of this paragraph might operate to discharge us from liability.

The provisions of clause 31 (Notices) of the BBCP shall apply (mutatis mutandis) to this guarantee.

This guarantee, and all rights and obligations arising hereunder shall be governed by and construed and determined and may be enforced in accordance with the Laws of England.

Any dispute arising out of in connection with this guarantee shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this clause.

The arbitration shall be conducted under and in accordance with London Maritime Arbitrator Association (L.M.A.A.) terms and conditions current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$200,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

For and on behalf of
United Maritime Corporation (as the "Guarantor")

Name: Stavros Gyftakis
Title: Chief Financial Officer

Date : February 22, 2024

To: Village Seven Co., Ltd.,
6-21, Konan 3-chome, Minato-ku, Tokyo, Japan
and
V7 Fune Inc.
BICSA Financial Center, 60th Floor, Balboa Avenue, Panama City, Republic of Panama
(collectively, the "Owners")

Dear Sirs,

GUARANTEE

In consideration of the entry into by you of a Memorandum of Agreement (hereinafter called the "MOA") dated February 22, 2024, with Exelixsea Maritime Co. as sellers (hereinafter called "Exelixsea Maritime") for the sale and purchase of the motor vessel "Exelixsea" with IMO number 9476953 (hereinafter called the "Vessel") and a Bareboat Charter Party (hereinafter called the "BBCP") dated February 22, 2024, with Exelixsea Maritime as charterers for the bareboat chartering of the Vessel, we, the undersigned, as the primary obligor, irrevocably and unconditionally guarantee to you and your successors and assignees the due and punctual performance by Exelixsea Maritime of all its liabilities, obligations and responsibilities under the MOA and the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto.

If, at any time, default is made by Exelixsea Maritime in the performance and/or observance of any term, provision, condition, obligation or agreement, or in any other matter or thing pertaining to the MOA or the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto, or in the payment of any sums payable pursuant thereto which are to be complied with by Exelixsea Maritime, its successors or assignees, then we will perform, or cause to be so performed, all terms, provisions, conditions, obligations and agreements contained in the MOA or the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto, and will pay, as our own debt and within three (3) Banking Days (as defined in the BBCP) on demand, any sum that is due and payable in consequence of the non-performance by Exelixsea Maritime, its successors and assignees, of any of the said terms, provisions, conditions, obligations and agreements.

Any demand made by the Owners under this guarantee shall be made in writing signed by an authorized signatory of the Owners and shall specify the default of Exelixsea Maritime and shall be accompanied by a copy of the notice of such default served on Exelixsea Maritime by the Owners together with a statement (if any) that Exelixsea Maritime have failed to remedy such default within any applicable grace period.

We hereby irrevocably and unconditionally agree to indemnify you on demand and keep you indemnified against all costs, charges, expenses, claims, liabilities, losses, duties and fees (including, but not limited to, reasonable and documented legal fees and expenses on a full indemnity basis) and taxes thereon suffered or incurred by you, directly as a result of any breach or non-performance of, or non-compliance by Exelixsea Maritime with, any of its obligations under or pursuant to the MOA or the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto, or as a result of any of those obligations being or becoming void, voidable or unenforceable.

The undersigned hereby affirm and consent to any and all amendments, changes or modifications to be hereafter made to the MOA or BBCP without requesting any further notice and without such amendments, changes or modifications in any way affecting, changing or releasing us from our obligations given under this guarantee.

We hereby represent, warrant and undertake, that:

- a) We have full power, authority and capacity to enter into and perform our obligations under this guarantee and have taken all necessary corporate or other action (as the case may be) required to enable us to do so and our entry into of this guarantee will not exceed any power in our constitutional documents;
 - b) This guarantee constitutes valid and legally binding obligations of us enforceable in accordance with its terms;
 - c) All consents, licenses, approvals and authorizations of governmental authorities and agencies required to make this guarantee valid, enforceable and admissible in evidence and to authorize and permit the execution, delivery and performance of this guarantee by us have been obtained or made and will remain in full force and effect and there has been no default in the observance of any of the terms or conditions of any of them;
-

- d) We have not taken nor received, and undertake that until all the obligations of Exelixsea Maritime under the MOA or the BBCP, and any supplements, amendments, changes or modifications hereafter made thereto have been paid or discharged in full we will not take or receive, the benefit of any security from Exelixsea Maritime or any other person in respect of our obligations under this guarantee;
- e) We will promptly inform you of any occurrence of which we become aware which might adversely affect the ability of us to perform our obligations under this guarantee and will from time to time, if so reasonably requested by you, confirm to you in writing that, save as otherwise stated in such confirmation, no event of default under the BBCP has occurred and is continuing; and
- f) We will not assign or transfer any of our rights or obligations under this guarantee.

This guarantee:

- a) shall become effective upon signing of the MOA and BBCP and shall only become null and void upon the fulfillment of all obligations of Exelixsea Maritime under the MOA and BBCP whereafter this guarantee shall be immediately returned to us upon such fulfillment;
- b) shall be in addition to, and shall not be prejudiced or affected by, any other security for the obligations of Exelixsea Maritime which may be from time to time held by you; and
- c) shall not be discharged or prejudiced by the liquidation, bankruptcy or dissolution (or proceedings analogous thereto) of Exelixsea Maritime or the appointment of a receiver or administrative receiver or administrator or trustee or similar officer of any of the assets of Exelixsea Maritime or any term or concessions given by you to Exelixsea Maritime or any other party, or, subject to applicable limitation periods, by anything which you may do or omit to do or by any other dealing or thing whatsoever which but for the provisions of this paragraph might operate to discharge us from liability.

The provisions of clause 31 (Notices) of the BBCP shall apply (mutatis mutandis) to this guarantee.

This guarantee, and all rights and obligations arising hereunder shall be governed by and construed and determined and may be enforced in accordance with the Laws of England.

Any dispute arising out of in connection with this guarantee shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this clause.

The arbitration shall be conducted under and in accordance with London Maritime Arbitrator Association (L.M.A.A.) terms and conditions current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$200,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

For and on behalf of
United Maritime Corporation (as the "Guarantor")
/s/ Stavros Gyftakis
Name: Stavros Gyftakis
Title: Chief Financial Officer



BARECON 2001

STANDARD BAREBOAT CHARTER

PART I

1. Shipbroker Japan Shipping Services Co., Ltd.	2. Place and date Greece 6th March, 2024
3. Owners/Place of business (Cl. 1) BASIC ETERNITY LINE S.A. Banco General Building, 15th floor, Aquilino De La Guardia Street, Marbella, Panama City, Republic of Panama	4. Bareboat Charterers/Place of business (Cl. 1) Nisea Maritime Co., of 80 Broad Street, Monrovia, Liberia guaranteed by United Maritime Corporation
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: M.V. SCARLET ROBIN Flag: PANAMA IMO: 9609615	
6. Type of Vessel Bulk Carrier	7. GT/NT GT: 43,715 NT: 27,753
8. When/Where built January 2016 Oshima Shipbuilding Co., Ltd.	9. Total DWT (abt.) in metric tons on summer freeboard About 82,235DWT
10. Classification Society (Cl. 3) NK (Nippon Kaiji Kyokai)	11. Date of last special survey by the Vessel's classification society 18th January, 2021
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) All of Class NK Certificates, trading, national and international certificates shall be clean, valid and unextended at the time of delivery on the vessel and continuous survey cycles shall be up to date without extension at the time of delivery,	
13. Port or Place of delivery (Cl. 3) Charter free, free of stowaways, safely afloat at a safe berth or a safe accessible anchorage at a safe port in passing muscat outbound/Japan range excluding East Coast India and Bangladesh, or Skaw/Passero range including Ireland/UK, excluding Black Sea and Azov Sea, or Boston/Bahia Blanca range including US Gulf/ Caribbean/East Coast Central America/North Coast South America unless otherwise mutually agreed in Owners' option but always at a place suitable for safe crew exchanges and usual delivery formalities.	14. Time for delivery (Cl. 4) Between 1st June, 2024 and 31st October, 2024 in Owners' option.
	15. Cancelling date (Cl.5) 31st October, 2024
16. Port or Place of redelivery (Cl. 15) Within Japan/Singapore range in Charterers' option	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) Three (3) months or less in case the delivery takes place during the annual / renewal process of the certificates.
18. Running days' notice if other than stated in Cl. 4 N/A	19. Frequency of dry-docking (Cl. 10(g)) As required by class

