

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

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) 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, 2024

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

For the transition period from _____ to _____

Commission file number: 001-34153

Global Ship Lease, Inc.
(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Republic of The Marshall Islands

(Jurisdiction of incorporation or organization)

9 Irodou Attikou Street, Kifisia, Athens 14561, Greece

(Address of principal executive offices)

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(Name, Telephone, Email and/or Facsimile Number and Address of Company Contact Person)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Shares, par value of \$0.01 per share	GSL	New York Stock Exchange
Depository Shares, each of which represents a 1/100th interest in a share of 8.75% Series B Cumulative Redeemable Perpetual Preferred Shares, par value \$0.01 per share	GSL-B	New York Stock Exchange
8.75% Series B Cumulative Redeemable Perpetual Preferred Shares*	N/A*	N/A*

* Not for trading, but only in connection with the registration of the Depository Shares representing 1/100th interest in such shares of 8.75% Series B Cumulative Redeemable Perpetual Preferred Shares, pursuant to the requirements of the Securities and Exchange Commission.

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.

35,447,370 Class A common shares, par value of \$0.01 per share
43,592 Series B Cumulative Redeemable Perpetual Preferred Shares, par value of \$0.01 per share

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 effectiveness of its internal controls over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.S. 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 ☒

GLOBAL SHIP LEASE, INC.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. Forward-looking statements provide our current expectations or forecasts of future events. Forward-looking statements include statements about our expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as “anticipate”, “believe”, “continue”, “estimate”, “expect”, “intend”, “may”, “ongoing”, “plan”, “potential”, “predict”, “project”, “will” or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Examples of forward-looking statements in this Annual Report include, but are not limited to, statements regarding our disclosure concerning our operations, cash flows, financial position, dividend policy, the anticipated benefits of strategic acquisitions, and the likelihood of success in acquiring additional vessels to expand our business.

Forward-looking statements appear in a number of places in this Annual Report including, without limitation, in the sections entitled “Business Overview”, “Management’s Discussion and Analysis of Financial Conditions and Operations”, and “Dividend Policy”.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the factors described in “Risk Factors” in this Annual Report. The risks described under “Risk Factors” are not exhaustive. Other sections of this Annual Report describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industries in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this Annual Report. We undertake no obligation to publicly update or revise any forward-looking statement to reflect circumstances or events after the date of this Annual Report or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks we describe in the reports we will file from time to time with the Securities and Exchange Commission, or “SEC”, after the date of this Annual Report.

PART I

Unless the context otherwise requires, references to the “Company”, “we”, “us”, “our” or “Global Ship Lease” refer to Global Ship Lease, Inc., “Technomar” refers to Technomar Shipping Inc., our technical ship manager and “Conchart” refers to Conchart Commercial Inc., our commercial ship manager, “Managers” refers to Technomar and Conchart, together. For the definition of certain terms used in this Annual Report, please see “Glossary of Shipping Terms” at the end of this Annual Report. Unless otherwise indicated, all references to “\$” and “dollars” in this Annual Report are in U.S. dollars. We use the term “TEU”, meaning twenty-foot equivalent unit, the international standard measure of container size, in describing volumes in world container trade and other measures, including the capacity of our containerships, which we also refer to as vessels or ships. Unless otherwise indicated, we calculate the average age of our vessels on a weighted average basis, based on TEU capacity.

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

The risks and uncertainties discussed below relate principally to the industry in which we operate and our business in general, and others relate to the market and ownership of our securities. The occurrence of any of the events described in this section could materially and adversely affect our business, financial condition and results of operations, cash available for the payment of dividends, and the market price of our securities. Our business, financial condition and results of operations and the market price of our securities could also be materially adversely affected by other matters that are not known to us or that we currently do not consider to be material risks.

Risk Factor Summary

- We are dependent on our charterers and other counterparties fulfilling their obligations under agreements with us, and their inability or unwillingness to honor these obligations could significantly reduce our revenues and cash flow.
- Significant demands may be placed on us as a result of possible future acquisitions of additional vessels. Our growth depends on continued growth in the demand for containerships, and our ability to purchase additional vessels and obtain new charters. We may require additional financing to be able to grow and will face substantial competition to purchase vessels. We may be unable to make or realize expected benefits from acquisitions of vessels or container shipping-related assets/enhancements and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results.
- Should we expand our business or provide additional services to third parties, we may need to improve our operating and financial systems, expand our commercial and technical management staff, and recruit suitable employees and crew for our vessels.
- We are exposed to risks associated with the purchase and operation of secondhand vessels; we may not perform underwater inspections of vessels prior to purchase.
- We are dependent on third parties, some of which are related parties, to manage our ships and substantial fees will be payable to our ship managers regardless of our profitability. Our third-party technical and commercial ship managers, Technomar and Conchart, are privately held companies and there is little or no publicly available information about them. Our financial reporting is partly dependent on accounting and financial information provided to us by Technomar with respect to our vessels.
- Our Executive Chairman and our Managers may have conflicts of interest with us which may make them favor their own interests to our detriment.
- Due to our lack of diversification, adverse developments in the containership transportation business could harm our business, results of operations and financial condition. We may be unable to recharter our vessels at profitable rates, if at all, upon their time charter expiry.