20. Trading limits (Cl. 6) Worldwide Trading always within Institute Warranty Limits (IWL). However, any country designated pursuant to any international (including United Nations, United States, European Union, member state of European Union, United Kingdom, Japan, Panama or China) or regulation imposing trade and economic sanctions, prohibitions or restrictions (which may be amended from time to time during the Charter period), North Korea, Israel, Ukraine, Russia, Black Sea port(s) and other countries sanctioned / boycotted / banned by UN, EU, USA, Japan, Panama or China, to be excluded from trading. If the situation of the country(ies) or a country not including in trading is changed, both parties will discuss. War or warlike zone to be excluded. The Charterers may breach IWL against payment of additional premium / expense prior to the Charterers' written notice to the Owners but need prior written Owners' consent. Owners' written response to be received within 24 hours not to delay the operation of the Vessel.	
21. Charter period (Cl. 2) 18 months + 30days at Charterers' option, from the time of delivery.	22. Charter hire (Cl. 11) USD 8,000 per day
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii)) See Clause 37	
24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV 5.0%	25. Currency and method of payment (Cl. 11) United States Dollars (see also clause 11)
26. Place of payment; also state beneficiary and bank account (Cl. 11) BANK NAME: MIZUHO BANK, LTD. BRANCH NAME: IMABARI BRANCH SWIFT CODE: BANK ADDRESS: 1-3-3 BEKKUCHO, IMABARI-SHI, EHIME, JAPAN BENEFICIARY'S USO ACCOUNT NO: BENEFICIARY: BENEFICIARY ADDRESS: Banco General Building, 15th floor, Aquilino De La Guardia Street, Panama City, Republic of Panama	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) N/A
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) See Clause 33	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) See Clause 34
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) N/A	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) See Clause 13(b)
32. Latent defects (only to be filled in if period other than stated in Cl. 3) N/A	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) Three (3) banking days (as defined in clause 1)	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30))
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) N/A	38. Name and place of Builders (only to be filled in if PART III applies) N/A

39. Vessel's Yard Building No. (only to be filled in if PART 111 applies) N/A	40. Date of Building Contract (only to be filled in if PART III applies) N/A
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) N/A b) N/A c) N/A	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) See Clause 36	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) Yes
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) Liberia	45. Country of the Underlying Registry (only to be filled in if PART V applies) N/A
46. Number of additional clauses covering special provisions, if agreed See Clause 32 to 45	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)- BASIC ETERNITY LINE S.A /s/ Genji Okochi Name: Genji Okochi Title: President	Signature (Charterers) Nisea Maritime Co. /s/ Stamatios Tsantanis Name: Stamatios Tsantanis Title: President

PART II
BARECON 2001 Standard Bareboat Charter

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

“The Owners” shall mean the party identified in Box 3.

“The Charterers” shall mean the party identified in Box 4.

“The Vessel” shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

“The Charter” means this Bareboat Charter with Rider clauses and as later amended

“The Parties” jointly refers to both the Owners and the Charterers

“Banking Days” are days on which banks are open in the United States of America (New York), Panama, Japan, Cyprus and Greece and Buyers nominated flag state

“Financial Instrument” means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28.

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (“The Charter Period”).

3. Delivery See Clause 32

(not applicable when part III applies, as indicated in Box 37)

- (a) The Owners shall ~~before and at the time of delivery exercise due diligence to make~~ deliver the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter following completion of an Underwater Inspection to be arranged by Charterers and paid by Charterers at the delivery port with NK class surveyor attendance arranged by Owners. Charterers to declare their option for underwater inspection following receipt of the 7 days' notice by Owners. In the event that damage affecting class is found, Owners to cover all expenses for the relevant repairs during the Vessel's redelivery or exercise of purchase option. In the event that the Class requires the repairs to be performed immediately (CoC), the repairs to be arranged prior to delivery of the Vessel from the Owners to the Charterers at Owners' cost.

The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in Box 13-
~~in such ready safe berth as the charterers may direct.~~ The Vessel delivery place should be available for crew exchanges and should be mutually agreed between the Owners and the Charterers. In case if due to Coronavirus issue, the delivery of the Vessel is affected or delayed by reasons, including but not limited to crew change not being able to take place at the intended delivery port, the new delivery place to mutually agreed between the Owners and the charterers. The sharing cost of related expenses as a result of such delays and change in delivery port to be shared 50/50 by both parties including the consumed bunkers and lubricating oils from the final discharging port to the actual delivery port. If delivery of the Vessel is expected to take place beyond the original Cancelling Date mentioned herein, then, the Cancelling Date shall be extended with mutual agreement by the parties.

- (b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in Box 5 and the requirements of the classification society stated in Box 10. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid and unextended at the time of the delivery ~~for at least the number of one months agreed in Box 12.~~

The Vessel shall be delivered charter free, free from AGM, free of stowaways and taken over safely afloat at the port or place indicated in Box 13. The Vessel shall be delivered with swept/clean cargo holds at the time of delivery, however the Owners have an option to deliver the vessel with her holds as they are without cleaning after discharge, against compensation of USD 4,000 ~~4,000~~ in lieu of cargo hold cleaning excluding removal of dunnage/debris/lashing removal.

PART II
BARECON 2001 Standard Bareboat Charter

The Vessel shall be delivered with her class maintained, free of condition, recommendations also free of damage affecting her class. The Owners shall provide the Charterers with Class Maintenance Certificate to be issued by Class NK dated not more than three (3) Banking Days prior to the expected date of delivery showing that, on the basis of the review of the Vessel's survey records filed in the Class head office, the Vessel's class is maintained without outstanding condition, recommendations (which does not mean "Note" and "Observation").

- (c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under this Clause 3, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel. ~~but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

4. Time for Delivery ~~(See also Clause 32)~~

~~(not applicable when part III applies, as indicated in Box 37)~~

The Vessel shall ~~not be delivered before~~ within the date indicated in Box 14 ~~without the Charterers consent and in~~ the Owners' option shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.

~~The Buyers crew are Syrian. In case that the Vessel shall be redelivered from current Charterers in USA (or any other port/country where Syrian crew can not go), then the Owners will shift the vessel to the place where Buyers can send their crews to onboard the vessel for delivery and buyers will pay the ballasting cost such as FO/DO consumed.~~

~~Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days preliminary and not less than fourteen (14) running days definite notice of the date on which the Vessel is expected to be ready for delivery. The Owners shall tender the Charterers 25/ 30/20/15/ 20/15/10/7/5 3 days' approximate notices with intended delivery port and 3, 2, 1 days' definite notices delivery. Along with the Twenty (20) Ten (10) days approximate notice Sellers at least to nominate Delivery Country. The Owners shall keep the Charterers closely advised of possible changes in the Vessel's position.~~

The Charterers shall take delivery of the Vessel within three (3) Banking Days after the Owners have tendered to the Charterers "Notice of Readiness for Delivery" (NOR) in accordance with the terms and conditions of this agreement, the date of tendering such NOR exclusive.

Save for the case that the Owners and the Charterers do not reach the agreement of the delivery place, in the event the Charterers do not take delivery of the Vessel within the period specified above, the Charterers shall pay to the Owners for each day of the delay upto the tenth (10th) day of the delay the liquidated ~~fixed~~ damages of US\$15 ~~0.0~~.000 per day pro rata. If the delay exceeds ten (10) days then the Owners shall have the right to cancel this agreement and claim proven damages for their losses following therefrom. In this case, the deposit Downpayment together with interest shall be forfeited to the Owners.

5. Cancelling

~~(not applicable when part III applies, as indicated in Box 37)~~

- (a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.
- (b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.

PART II
BARECON 2001 Standard Bareboat Charter

- (c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.

In the event that the Charterers cancel this agreement, part of the Deposit Downpayment already remitted and interest if any shall be returned to the Charterers within 5 Banking Days.

6. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 20.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery

(not applicable when part III applies, as indicated in Box 37)

The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-hire survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro-rata thereof. The Owners shall have the right at their expense but at Charterers time to arrange an underwater inspection by a diver approved by the Classification Society no earlier than 45 days and no later 30 days prior to redelivery of the Vessel. This inspection shall take place at a convenient port at Charterers option and shall be carried out without interference to the Vessel and such class items require immediate rectification in accordance with specific instruction from the Classification Society and the Class will not grant an extension, and whereby such repairs cannot be made to the Vessel without immediate dry docking, then the Vessel shall be dry docked as soon as possible by Charterers in order to repair such Class items to Classification Society's satisfaction at Charterers reasonable expense and time. Any expense or time related to other repairs carried out during such dry docking by owners, and which are not the responsibility of Charterers under the Charter, shall be for Owners account. This clause 7 shall not apply if Charterers exercise their purchase option set out in Clause 39.

PART II
BARECON 2001 Standard Bareboat Charter

8. Inspection

The Owners shall have the right at any time ~~once per year after~~ giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf ~~always provided such inspection or survey does not delay or interfere with the normal operation of the Vessel:~~

- (a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. ~~Such notice to be made no later than 30 days prior the Inspection or survey and the Charterers to keep the Owners well informed of the Vessel's itinerary for inspection purpose.~~ The costs and fees for such inspection or survey shall be paid by the Owners unless the Vessel is found to require repairs or maintenance ~~to meet a condition required by Class or the Vessel's Flag State~~ in order to achieve the condition so provided;
- (b) in dry-dock if the Charterers have not dry-docked Her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and
- ~~(e)-(c)~~ for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.

All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period ~~which inspection, survey or repairs shall not be interfere with the Vessel's normal operation..~~

The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.

9. Inventories, Oil and Stores

~~The Vessel shall be delivered with everything belonging to the Vessel on board including used and/or unused stores, spare parts, radio equipments and navigational aids except the Owners' personal computers with software used for e-mail communication and ship's management at the time of delivery. Provisions and bonded stores shall be settled by cash between the owners' crews and the Charterers' crews upon delivery. A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroke provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and re-delivery, respectively. The Charterer shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.~~

~~The Vessel has neither spare propeller nor spare tail-end shaft. Inmarsat will be decommissioned during Panama Panama office hours, the Owners shall act swiftly after delivery of the Vessel..~~

~~Excluded from this agreement are personal effects of Master, Officers and crews including slop chest, log books (copies may be taken by the Charterers), ISM manuals SMS, SSP (Ship Security Plan), original certificates to be returned to competent authorities and hire or third party's items and current Charterers' property and manuals/records of ship manager, which exclusively for use by the Owners on the Vessel and to be taken ashore by the Owners on or before delivery of the Vessel.~~

~~The Charterers shall take over and pay extra only for remaining Bunkers (i.e. VLSFO/LSMDO/LSMGO) and unused lubricating/hydraulic/grease oils in tanks, unopened drums and unopened cans onboard at the time of delivery. Remaining Bunkers for VLSFO and LSMGO to be paid at the previous Charterers' contract price with supporting voucher or estimate price if not available upon deductions as per bunker wire PLATTS prices of last bunkering port or the nearest major port on the day of redelivery from previous Charterers or previous working day if redelivery from previous Charterers falls within weekend or holiday, actual purchased prices to be settled against supporting vouchers issued by bunker suppliers as per bunker wire PLATTS prices of last bunkering port on the day of redelivery from previous Charterers or previous working day if redelivery from previous Charterers falls within weekend or holiday, and Lubricating Oils to be paid at Owners' net purchase price excluding barging cost by supporting vouchers. The quantities of remaining Bunkers and Lubricating Oils at the time of delivery for the settlement shall be sounded and fixed by between the Owners' and Charterers' representatives on an estimation basis latest by three (3) three (3) day s prior to the expected date of delivery of the Vessel. The Charterers shall pay for Bunkers and Lubricating oils together with 1st hire payment based on the expected/roughly calculated amount. The surplus or shortage, if any, shall be adjusted at 2nd hire payment.~~

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~~If the Vessel will be shifted to other delivery place from last discharging port, then the cost for Bunkers/Lubs consumed for the Vessel shifting to other delivery place to be equally shared fully paid by between the Owners and the Charterers from. The quantities of the bunker/lubs consumption to be ascertained based on the Vessel's figures, from DLOSP last discharging port to APS delivery port. last discharging port to be the delivery place, and additionally the Charterers will pay US\$5,000d as liquidate damages from the date (a) the vessel is redelivered from previous charterers at last discharging port until the date that Owners can tender N/R at newly agreed delivery port if this is due to the Buyers/Charterers.~~

~~In case the vessel is redelivered from present Charterers at South Korea, PRC, Taiwan, Vietnam, Thailand and Philippines, the cost of bunkers consumed for the vessel shifting to nearest delivery port as aforementioned to be shared equally between the Sellers and the Buyers. The quantities of the bunker consumptions to be ascertained based on the vessel's figures, from DLOSP last discharging port to APS delivery port.~~

~~All plans/drawings/Instruction manuals (excluding ISM manuals, SMS and SSP) which are onboard shall be delivered to the Charterers 'as they are' upon delivery of the Vessel without extra cost to Charterers.~~

~~All plans/drawings/instruction manuals (excluding ISM manuals, SMS and SSP) which are kept in the Owners' office shall be dispatched to the Charterers' designated place after delivery of the Vessel at the Charterers' account.~~

10. Maintenance and Operation

(a) (i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, ~~except as provided for in Clause 14(i),~~ if applicable, at their own expense they shall at all times keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.

(ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation ~~(including but not limited to Ballast Water Treatment System, New Panama, Sox and Nox) the cost and time of compliance shall be for Charterers account. If those new equipment needs to be removed when the Vessel will be redelivered, the cost and time of removal shall be for Charterers account. Notwithstanding the foregoing, Charterers are allowed to make improvements to the Vessel provided cost of same to be for Charterers account subject to the prior written consent of the Owners.) costing (excluding the Charterers loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 percent of the Vessel's insurance value as stated in Box 29,~~ then the ~~terms as stated in Clause 37~~ extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30.

(iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.

The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.

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- (b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag state fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.

Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.

- (c) The Charterers shall keep the Owners ~~and the mortgagee(s)~~ advised of the ~~intended employment~~, planned dry-docking and major repairs of the Vessel, as reasonably required.
- (d) Flag and Name of Vessel - ~~See Clauses 33 and 34~~ During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time.
- (e) Changes to the Vessel - Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter.
- (f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional ~~equipment, with Owners' prior consent not to be unreasonably withheld, at the Charterers' expense at their expense~~ and risk but the Charterers shall remove such equipment at the end of the period ~~unless Charterers purchase the Vessel upon redelivery if requested by the Owners s.~~ Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations. ~~See Clause 37- Clause 40.~~
- (g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be ~~necessary, but not less than once during the period stated in Box 19 required by the Classification Society or flag state. or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag state.~~

11. Hire

- (a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.
- (b) The Charterers shall pay to the Owners for the hire of the Vessel ~~a lump sum monthly in advance~~ in the amount indicated in Box 22 which shall be payable ~~not late than thirty (30) running days monthly~~ in advance ~~, the first lump sum lump sum being payable on the date and hour of the Vessel's delivery to the Charterers.~~ Hire shall be paid continuously throughout the Charter Period. ~~If hire payment date is National holiday in Japan, New York, Cyprus and Greece Switzerland, hire to be paid one day prior to that date. Full amount of hire shall be available in Owner's nominated account on a monthly basis by the due date. 1st Hire to be received by the Owners at least 3 Banking days prior to the expected date of delivery.~~

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- (c) Payment of hire shall be made in cash without discount free of bank charges in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.
- (d) Final payment of hire, if for a period of less than ~~thirty (30) running days~~ one month, shall be calculated proportionally according to the number of days and hours remaining before redelivery or purchase and advance payment to be effected accordingly.
- (e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.
- (f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. ~~If Box 24 has not been filled in the three months Interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 25, as quoted by the British Banker's Association (BBA) on the date when the hire fell due, increased by 2 percent, shall apply.~~
- (g) Payment of interest due under sub-clause II(f) shall be made within seven (7) running banking days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.
- (h) Notwithstanding anything to the contrary contained herein, the Charterers shall make all payments under this Charter without any set-off or counter claim whatsoever and free and clear of any withholding or deduction for, or on account of, any present or future income, freight, stamp or other taxes, levies, imposts, duties, fees, charges, restrictions or conditions of any nature except any loss caused by the Owners.

12. Mortgage (See Clause 36-33)

(only to apply if Box 28 has been appropriately filled in)

- ~~(a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- ~~(b)* The Vessel chartered under this Charter is financed by a mortgage according to the Financial instrument.~~

~~The Charterers undertake to comply, and provide such information and documentation to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter y the mortgagees(s) in conforming with the Financial Instruments the Charterers confirm that for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge the writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~

Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).

13. Insurance and Repairs See Clause 37-34 and 42-39

- (a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) ~~in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld.~~ Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

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Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects ~~according to Clause 3(c) above~~, including any deviation, shall be for the Charterers' account.

- ~~(b) if the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~
- ~~(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.~~
- (d) ~~Subject to the provisions of the Financial Instruments, if any, s~~ Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid ~~to the Owners who shall distribute~~ ~~and~~ the moneys ~~distributed~~ between the Owners and the Charterers ~~according to their respective interests in accordance with Clause 42.39~~. The Charterers undertake to notify the Owners ~~and the mortgagee(s), if any~~, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this Clause.
- (e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.
- (f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29.

14. Insurance, Repairs and Classification

~~(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).~~

- ~~(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.~~
- ~~(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.~~
- ~~(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.~~
- ~~(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurance provided for under the provisions of sub-clause 14(a).~~

~~The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.~~

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- (e) ~~The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise (s) or deductibles provided for in the insurances.~~
- (f) ~~All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.~~
- ~~The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such times as may be required to make such repairs.~~
- (g) ~~If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~
- (h) ~~Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the charter according to their respective interests.~~
- (i) ~~If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.~~
- (j) ~~The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel is the sum indicated in Box 29.~~
- (k) ~~For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 9.~~
- (l) ~~Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.~~

15. Redelivery

At the expiration of the Charter Period unless the Charterers have exercised their purchase option the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the ~~Owners~~ Charterers may direct. The Charterers shall give the Owners not less than sixty (60), thirty (30), twenty (20), ten (10) and seven (7) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14), five (5), three (3) and one (1) running days' definite notice of expected date and port or place of redelivery.

Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.

The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period due to the fault of the Charterers, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.

Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

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The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17 if applicable.

Unless the Charterers exercise their option to purchase the Vessel, the Owners shall have the right at their expense but at the Charterers' time to arrange an underwater inspection by a diver approved by the Classification Society no earlier than 45 days and no later 30 days prior to redelivery of the Vessel. This inspection shall take place at a convenient port at Charterers' option and shall be carried out without interference to the Vessel's normal operation. Should such underwater inspection reveal major condition that affect the Class of the Vessel and such Class items require immediate rectification in accordance with specific instruction from the Classification Society and the Class will not grant an extension, and whereby such repairs cannot be made to the Vessel without immediate dry-docking, then the Vessel shall be dry-docked as soon as possible by Charterers in order to repair such Class items. Any related to other repairs carried out during such drydocking by the Owners and which are not the responsibility of the Charterers under the Charter, shall be the Owners' account. This clause shall not apply if the Charterers exercise their purchase option as set out in Clause 36.

16. Non-Lien

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:

"This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever."