- Technological developments which affect global trade flows and supply chains may affect the demand for our vessels. The volatile container shipping market and difficulty finding profitable charters for our vessels upon their expiry.
- We have substantial indebtedness. Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations or pursue other business opportunities and may limit our ability to react to changes in the economy or our industry. Our debt agreements contain restrictions that limit our flexibility in operating our business. Volatility of Secured Overnight Financing Rate (“SOFR”) could affect our profitability, earnings, and cash flows.
- Vessel values may fluctuate, which may adversely affect our financial condition, result in the incurrence of a loss upon disposal of a vessel or increase the cost of acquiring additional vessels.
- Our vessels may be subject to extended periods of off-hire, which could materially adversely affect our business, financial condition and results of operations. The vessels’ mortgagor or other maritime claimants could arrest our vessels, which could interrupt the charterers’ or our cash flow. Governments could requisition our vessels during a period of war or emergency without adequate compensation, which under most of our time charter agreements would permit the customer to terminate the charter agreement for that vessel.
- We may need to make substantial expenditures to maintain our fleet, meet new regulatory requirements, meet commercial requirements or to acquire vessels.
- As our fleet ages, we may incur increased operating costs beyond normal inflation, which would adversely affect our results of operations. Unless we set aside reserves or are able to borrow funds for vessel replacement, at the end of the useful lives of our vessels our revenue will decline, which would adversely affect our business, results of operations and financial condition.
- Our business depends upon certain individuals who may not necessarily continue to be affiliated with us in the future. Rising crew and other vessel operating costs may adversely affect our profits. Increased fuel prices may have a material adverse effect on our profits.
- We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial and other obligations. Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could hurt our results of operations.
- Our insurance may be insufficient to cover losses that may occur to our property or result from our operations. 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.
- Our Fourth Amended and Restated Bylaws include forum selection provisions 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 other employees. We may not achieve the intended benefits of having forum selection provisions if they are found to be unenforceable.
- A cyber-attack could materially disrupt our business.
- The current state of the world financial markets and economic conditions and geopolitical conflicts could have a material adverse impact on our results of operations, financial condition and cash flows. The container shipping industry is cyclical and volatile and our growth and long-term profitability depend mainly upon growth in demand for containerhips, the condition of the charter market and the availability of capital. A decrease in the export and/or import of containerized cargo or an increase in trade protectionism may harm our customers’ business and, in turn, harm our business, results of operations and financial condition. A U.S. proposal to impose new port fees on Chinese associated vessels may have a material adverse effect on our operations and financial results. Adverse economic conditions, especially in the Asia Pacific region, the European Union or the United States, could harm our business, results of operations and financial condition.
- We may have more difficulty entering into long-term charters if a more active and cheaper short-term or spot container shipping market develops. An over-supply of containership capacity may lead to reductions in charter hire rates and profitability. Increased competition in technology and innovation could reduce our charter hire income and the value of our vessels.
- Acts of piracy on ocean-going vessels, terrorist attacks and international hostilities could affect our results of operations and financial condition.
- If our vessels call on ports located in countries or territories that are the subject of sanctions or embargoes, it could lead to monetary fines or penalties and have a material adverse effect on the market for our securities.
- Compliance with safety and other vessel requirements imposed by classification societies may be costly and may adversely affect our business and operating results. We are subject to evolving regulation and liability under environmental laws, including those related to emissions and decarbonization, such as the new FEUM regulation, which may adversely affect our revenues and profitability.
- Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and cause disruption of our containership business. Changing industry regulations may affect our cash flows and net income.
- The price of our securities may be volatile. Future sales and the imbalance of willing sellers and willing buyers of our common stock could cause the market price of our common stock to decline.
- We have change of control provisions in our organizational documents. We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law. It may not be possible for investors to serve process on or enforce U.S. judgments against us. We are subject to certain risks relating to the inability to obtain the minimum quorum established in our Amended and Restated Articles of Incorporation and our Fourth Amended and Restated Bylaws for the conduct of business at shareholder meetings.
- We are a “foreign private issuer” under the NYSE rules, and as such we are entitled to exemption from certain NYSE corporate governance standards, and you may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements. Our management is required to devote substantial time to complying with public company regulations.
- We cannot guarantee that our Board of Directors will declare dividends or otherwise return cash to shareholders. We may not have sufficient cash from our operations to enable us to pay dividends on or to redeem our Series B Preferred Shares, and accordingly the Depositary Shares, as the case may be. Our ability to pay dividends on and to redeem our Series B Preferred Shares is limited by the requirements of Marshall Islands law and by our contractual obligations.
- We may be subject to taxes which will reduce our cash flow. Certain adverse U.S. federal income tax consequences could arise for U.S. holders.

Risks Relating to Our Business

Operating Revenue Risk

We are dependent on our charterers and other counterparties fulfilling their obligations under agreements with us, and their inability or unwillingness to honor these obligations could significantly reduce our revenues and cash flow.

Payments to us by our charterers under time charters are, and will continue to be, our sole source of operating cash flow. We are consequently dependent on the performance by our charterers of their obligations under the charters. The container shipping industry is cyclical and, whilst financial performance improved from time to time, suffered an extended cyclical downturn lasting from the Global Financial Crisis in 2008/2009 through 2016, with freight rates, charter rates, asset values, and liner operator earnings under pressure due to oversupply of container ship capacity. Industry conditions generally improved from 2017 through 2019. The compound annual growth rate (“CAGR”) of containerized trade volumes from 2010 through 2024 was 3.0%, incorporating the impact of negative growth in 2020 (COVID-19), a rebound in 2021, further negative growth in 2022 and 2023 (geopolitical tensions driving inflationary macro-economic headwinds), and a further rebound in 2024. The uncertainty concerning the COVID-19 pandemic and its impact on container shipping and the macro-economic environment has waned significantly over the past 18 – 24 months. However, global public health threats, pandemics, epidemics, and other disease outbreaks, such as COVID-19, influenza and other highly communicable diseases or viruses, could adversely impact our operations and our charterers and other counterparties’ ability or willingness to fulfill their obligations to us. Additionally, uncertainty exists regarding the broader global economic impact of changes in tariffs, trade barriers, and embargos, including recently imposed or announced tariffs by the U.S. and the effects of retaliatory tariffs and countermeasures from affected countries, geopolitical events, such as the continuing wars between Russia and Ukraine and Israel and Hamas, ongoing disputes between China and Taiwan, deteriorating trade relations between the U.S. and China, and ongoing political unrest and conflicts in the Middle East and other regions throughout the world. Such uncertainty may adversely impact our business, and any escalation or spillover effects from these and similar conflicts may lead to further regional and international conflicts or armed action. It is possible that such conflicts could disrupt supply chains and cause instability in the global economy. Equally unpredictable is the impact these uncertainties may have upon our charterers’ operations and cash flows, and their payment of charter hire to us. If we lose a time charter because the charterer is unable to pay us or for any other reason, we may be unable to re-deploy the related vessel on similar terms or at all. Also, we will not receive any revenues from such a vessel while it is un-chartered, but we will be required to pay expenses necessary to maintain and insure the vessel and service any indebtedness on it.

Whilst there were no delays in receiving charter hire payments in 2023 or 2024, we may experience delays in receiving charter hire payments from some of our charterers, which under the charter contracts are due to be paid two weeks or one month in advance. As of December 31, 2024, no charter hire payments were outstanding.

If any of our charterers ceases doing business or fails to perform their respective obligations under their charters with us, our business, financial position and results of operations could be materially adversely affected if we face difficulties finding immediate replacement charters, or if such replacement charters were at lower daily rates and for shorter durations. If such events occur, these events may give rise to uncertainty about our ability to continue as a going concern. Please also see “—We may be unable to recharter our vessels at profitable rates, if at all, upon their time charter expiry.” below.

Operational Growth Risk

Significant demands may be placed on us as a result of possible future acquisitions of additional vessels.

As a result of possible future acquisitions of vessels, significant demands may be placed on our managerial, operational and financial personnel and systems. We cannot assure you that our systems, procedures and controls will be adequate to support the expansion of our operations. Our future operating results will be affected by the ability of our officers and key employees to manage changing business conditions and to implement and expand our operational and financial controls and reporting systems as a result of future acquisitions.