17. Indemnity

- (a) The Charterers shall indemnify the Owners, in each case as properly documented and evidenced, against any loss, damage or documented and reasonable expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

- (b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

In such circumstances the Owners shall indemnify the Charterers against any loss, damage or documented expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.

- (c) The Charterers shall indemnify the Owners, in each case as properly documented and evidenced; against any and all liabilities, obligations, taxes imposed on, or suffered by the Owners and relating to the operation of the Vessel and this Charter (excluding the taxes levied on the Owners by the competent tax authorities in its state of residence in relation to the Charterhire and (tax imposed on the overall net income of the Owners), losses, damages, penalties, fees, claims, actions, suits and cost (excluding loss of profit or business interruption expenses) of whatsoever kind and nature which may be incurred by the Charterers (whether during or after the Charter Period) or incurred by the Owners during the Charter Period only and in consequence of or in any way relating to or arising out of this Charter, the ownership, documentation, delivery, possession, use, operation, chartering, sub-chartering, condition, maintenance, or repair of the Vessel including without limitation, claims or penalties arising from any violation of the laws of any foreign country or political subdivision thereof; any claim as a result of latent or other defects in the Vessel, whether or not discoverable by the Charterer or the Owners and any claims for patent, trademark or copyright infringement in connection to this Charter or the Vessel, and any claims for injury or damages caused by pollution, leaking or spillage of cargo carried by the Vessel; and any claims by owners of cargo or other third parties arising in connection with any of the matters afore said.

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(d) If there arise any pollution event or incident by or on around the Vessel, in consequence of or in any way relating to or arising out of, including without limitation, any presence, emission, release or leak of any pollutant in Charterers shall promptly take all necessary actions and steps to prevent occurrence of any losses and/or damages to the Vessel and this parties lives and properties or occurrence of any violation of MARPOL or domestic law or regulation including OPA 90 or regulations adopting MARPOL as a result of which the Vessel is ordered not to leave by the coast guard or police or prosecutors or other judicial persons, and if any such losses and /or damages occur or any claim is made by any coast guard or police or prosecutors or other judicial persons for fine and other civil, criminal or administrative offence or made by any third party for liabilities against the Vessel or the Charterers or the Owners, then Charterers shall indemnify the Owners against the aforesaid loss or damages or claim by way of settlement with such third parties or payments to them in accordance with P&I insurers recommendation and approvals as far as with respect to such claims covered by P&I Insurance so that the Vessel, the Charterers and the Owners will entirely be discharged and released from such claim and remedied in respect of such losses, damages and claims.

(e) The Charterers shall not be obliged to indemnify the Owners under this Charter to the extent any losses are caused by the gross negligence or wilful misconduct of the Owners.

18. Lien

The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.

19. Salvage

All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.

20. Wreck Removal

In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.

21. General Average

The Owners shall not contribute to General Average.

22. Assignment, Sub-Charter and Sale [See also Clause 35](#)

- (a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve.
- (b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld or delayed, and subject to the buyer accepting an assignment of this Charter.

23. Contracts of Carriage

- (a) * The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague Rules or the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

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~~(b)* The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and protocol thereto.~~

~~*Delete as applicable.~~

24. Bank Guarantee

~~(Optional, only to apply if Box 27 filled in)~~

~~The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter.~~

25. Requisition/Acquisition

- (a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the "Requisition for Hire" whichever be the shorter.
- (b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition". However, in that case, the Charterers and the Owners shall firstly discuss the situation and agree the alternative method mutually in good faith prior to such termination.

26. War

- (a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.
- (b) The Vessel, unless properly insured in accordance with the provisions of this contract ~~the written consent of the Owners be first obtained~~, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, ~~in the reasonable judgement of the Owners~~, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area unless the Vessel is properly insured to the Owners' reasonable satisfaction. The Charterers shall inform their measurements/protections for passing war/warlike zone to the Owners as soon as practicably possible.
- (c) The Vessel shall not load contraband cargo; or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

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- (d) If the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.
- (e) The Charterers shall have the liberty:
- (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;
 - (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
 - (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.
- (f) In the event of outbreak of war (whether there be a declaration of war or not)
- (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China,
 - (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter subject to mutual agreement, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching or entering it at a near, open and safe port as directed by the ~~Owners-Charterers~~, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port ~~as directed by the Owners~~ decided by mutual consultation between the Owners and the Charterers. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery. However, neither party shall be entitled to terminate this Charter Party on account of minor and/or local war like operations or economic warfare anywhere, which will not interfere with the Vessel's trades.

27. Commission

~~The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.~~

~~If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission.~~

~~Should the parties agree to cancel the Charter the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.~~

28. Termination

- (a) Charterers' Default

The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:

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(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual.

Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;

(ii) the Charterers fail to comply with the requirements of:

- (1) Clause 6 (Trading Restrictions)
- (2) Clause 13(a) (Insurance and Repairs)

provided that the Owners ~~shall have the option~~, by written notice to the Charterers, ~~to give the Charterers a specified number of 21 banking~~ days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;

(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) ~~as soon as practically possible within 21 banking days~~ after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.

(b) Owners' Default

If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of ~~twenty one (21) fourteen (14) running banking~~ days after written notice thereof has been **given** by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.

(c) Loss of Vessel See also Clause 39

This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.

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30. Dispute Resolution

- a)* This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of **US\$50,000** (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

- ~~(b)* This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the society of Maritime Arbitrators, Inc.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

- ~~(c)* This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.~~

- (d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.

In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:

(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.

(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.

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(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.

(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.

(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.

(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.

(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

~~(e) if Box 35 in Part I is not appropriately filled in, sub Clause 30(a) of this Clause shall apply. Sub clause 30(d) shall apply in all cases.~~

*Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.

31. Notices

(a) Any notice to be given by either party to the other party shall be in writing and may be sent by ~~fax, telex, e-mail or~~ registered or recorded mail or by personal service.

(b) The address of the Parties for service of such communication shall be as ~~follows: stated in Boxes 3 and 4 respectively.~~

For Owners :

BASIC ETERNITY LINE S.A.

c/o GENYO KAIUN CO., LTD. ~~Doun Kisen Co., Ltd.~~

409-75-~~1307-8~~, Otsu-Koh-Goh, Namikata-cho, Imabari-city, Ehime-pref., Japan

Attention: Mr. Ryosuke Okochi & Mr. Takeomi Yagi

Tel: .

E-mail:

For Charterers :

c/o 154 Vouliagmenis Avenue, 16674 Glyfada, Athens, Greece ~~[FBA]~~.

Attention : Mr. Stavros Gyftakis

Tel: ~~of 89 Broad Street, Monrovia, Liberia guaranteed by Maritime Holdings Corp. of Trust Company Complex, Aieltake Road, Aieltake Island, MH 96960 Majuro, Marshall Islands~~

~~Attention : Mr. Stavros Gyftakis~~

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Email :

~~Tel : +302130181520~~

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PART-III
~~PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY~~
(Optional, only to apply if expressly agreed and stated in Box 37)

1. ~~Specifications and Building Contract~~

- (a) ~~The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, Specifications and plans having been counter signed as approved by the Charterers.~~
- (b) ~~No change shall be made in the Building Contract or in the specifications of plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.~~
- (c) ~~The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.~~
- (d) ~~The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(e)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.~~

~~Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies.~~

~~However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.~~

~~Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties.~~

~~The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.~~

2. ~~Time and Place of Delivery~~

~~Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery:~~

- (b) ~~If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.~~

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- ~~(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon:~~
- ~~(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice Charter shall cease to have effect; or~~
 - ~~(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and delivery her to the Charterers;~~
 - ~~(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;~~
 - ~~(iv) if this Charter terminates under sub clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.~~
- ~~(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.~~

3. Guarantee Works

~~If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to advise the Owners about the performance to the extent the Owners may request.~~

4. Name of Vessel

~~The name of Vessel shall be mutually agreed between the Owners and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.~~

5. Survey on Redelivery

~~The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time redelivery.~~

~~Without prejudice to Clause 15 (Part II), shall bear all survey expenses and all other costs, if any including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day data.~~

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PART IV

HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 42)

~~On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for~~

~~In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.~~

~~The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.~~

~~The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Seller' account.~~

~~In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.~~

~~The Sellers shall, at the time of delivery hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers possession~~

~~The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.~~

~~The Vessel with everything belonging to her shall be at Sellers risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.~~

~~The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.~~

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PART V

PROVISION TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

~~(Optional, only to apply if expressly agreed and stated in Box 43)~~

1. Definitions

~~For the purpose of this PART V, the following terms shall have the meanings hereby assign end to them: “The Bareboat Charter Registry” shall mean the registry of the State whose flag the Vessel will fly and in which the Charter are registered as the bareboat charterers during the period of the Bareboat Charter:~~

~~“The Underlying Registry” shall mean the registry of the state in which the Owners of the Vessel are registered as Owners- and to which jurisdiction and control of the Vessel, will revert upon termination of the Bareboat Charter Registration.~~

2. Mortgage

~~The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.~~

3. Termination of Charter by Default

~~If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re register the Vessel in the Underlying Registry as shown in Box 45.~~

~~In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.~~

32. Downpayment

As security for the correct fulfillment of this Charter, the Charterers shall pay a deposit of US\$7,500,000.00- (United States Dollars Seven Million Five Hundred Thousand ONLY) in cash (hereinafter called the "Deposit Downpayment"). Fifty percent (50%) of the Deposit Downpayment i.e. US\$3,750,000.00 to be paid upon signing of BBGP, and the remaining fifty percent (50%) i.e. US\$3,750,000.00 to be paid at least 3 Banking days prior to the expected date of delivery.

If this Charter terminates under sub-clause (b) of Clause 28 or in case of Clause 5, the Owners shall refund the Deposit Downpayment, if already paid by the Charterers, and the Charterers shall have the right to claim their further losses, if any.

If this Charter terminates under sub-clause (a) of Clause 28, the Owners shall not be liable to return the Deposit Downpayment to the Charterers and may have the right to claim their further losses, if any.

If the Charter terminates due to "Loss of Vessel" under sub-clause (c) of Clause 28, the Charterers shall recover the Deposit Downpayment from any insurance payments paid, and the Owners shall not be liable to return the Deposit Downpayment to the Charterers.

33. Mortgage and Assignment

Excepting that the Owners shall be entitled to assign their rights, title and interest in and to this Charter by way of security to MIZUHO BANK, LTD. (the "Mortgagee"), neither P arty shall assign its right or obligations or any part thereof to any third parties without the written consent of the other.

The Owners have the right to register a first priority mortgage on the Vessel in favor of the Mortgagee securing a loan (not exceeding the amount referred to above) under the relevant loan agreement under standard mortgage and security documentation, but on the basis that the Owners undertake to procure from the Mortgagee a letter of quiet enjoyment in a form and substance satisfactory to the Charterers (the Letter of Quiet Enjoyment).

The Charterers agree to sign an acknowledgement of the Owners' charter hire assignment (in form and substance satisfactory to the Charterers acting reasonably) or any other comparable document reasonably required by the mortgagee, in favor of the mortgagee (on the basis that this does not impose any liability to the Charterers other than the liabilities they have under this Charter). During the course of the Charter the Owners have the right to register a substitute mortgage in favor of another bank provided such registration is effected in a similar or lower amount to the loan amount outstanding with the Mortgagee at that time and a Letter of Quiet Enjoyment (in form and substance satisfactory to the Charterers) is provided in favor of the Charterers. Any costs incurred by the Charterers in respect of any of the above arrangements shall be for Owners' account.

34. Insurance

For Hull insurance purposes, the insured amount shall be an amount determined by the Charterers but shall on the Delivery Date not be less than 110% of USD 28,500,000.

In respect of partial losses, any payment by Underwriters not exceeding USD500,000 shall be paid directly to the Charterers who shall apply the same to effect the repairs in respect of which payment is made. Any moneys in excess of USD500,000 payable under such insurance other than Total Loss shall be paid to the Charterers subject to the prior written consent of the Owners or the Mortgagee but such consent shall not be unreasonably withheld or delayed. Such consent to be granted if the Owners are satisfied (acting reasonably) that all damage resulting from the partial loss will be made good and repaired and all liabilities in respect of repairing such damage will be discharged. If the Charterers or the Vessel's insurers request the Owners' consent or authority to the insurers making payment to a ship repairer on account of repairs being made to the Vessel as a result of it suffering such a partial loss, then, the Owners shall not withhold or delay giving such consent or authority. In the absence of such prior written consent the money shall be paid to the Owners or the Owners' bank. In case of repair work being expected exceeding USD300,000 the Charterers will inform the Owners of details in a timely manner.

(a) Hull and Machinery insurance shall be taken out and maintained to be effective in the joint names of both the Charterers and the Owners as co-assured with the insurers against such fire and usual marine risks; and

(b) P&I Club insurance shall be effected by an entry or entries of the Vessel with or in any P&I Club to protect and indemnify the Owners as co-assured and the Vessel against all P&I risks (including, but not limited to, pollution spillage and leakage risks).

35. Optional Periods

There are no options to extend the Charter.

36. Purchase of the Vessel by the Charterers

- (a) The Charterers (or their guaranteed nominee) may, in their sole option, exercise their Purchase Option to purchase the Vessel from the Owners at the end of the Charter Period, for US\$16,620,000. (United States Dollars Sixteen Million Six Hundred Twenty Thousand only) (the "Purchase Option Price") to the Owners on a strictly "as is where is" basis. The Charterers shall pay such Purchase Option Price in cash to the Owners upon transfer of title to the Vessel pursuant to the Sale Contract under clause (b) below.
 - (b) A separate sale and purchase contract (the "Sale Contract") shall be executed between the Charterers (or the buyer nominated by the Charterers, either hereinafter referred to in this clause 36 as the "Buyer") and the Owners as seller on standard Norwegian Saleform 2012 terms, the form of which is appended as Exhibit A.
 - (c) Notwithstanding the provisions of Clause 36(b) any Sale Contract shall include the following provisions:
 - (i) the Owners guarantee that the Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages, maritime liens or other debts or liabilities whatsoever. Should any claims which have been incurred prior to the time of delivery be made against the Vessel, the Owners shall indemnify the Buyer against all consequences of such claims;
-

- (ii) the Owners shall furnish the Buyer with documentation requested by the Buyer including but not limited to:
- a. evidence of the authorisation and capacity for the Owners to sell the Vessel and enter into all documentation in connection with such sale including but not limited to resolutions of the shareholders of the Owners, resolutions of the board of directors of the Owners and any power of attorney under which the Owners' representatives sign any of the delivery documents (in each case notarised and apostilled or legalised as required by the Buyer's nominated flag), original certificates of good standing in respect of the Owners and certified true copies of the certificate of incorporation and articles of association (or equivalent) of the Owner;
 - b. documentation validly transferring title to the Vessel to the Buyer;
 - c. any documentation required for the registration of the Vessel on the Buyer's chosen flag under the name of the Buyer;
 - d. evidence that the Vessel, at the time of delivery, is free from all registered encumbrances and has been (or will be shortly after delivery) deleted (if applicable) from its current Flag State registry;
 - e. documentation usually provided by a seller to a buyer in a second hand vessel sale and purchase transaction including but not limited to letters undertaking the vessel is not boycotted or blacklisted by any nation or organisation, undertakings to deliver deletion certificates and closed CSR forms within four (4) weeks of the delivery if not provided at delivery and commercial invoices for the Vessel and all other items purchased by the buyer at delivery; and
 - f. all classification, technical and other documents/certificates in the possession of the Owners in relation to the Vessel;
- (iii) any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyer's flag shall be for Buyer's account. Any taxes, consular and other charges and expenses connected with deletion of the Vessel's current flag, shall be for Charterers' account; and

Any reasonable legal fees for BBC shall be paid by BBC Charterer. Any such costs to be pre-approved by the BBC Charterer. Any costs related to the execution of procedures which shall be necessary for the conclusion of the BBC agreement, including but not limited to documentary fees of Buyers/Charterers, and below items, shall be borne by Buyers/Charterers.

(a) Registration fee of the title of the vessel (not only Panama but also others) including the reasonable costs of Owner's appointed agent for registration

(b) Initial and annual flag state fee (including tonnage tax, cost for registration cert, radio station license and so on to maintain the Panama Flag) of Panama

(iv) all spares on board and on order shall be included in the sale.

(d) If following the expiry of the Charter Period, the Owners from its act or omission fails to transfer title to the Vessel to the Charterers, the Owners shall within ten (10) days of the Charterers' written demand:

(i) pay to the Charterers the amount by which the fair market value of the Vessel (as determined by a broker appointed by the Charterers) exceeds the Purchase Option Price; and

(ii) keep the Charterers indemnified for all documented losses, expenses incurred and liquidated damages suffered by the Charterers due to the failure to transfer title.

37. Improvements and Additions

The Charterers shall maintain, equip and operate the Vessel so as to comply in all mutual respects with the provisions of all laws and regulations of the Vessel's flag and of any other country or jurisdiction within which the Vessel may operate.

The Charterers shall have the right to fit additional equipment to the Vessel and to make severable improvements and additions to the Vessel at their expense and risk.

The Charterers shall also have the right to make structural or non-severable improvements and additions to the Vessel at their own cost, expense and risk provided that such improvements and additions shall not, or be reasonably likely to, diminish the market value of the Vessel or prejudice its marketability, in either case, in a material way.

With reference to the above second and third paragraphs, in the event that the Charterers fit additional equipment and/or make improvement, the Charterers shall give notice to the Owners of its details before completion of such fitting and/or improvement. For the avoidance of any doubt, such notice shall be given for informational purposes only and will not require the Owners' consent/approval.

In the event of any structural changes to the Vessel or installation of new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation, such as, but not limited to, the Ballast Water Treatment System regulations in any country in which the Vessel may operate, the cost of measures needed for compliance shall be for the Charterers' account.

38. Quiet Enjoyment

- (a) The Owners agree and undertake that during the period of the Charter they will not (and will procure that any Mortgagee will not) interfere in any way whatsoever with the quiet use, possession and enjoyment of the Vessel by the Charterers provided that (i) the Charterers perform their obligation under this Charter, (ii) there are no grounds entitling the Owners to terminate the chartering of the Vessel to the Charterers under this Charter and (iii) notice of the Owners intention to terminate the Charter has not been served on the Charterers.
- (b) The Owners shall ensure that on entering into any financial instrument, the prospective Mortgagee of the Vessel provides the Charterers with a Letter of Quiet Enjoyment in accordance with the terms of Clause 33 and Clause 38(a) above. In addition to the provisions of Clause 36, the Quiet Enjoyment Letter will confirm that to the extent that the Charterers have paid to the Owners or the mortgagee the any loan outstanding balance or, if applicable the relevant purchase option price (as the same is set out in Clause 36), payable on such date, the mortgagee will immediately release the Financial Instrument.