Our growth depends on continued growth in the demand for containerhips, and our ability to purchase additional vessels and obtain new charters. We may require additional financing to be able to grow and will face substantial competition to purchase vessels.

One of our objectives is to grow by acquiring additional vessels and chartering them out to container shipping companies. The opportunity to acquire additional containerhips will, in part, depend on the state of and prospects for container shipping. The container shipping industry is both cyclical and volatile in terms of supply demand balance, freight rates, charter rates, vessel values and overall profitability. Although supply-side fundamentals have generally been improving since 2017, the industry remains vulnerable to an excess of supply of containerhip capacity and mediocre demand growth. As at December 31, 2024, idle capacity of the global containerhip fleet was 0.6%, and the global containerhip orderbook to fleet ratio was 27.4% - weighted heavily towards containerhips larger than 10,000 TEU. The factors affecting the supply and demand for containerhips, and the nature, timing and degree of changes in industry conditions are unpredictable.

Acquisition of vessels will be challenging as, among other things, we may need to obtain additional financing in order to complete vessel purchases. In recent years, financing for investment in containerhips, whether newbuildings or existing vessels, has been severely limited. Further, the cost of available financing is currently high and may increase significantly in the future. In addition, the number of lenders for shipping companies has fluctuated and lenders have generally lowered their loan-to-value advance ratios, shortened loan terms and accelerated repayment schedules. The actual or perceived credit quality of our charterers and proposed charterers, and any defaults by them, may materially affect our ability to obtain the additional capital resources that we will require to purchase additional vessels or may significantly increase our costs of obtaining such capital. These factors may hinder our ability to access financing and we may be unable to obtain adequate funding for growth.

The process of obtaining further vessels and new charters is highly competitive and depends on a variety of factors, including, among others:

- competitiveness of overall price;
- availability of committed financing;
- containerhip leasing experience and quality of ship operations (including cost effectiveness);
- shipping industry relationships and reputation for reliability, customer service and safety;
- quality and experience of seafaring crew;
- ability to finance containerhips at competitive rates and financial stability generally;
- relationships with shipyards and the ability to get suitable berths for newbuildings;
- construction management experience, including the ability to obtain on-time delivery of new vessels according to customer specifications; and
- the energy efficiency and carbon profile of ships, including technical advances in vessel design, capacity, propulsion technology and fuel consumption efficiency, of us and our competitors.

We will face substantial competition in expanding our business from a number of companies. Many of these competitors may have greater financial resources and a lower cost of capital than us, may operate larger fleets, may have been established for longer and may be able to offer better charter rates. During an industry downturn there are an increased number of vessels available for charter, including many from owners with strong reputations and experience. Excess supply of vessels in the container shipping market results in greater price competition for charters. During strong industry conditions, the value of vessels rises and there is substantially greater competition for purchase opportunities. As a result of these factors, we may be unable to purchase additional containerships, expand our relationships with our existing charterers or obtain new charters on a profitable basis, if at all, which would have a material adverse effect on our business, results of operations and financial condition.

We may be unable to make or realize expected benefits from acquisitions of vessels or container shipping-related assets/enhancements and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results.

Our growth strategy includes, among other things, selectively acquiring secondhand and, potentially, newbuilding vessels and possibly seeking to diversify our asset base if an attractive investment opportunity presents itself. Growing any business through acquisition presents numerous risks, such as undisclosed liabilities and obligations, the possibility that indemnification agreements will be unenforceable or insufficient to cover potential losses and obtaining the necessary resources to manage an enlarged business. We cannot give any assurance that we will be successful in executing our growth plans, that we will be able to employ any acquired vessels under charters, that we will be able to purchase secondhand vessels or newbuildings at satisfactory prices or obtain ship management agreements with similar or better terms than those we have obtained from our current ship managers, that we will be able to purchase container shipping-related assets and subsequently lease them out at satisfactory prices or that we will not incur significant expenses and losses in connection with our future growth.

Factors that may limit our ability to acquire additional vessels and container shipping-related assets include competition from other owners and lessors, availability of financing, shipyard capacity for newbuildings and the limited number of modern vessels with appropriate characteristics not already subject to existing long-term or other charters. Competition from other purchasers could reduce our acquisition opportunities or cause us to pay higher prices.

Any acquisition of a vessel or container shipping-related assets may not be profitable to us and may not generate cash flow sufficient to justify our investment. In addition, our acquisition growth strategy exposes us to risks that may harm our business, financial condition and operating results, including risks that we may:

- fail to obtain financing, ship management agreements and charters on acceptable terms;
- be unable, including through our ship managers, to hire, train or retain qualified shore and seafaring personnel to manage and operate our enlarged business and fleet;
- fail to realize anticipated benefits of cost savings or cash flow enhancements;
- decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions or by additional repayments of debt;
- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions; or
- incur or assume unanticipated liabilities, losses or costs associated with the vessels acquired.