39. Total Loss Proceeds

Upon the occurrence of a total loss of the type referred to in clause 13(d) of this Charter all insurance proceeds in respect of that total loss shall be paid to the Owners who shall apply such proceeds, as follows;

- (a) Firstly, in payment of all the Owners' and the Charterers' reasonable, properly incurred and documented costs incidental to the collection of the total loss proceeds;
- (b) Secondly, in retention by the Owners of all amounts of outstanding hire and interest due and owing to the Owners by the Charterers under this Charter at such time;
- (c) Thirdly, in retention by the Owners of an amount equal to the Outstanding BBC Principal Balance of the Owners at the relevant time of receipt of the total loss proceeds; and
- (d) Fourthly, any balance shall be promptly paid by the Owners to the Charterers.

For the purpose of this clause, Outstanding BBC Principal Balance means, at any relevant date, the amount set out in appendix 1 attached to this Charter during the period in which the date of receipt of the total loss proceeds occurs.

40. Familiarization

In the event that the Charterers have not exercised their Purchase Option and Charter Period expires, the Owners shall have the right to place two representatives onboard the Vessel prior to redelivery once the Charterers have given their thirty (30) days preliminary notice.

The inspection shall take place at a convenient port at the Charterers option and shall be carried out without interference to the Vessel's normal operation.

Should such underwater inspection reveal major concern of Class items requiring immediate rectification in accordance with specific instructions from the Classification Society whereby such repairs cannot be made to the Vessel without immediate dry-docking, then the Vessel shall be dry- docked as soon as possible by the Charterers in order to repair such Class items to the Classification Society's satisfaction at the Charterers reasonable expense and time.

Any expenses related to other repairs carried out dry-docking by the Owners, and which are not the responsibility of the Charterers under the Charter, shall be for the Owners' account.

41. Extra Payments

In addition to the above payments, the following costs are payable by the Charterers:

- (a) Any fees and expenses for flag registration of the Vessel in Charterers nominated flag state and deletion of the flag registration of the Vessel in Charterers nominated flag state. The flag of Panama will be maintained during the charter period. The Owners and the Charterers shall settle the flag annual tax for the year 2024 per Pro Rata Calculation.
- (b) Annual flag maintenance fees including tonnage tax of Panama are the Charterers account.
- (c) All other documentation and works required due to flag and ownership change, including change of DOC/SMC/ISSC/MLC/CLC, class certificates, change of country name on hull, change of radio and navigational aids registration, Annual Tonnage Tax of the flag country throughout the Charter period shall be for the Charterers' time and cost including agent fees. In case of a change of Ownership after delivery under this Charter for Owners' matter or reason, these costs are to be for Owners' account.

42. Representations and Warranties

Each Party represents and warrants to the other Party that:

- (a) it is duly incorporated and validly existing and in good standing under the laws of its place of incorporation;
- (b) it has the corporate capacity, and has taken all corporate action and obtained all consents necessary for it, to execute and to comply with this Charter;
- (c) all the consents referred to in paragraph (b) above remain in force and nothing has occurred which makes any of them liable to revocation;
- (d) this Charter constitutes legal, valid and binding obligations enforceable against it in accordance with its terms;
- (e) The execution by it of this Charter and its compliance with this Charter will not involve or lead to a contravention of:
 - (i) any law or regulation;
 - (ii) its constitutional documents; or
 - (iii) any material contractual or other material obligation or material restriction which is binding on it or any of its assets.

43. General

- (a) The terms and conditions of this Charter shall not be varied otherwise than by an instrument in writing executed by or on behalf of the Owners and the Charterers.
 - (b) If, at any time, any provision of this Charter is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.
 - (c) This Charter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Charter.
-

- (a) This Charter constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- (b) A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Charter.

44. Charterers' representatives

After this Agreement has been signed by the Parties and Fifty percent (50%) of the Deposit Downpayment has been lodged, the Charterers have the right to place two (2) representatives on board the Vessel at their sole risk and expense from last loading port.

These representatives are on board for the purpose of familiarization and in the capacity of observers only, and they shall not interfere in any respect with the operation of the Vessel. The Charterers and the Charterers' representatives shall sign the Owners' P&I Club's standard letter of Indemnity prior to their embarkation.

The Charterers shall pay to the Owners at the time of delivery US\$20/day/person as victualling/accommodation fee and the Charterers shall also pay to the Buyers other expenses including but not limited to communication charges born by the Charterers' representatives at the time of delivery/closing.

45. Upgrading for BWTS and MOP for Main Engine

The Charterers have agreed to make the additional payment for the upgrading for BWTS at JP Yen 15,700,000.- and MOP for Main Engine at JP Yen 859,532.-. The parts for BWTS and MOP shall be sent under the Owners' arrangement to the place in Japan nominated by the Charterers.

End

Subsidiaries of United Maritime Corporation.

Subsidiary	Jurisdiction of incorporation
Sea Glorius Shipping Co.	Republic of the Marshall Islands
Epanastasea Maritime Co.	Republic of the Marshall Islands
Minoansea Maritime Co.	Republic of the Marshall Islands
Parosea Shipping Co.	Republic of the Marshall Islands
Bluesea Shipping Co.	Republic of the Marshall Islands
United Management Corp.	Republic of the Marshall Islands
Traders Maritime Co.	Republic of the Marshall Islands
Oasea Maritime Co.	Republic of the Marshall Islands
Cretansea Maritime Co.	Republic of the Marshall Islands
Chrisea Maritime Co.	Republic of the Marshall Islands
Exelixsea Maritime Co.	Republic of the Marshall Islands
Synthesea Maritime Co.	Republic of Liberia
Nisea Maritime Co.	Republic of Liberia
Good Maritime Co.	Republic of Liberia

Statement of Corporation Policy – Trading in the Corporation's Securities

TO: All Employees, Officers and Directors of United Maritime Corporation (the "Corporation") and its Affiliates

FROM: Stamatis Tsantanis, Chairman and Chief Executive Officer

RE: Statement of Corporation Policy - Securities Trading By Corporation and Affiliate Personnel

ISSUED: 17th June, 2022

The Need for a Policy Statement

The purchase or sale of securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then trade in securities, is prohibited by the federal securities laws. Insider trading violations are pursued vigorously by the United States government and are punished severely. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by Corporation personnel.

The Corporation's Board of Directors has adopted this Policy Statement both to satisfy the Corporation's obligation to prevent insider trading and to help Corporation personnel avoid the severe consequences associated with violations of the insider trading laws. The Policy Statement also is intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Corporation.

The Consequences

The consequences of an insider trading violation can be severe:

Corporation-Imposed Sanctions. An employee's failure to comply with the Corporation's insider trading policy may subject the employee to Corporation-imposed sanctions, including dismissal for cause, whether or not the employee's failure to comply results in a violation of law. The Corporation requires all Corporation personnel and their relations to comply with the law and with the Corporation insider trading policy. Needless to say, a violation of law, or even an investigation by the Securities and Exchange Commission ("SEC") that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

Penalties for insider trading are severe for every individual involved regardless of whether they personally benefited from the violation. Penalties may include:

- Jail sentences;
- Civil injunctions;
- Civil monetary damages;
- Criminal fines;
- Fines for the Corporation.

Any individual who is aware of material non-public information from their relationship with the Corporation is prohibited from trading on or tipping that information to another person to trade on. An employee who tips information to a person who then trades is subject to the same penalties as the tippee, even if the employee did not trade and did not profit from the tippee's trading.

Statement of Policy

It is the policy of the Corporation that no director, officer or other employee of the Corporation or any of the Corporation's affiliates (a "Covered Person") who is aware of material nonpublic information relating to the Corporation may, directly or through family members or other persons or entities, (a) buy or sell securities of the Corporation (other than pursuant to a pre-approved trading plan that complies with SEC Rule 10b5-1), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Corporation, including family and friends. In addition, it is the policy of the Corporation that no Covered Person who, in the course of working for or on behalf of the Corporation, learns of material nonpublic information about a company with which the Corporation does business, including a customer or supplier of the Corporation, may trade in that company's securities until the information becomes public or is no longer material.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are not exempt from the policy. The securities laws do not recognize such mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Corporation's reputation for adhering to the highest standards of conduct.

Disclosure of Information to Others. The Corporation has established procedures for releasing material information about the Corporation in a manner that is designed to achieve broad public dissemination of the information immediately upon its release. You may not, therefore, disclose information to anyone outside the Corporation, including family members and friends, other than in accordance with those procedures. You also may not discuss the Corporation or its business in an internet "chat room" or similar internet-based forum.

Material Information. Material information is any information that a reasonable investor would consider important in making a decision to buy, hold, or sell securities. Any information that could be expected to affect the Corporation's stock price, whether it is positive or negative, should be considered material. Some examples of information that ordinarily would be regarded as material are:

- Projections of future earnings or losses, or other earnings guidance;
- Earnings that are inconsistent with the consensus expectations of the investment community;
- A pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset or vessel;
- A change in dividend policy, the declaration of a stock split, or an offering of additional securities;

- A change in management;
- Development of a significant new product or process;
- Impending bankruptcy or the existence of severe liquidity problems;
- The gain or loss of a significant charterer.

"20-20" Hindsight. Remember, anyone scrutinizing your transactions will be doing so after the fact, with the benefit of hindsight. As a practical matter, before engaging in any transaction, you should carefully consider how enforcement authorities and others might view the transaction in hindsight.

When Information is "Public" If you are aware of material nonpublic information, you may not trade until the information has been disclosed broadly to the marketplace (such as by press release or a SEC filing) and the investing public has had time to absorb the information fully. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until the second trading day after the information is released. If, for example, the Corporation were to make an announcement on a Monday, you should not trade in the Corporation's securities until Wednesday. If an announcement were made on a Friday, Tuesday generally would be the first eligible trading day.

Transactions by Family Members. The insider trading policy also applies to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in securities). You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in the Corporation's securities.

Transactions under Future Corporation Plans

Stock Option Exercises. The Corporation's insider trading policy does not apply to the exercise of an employee stock option. The policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

Trading Windows and Blackout Periods

Trading Windows. A Covered Person may trade in Corporation securities only during the period beginning at the opening of trading on the **second full trading day following the Corporation's widespread public release of quarterly or year-end operating results**, and ending at the close of trading on the **30th day following the end of the next quarter (or, if such 30th day is not a trading day, on the next trading day)**, as long as the Covered Person is not in possession of material nonpublic information or subject to any special trade blackout.

No Trading During Trading Windows While in the Possession of Material Nonpublic Information. No Covered Person possessing material nonpublic information concerning the Corporation may trade in Corporation securities even during applicable trading windows. Persons possessing such information may trade during a trading window only after the opening of trading on the second full trading day following the Corporation's widespread public release of the information.

No Trading During Blackout Periods. No Covered Person may trade in Corporation securities outside of the applicable trading windows or during any special blackout periods that the Corporation's Chief Executive Officer (the "CEO") may designate. In addition, no Covered Person may disclose to any outside third party that a special blackout period has been designated.

Pre-Clearance by CEO. All transactions in Corporation securities by a Covered Person must be cleared in advance by the Corporation's CEO.

Exception for Transfers Pursuant to Rule 10b5-1

Blackout periods shall not prohibit transfers of Corporation securities made pursuant to a written contract, letter of instruction or plan that (a) complies with the requirements of SEC Rule 10b5-1 (a "Rule 10b5-1 Plan"), and (b) has been approved by the Corporation's CEO in advance of the first trade thereunder. In order to receive such approval from the Corporation's CEO a Covered Person must certify in writing that (i) such Covered Person was not in possession of material nonpublic information about the Corporation at the time the Rule 10b5-1 Plan was adopted, (ii) that all trades made under the Rule 10b5-1 Plan will comply with Rule 10b5-1 Plan and applicable securities laws, and (iii) the Rule 10b5-1 Plan complies with the requirements of Rule 10b5-1. No such approval by the CEO shall be considered the CEO's or the Corporation's determination that the Rule 10b5-1 Plan satisfies the requirements of Rule 10b5-1. It shall be the sole responsibility of the person establishing the Rule 10b5-1 Plan to ensure that such plan complies with the requirements of Rule 10b5-1.

Miscellaneous

Post-Termination Transactions. This Policy Statement will continue to apply to your transactions in Corporation securities even after you have terminated your employment with or position as a director of the Corporation or its affiliates. If you are in possession of material nonpublic information when your employment or directorship terminates, you may not trade in Corporation securities until that information has become public or is no longer material.

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

I, Stamatios Tsantanis, certify that:

1. I have reviewed this annual report on Form 20-F of United Maritime Corporation (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 2, 2024

/s/ Stamatios Tsantanis

Stamatios Tsantanis

Chairman, Chief Executive Officer and Director (Principal Executive Officer)

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

I, Stavros Gyftakis, certify that:

1. I have reviewed this annual report on Form 20-F of United Maritime Corporation (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 2, 2024

/s/ Stavros Gyftakis

Stavros Gyftakis

Chief Financial Officer and Director (Principal Financial Officer)

**PRINCIPAL EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this annual report of United Maritime Corporation (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission (the "SEC") on or about the date hereof (the "Report"), I, Stamatios Tsantanis, Chairman, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: April 2, 2024

/s/ Stamatios Tsantanis

Stamatios Tsantanis

Chairman, Chief Executive Officer and Director (Principal Executive Officer)

**PRINCIPAL FINANCIAL OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this annual report of United Maritime Corporation (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission (the "SEC") on or about the date hereof (the "Report"), I, Stavros Gyftakis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: April 2, 2024

/s/ Stavros Gyftakis

Stavros Gyftakis

Chief Financial Officer and Director (Principal Financial Officer)

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form F-3 No. 333-273116) of United Maritime Corporation, and
- (2) Registration Statement (Form F-3 No. 333-266099) of United Maritime Corporation;

of our report dated April 2, 2024, with respect to the consolidated financial statements of United Maritime Corporation included in this Annual Report (Form 20-F) for the year ended December 31, 2023.

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

Athens, Greece
April 2, 2024

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form F-3 No. 333-273116) of United Maritime Corporation, and
- (2) Registration Statement (Form F-3 No. 333-266099) of United Maritime Corporation;

of our report dated April 4, 2023, with respect to the carve-out financial statements of United Maritime Predecessor included in the Annual Report (Form 20-F) of United Maritime Corporation for the year ended December 31, 2023.

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

Athens, Greece

April 2, 2024

UNITED MARITIME CORPORATION

Policy for the Recovery of Erroneously Awarded Incentive Compensation

Adopted Date: November 30, 2023

1. Introduction

The Board of Directors (the “**Board**”) of United Maritime Corporation (the “**Company**”) has adopted this policy (the “**Policy**”), which provides for recoupment, otherwise referred to as “clawback,” of certain Erroneously Awarded Incentive Compensation from Covered Executives in the event of an Accounting Restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws.

This Policy is designed to comply with Section 10D, as implemented by Rule 10D-1, of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and is made in accordance with the applicable listing rules (the “**Nasdaq Rules**”) of the Nasdaq Stock Market (“**Nasdaq**”).

2. Covered Executives

This Policy applies to each individual who is (i) a current or former executive officer, as determined by the Committee in accordance with Section 10D and Rule 10D-1 of the Exchange Act and the Nasdaq Rules; (ii) a current or former employee who is classified by the Committee as an executive officer of the Company, which includes without limitation any of the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs policy-making functions for the Company (including executive officers of a parent or subsidiary if they perform policy-making functions for the Company); and (iii) an employee who may from time to time be deemed subject to this Policy by the Committee (“**Covered Executives**”). For the avoidance of doubt, the identification of an executive officer for purposes of this Policy shall include each executive officer who is or was identified pursuant to Item 401(b) of Regulation S-K or Item 6.A of Form 20-F, as applicable.

This Policy shall be binding and enforceable against all Covered Executives, as described herein, and, to the extent required by applicable law or guidance from the United States Securities and Exchange Commission (the “**SEC**”) or Nasdaq, Covered Executives’ beneficiaries, heirs, executors, administrators or other legal representatives.

3. Recovery of Erroneously Awarded Incentive Compensation

In the event the Company is required to prepare an Accounting Restatement of its financial statements, the Compensation Committee (if composed entirely of independent directors, or in the absence of such a committee, a majority of independent directors serving on the Board) (the “**Committee**”) will determine the amount of Erroneously Awarded Incentive Compensation (defined below) and the Company will promptly provide each Covered Executive who received Erroneously Awarded Incentive Compensation with a written notice containing the amount of Erroneously Awarded Incentive Compensation received by such Covered Executive and shall require the forfeiture, repayment, or return, as applicable, of not less than the full amount of any Erroneously Awarded Incentive Compensation received or deemed received by any Covered Executive, except to the extent determined impracticable in Section 7 below.

(a) Cash Awards. With respect to cash awards, the Erroneously Awarded Incentive Compensation is the difference between the amount of the cash award (whether payable as a lump sum or over time) that was received and the amount that should have been received applying the restated Financial Reporting Measure.

(b) Cash Awards Paid from Bonus Pools. With respect to cash awards paid from bonus pools, the Erroneously Awarded Incentive Compensation is the pro rata portion of any deficiency that results from the aggregate bonus pool that is reduced based on applying the restated Financial Reporting Measure.

(c) Equity Awards. With respect to equity awards, if the shares, options or Stock Appreciation Rights (hereinafter, SARs) are still held at the time of recovery, the Erroneously Awarded Incentive Compensation is the number of such securities received in excess of the number that should have been received applying the restated Financial Reporting Measure (or the value in excess of that number). If the options or SARs have been exercised, but the underlying shares have not been sold, the Erroneously Awarded Incentive Compensation is the number of shares underlying the excess options or SARs (or the value thereof). If the underlying shares have already been sold, then the Committee and/or Board shall determine the amount which most reasonably estimates the Erroneously Awarded Incentive Compensation.

(d) Compensation Based on Stock Price or Total Shareholder Return. For Incentive Compensation based on (or derived from) stock price or total shareholder return, where the amount of Erroneously Awarded Incentive Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, (i) the amount shall be determined by the Committee and/or Board based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive Compensation was received; and (ii) the Committee and/or Board shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the Exchange in accordance with applicable listing standards.

Incentive Compensation shall be deemed "received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if (a) the payment or grant of the Incentive Compensation to the Covered Executive occurs after the end of that period or (b) the Incentive Compensation remains contingent and subject to further conditions thereafter, such as time-based vesting.

Any recovery under this Policy shall be made reasonably promptly and in accordance with the Exchange Act and Nasdaq Rules.

4. Incentive Compensation and Financial Reporting Measures

For purposes of this Policy:

“Accounting Restatement” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement). For the avoidance of doubt, in no event will a restatement of the Company’s financial statements that is not due in whole or in part to the Company’s material noncompliance with any financial reporting requirement under applicable law (including any rule or regulation promulgated thereunder) be considered an Accounting Restatement under this Policy. For example, a restatement due exclusively to a retrospective application of any one or more of the following will not be considered an Accounting Restatement under this Policy: (i) a change in accounting principles; (ii) revision to reportable segment information due to a change in the structure of the Company’s internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; and (v) revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure.

“Financial Reporting Measures” are measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and all other measures that are derived wholly or in part from such measures. Share price and total shareholder return (and any measures that are derived wholly or in part from share price or total shareholder return) shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company’s financial statements or included in a filing with the SEC.

“Incentive Compensation” means any compensation that is granted, earned, or vested based wholly or in part on the attainment of a Financial Reporting Measure.

For purposes of this Policy, specific examples of Incentive Compensation include, but are not limited to:

- (a) Non-equity incentive plan awards that are earned based, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal;
- (b) Bonuses paid from a “bonus pool,” the size of which is determined, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal;
- (c) Other cash awards based on satisfaction of a Financial Reporting Measure performance goal;
- (d) Restricted stock, restricted stock units, performance share units, stock options and SARs that are granted or become vested, wholly or in part, on satisfaction of a Financial Reporting Measure performance goal; and
- (e) Proceeds received upon the sale of shares acquired through an incentive plan that were granted or vested based, wholly or in part, on satisfaction of a Financial Reporting Measure performance goal.

For purposes of this Policy, Incentive Compensation excludes:

- (a) Any base salaries (except with respect to any salary increases earned, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal);
- (b) Bonuses paid solely at the discretion of the Committee or Board that are not paid from a “bonus pool” that is determined by satisfying a Financial Reporting Measure performance goal;
- (c) Bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period;
- (d) Non-equity incentive plan awards earned solely upon satisfying one or more strategic measures (e.g., consummating a merger or divestiture) or operational measures (e.g., completion of a project, acquiring a specified number of vessels, attainment of a certain market share associated with overall business growth); and
- (e) Equity awards that vest solely based on the passage of time and/or satisfaction of one or more non-Financial Reporting Measures (e.g., a time-vested award, including time-vesting stock options or restricted share rights).

“Incentive Compensation Eligible for Recovery” means Incentive Compensation received by a Covered Executive:

- (a) after beginning of service as a Covered Executive;
- (b) who served as a Covered Executive at any time during the performance period for the applicable Incentive Compensation (regardless of whether such individual is serving as a Covered Executive at the time the Erroneously Awarded Incentive Compensation is required to be repaid);
- (c) while the Company had a class of securities listed on a national securities exchange or a national securities association;
- (d) during the applicable Recovery Period; and
- (e) on or after the effective date of the applicable Nasdaq Rules (i.e., October 2, 2023).

“Recovery Period” means, with respect to any Accounting Restatement, the three (3) completed fiscal years of the Company immediately preceding the Restatement Date. In addition to these last three completed fiscal years, this Policy must apply to any transition period (that results from a change in the Company’s fiscal year) within or immediately following those three completed fiscal years. However, a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year.

“Restatement Date” means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

5. Erroneously Awarded Incentive Compensation – Amount Subject to Recovery

The amount to be recovered will be, with respect to each Covered Executive in connection with an Accounting Restatement, the amount of the Incentive Compensation Eligible for Recovery based on the erroneous data that exceeds the Incentive Compensation Eligible for Recovery that otherwise would have been received by the Covered Executive had it been determined based on the restated results (calculated without regard to any taxes paid), as determined by the Committee (the **“Erroneously Awarded Incentive Compensation”**).

For Incentive Compensation based on (or derived from) stock price, total shareholder return, or similar metric where the amount of Erroneously Awarded Incentive Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price, total shareholder return, or other such metric upon which the Incentive Compensation was received. The Company shall maintain documentation of the determination of such reasonable estimate, and, if required by applicable law, regulation or Nasdaq Rule, provide the relevant documentation to Nasdaq.

The Company shall promptly provide each Covered Executive with a written notice containing the amount of any Erroneously Awarded Incentive Compensation and a demand for repayment or return of such compensation, as applicable.

6. Method of Recovery

The Committee will determine, in its sole discretion, the method for recouping Erroneously Awarded Incentive Compensation hereunder which may include, without limitation, any of the following or combination thereof:

- (a) requiring reimbursement of cash Incentive Compensation Eligible for Recovery previously paid;
- (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- (c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- (d) cancelling outstanding vested or unvested equity awards; and/or
- (e) taking any other remedial and recovery action permitted by law, as determined by the Committee.

Except as set forth in Section 7 below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Incentive Compensation in satisfaction of a Covered Executive's obligations hereunder. To the extent that a Covered Executive fails to repay all Erroneously Awarded Incentive Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Incentive Compensation from the applicable Covered Executive. The applicable Covered Executive shall also be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Incentive Compensation in accordance with the immediately preceding sentence.

To the extent that the Covered Executive has already reimbursed the Company for any Erroneously Awarded Incentive Compensation received under any duplicative recovery obligations established by the Company or applicable law, it shall be appropriate for any such reimbursed amount to be credited to the amount of Erroneously Awarded Incentive Compensation that is subject to recovery under this Policy. To the extent that the Erroneously Awarded Incentive Compensation is recovered under a foreign recovery regime, the recovery would meet the obligations of Rule 10D-1.

7. Impracticability

The Company shall recover any Erroneously Awarded Incentive Compensation in accordance with this Policy, unless such recovery would be duplicative of compensation recovered by the Company from the Covered Executive pursuant to Section 304 of the Sarbanes-Oxley Act or would be impracticable, as determined by the Committee in accordance with Rule 10D-1 of the Exchange Act and the Nasdaq Rules, and any of the following conditions are satisfied:

(a) The Committee has determined that the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before making this determination, the Company must make a reasonable attempt to recover the Erroneously Awarded Incentive Compensation, document such attempt(s) and provide such documentation to Nasdaq; or

(b) Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Incentive Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation and a copy of the opinion is provided to Nasdaq; or

(c) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

8. No Indemnification

The Company shall not insure or indemnify any Covered Executive against the loss of any Erroneously Awarded Incentive Compensation that is repaid, returned or recovered in accordance with the terms of this Policy, or for any claims relating to the Company's enforcement of any of its rights under this Policy.

The Company shall not enter into any agreement or arrangement that exempts any Incentive Compensation that is granted, paid or awarded to any Covered Executive from the application of this Policy or that waives the Company's right to recover any Incentive Compensation Eligible for Recovery, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date of this Policy). While a Covered Executive may purchase a third-party insurance policy to fund potential recovery obligations under this Policy, the Company may not pay or reimburse the Covered Executive for premiums for such an insurance policy.

9. Other Recovery Rights

The Committee intends that this Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with a Covered Executive shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Covered Executive to abide, where applicable, by the terms of this Policy.

The Committee may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide, where applicable, by the terms of this Policy.

Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law, regulation or rule or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

10. Disclosure Requirements

The Company shall file all disclosures with respect to this Policy required by applicable SEC filings and rules.

11. Interpretation

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy, and for the Company's compliance with Nasdaq Rules, Section 10D, Rule 10D-1 and any other applicable law, regulation, rule or interpretation of the SEC or Nasdaq promulgated or issued in connection therewith. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D and Rule 10D-1 of the Exchange Act and any applicable rules or standards adopted by the SEC or Nasdaq.

12. Amendment and Termination

The Committee may amend or terminate this Policy from time to time in its discretion; provided that, no amendment or termination of this Policy shall be effective if such amendment or termination would cause the Company to violate any applicable federal securities laws, SEC rule or Nasdaq Rule.

13. Effective Date

This Policy shall be effective as of December 1, 2023 (the “**Effective Date**”) and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after October 2, 2023.

14. Policy Administration

This Policy shall be administered by the Committee, and any determinations made by the Committee shall be final and binding on all affected individuals.

ANNEX A

United Maritime Corporation

Policy for the Recovery of Erroneously Awarded Incentive Compensation

Acknowledgement Form

By signing below, the undersigned acknowledges and confirms they have received and reviewed a copy of the United Maritime Corporation Policy for the Recovery of Erroneously Awarded Incentive Compensation (the "**Policy**"). Capitalized terms used but not otherwise defined in this Acknowledgement Form shall have the meanings given to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that they are and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Incentive Compensation to the Company to the extent required by, and in a manner permitted by, the Policy.

For the avoidance of doubt, any recovery affected under the Policy shall not constitute grounds to terminate the undersigned's employment for "Good Reason" (or any term of similar meaning) under any employment, change in control or severance, equity award or compensation arrangements, agreements, plans or programs.

Signed

Name (Printed)

Date