Should we expand our business or provide additional services to third parties, we may need to improve our operating and financial systems, expand our commercial and technical management staff, and recruit suitable employees and crew for our vessels.

Our current operating and financial systems may not be adequate if we further expand the size of our fleet or begin to provide additional services and attempts to improve those systems may be ineffective. In addition, we may need to recruit suitable additional administrative and management personnel to manage any growth. We may not be able to continue to hire suitable employees in such circumstances. If a shortage of experienced labor exists or if we encounter business or financial difficulties, we may not be able to adequately staff our vessels. If we further expand our fleet, or begin to provide additional services, and we are unable to grow our financial and operating systems or to recruit suitable employees, our business, results of operations and financial condition may be harmed.

We are exposed to risks associated with the purchase and operation of secondhand vessels.

Secondhand vessels typically do not carry warranties as to their condition at the time of acquisition. While we would generally inspect secondhand containerships prior to purchase, such an inspection would normally not provide us with as much knowledge of the vessel's condition as if it had been built for and operated by us during its life. Future repairs and maintenance costs for secondhand vessels are difficult to predict and may be substantially higher than those for equivalent vessels of which we have had direct experience. These additional costs could decrease our cash flow and reduce our liquidity. There can be no assurance that market conditions will justify such expenditures or enable us to operate our vessels profitably during the remainder of the economic lives of such vessels.

We may not perform underwater inspections of vessels prior to purchase.

Although we would perform physical inspections of any vessel prior to its purchase, it may not be possible for us to undertake any underwater inspections. As a result, we will not be aware of any damage to a vessel that may have existed at the time of purchase and which could only be discovered through an underwater inspection. However, if any damage is subsequently found, we could incur substantial costs to repair the damage which would not be recoverable from the sellers.

Third Parties' Performance Risk

We are dependent on third parties, some of which are related parties, to manage our ships and substantial fees will be payable to our ship managers regardless of our profitability.

As of the date of this annual report, all of our vessels are technically managed by Technomar, a company of which our Executive Chairman is the Founder, Managing Director, and majority beneficial owner, for an annual management fee. Technomar provides all day-to-day technical ship management, including crewing, purchasing stores, lubricating oils and spare parts, paying wages, pensions and insurance for the crew, and organizing other vessel operating necessities, such as the arrangement, management of drydocking and services in relation to compliance with the European Union Emission Trading System ("EU ETS" or "ETS") and FuelEU Maritime ("FEUM").

Additionally, all of our vessels are commercially managed by Conchart, a company of which our Executive Chairman is the sole beneficial owner. The services provided by Conchart, as our commercial manager, include chartering, sale and purchase and post-fixtured administration.

The fees and expenses payable pursuant to our technical and commercial ship management agreements with Technomar and Conchart, respectively, will be payable without regard to our business, results of operation and financial condition and we have limited rights to terminate our management agreements. The payment of fees to our managers could adversely affect our results of operations and ability to pay dividends. For additional information please see "Item 4. Information on the Company — B. Business Overview — Management of our Fleet."

Our third-party technical and commercial ship managers are privately held companies and there is little or no publicly available information about them.

The ability of our third-party ship managers, Technomar and Conchart, to render technical and commercial ship management services will depend in part on their own financial strength. Circumstances beyond our control could impair our third-party ship managers' financial strength, and because each is a privately held company, information about the financial strength of our third-party ship managers is not available. As a result, we and our shareholders might have little or no advance warning of financial or other problems affecting our third-party ship managers even though their financial or other problems could have a material adverse effect on us.

Risks Relating to Certain of our Related Parties

Our Executive Chairman and our Managers may have conflicts of interest with us which may make them favor their own interests to our detriment.

Our Executive Chairman is the Founder, Managing Director, and majority beneficial owner of Technomar and the sole beneficial owner of Conchart, our third-party technical and commercial ship managers. Our Executive Chairman also beneficially owns approximately 6.9% of our Class A common shares. Accordingly, Technomar, Conchart, and our Executive Chairman (including their affiliates) have the power to exert considerable influence over our actions. These relationships could create conflicts of interest between us and our Managers. Such conflicts of interest may result in transactions on terms not determined by market forces. Any such conflicts of interest could adversely affect our business, financial condition and results of operations, and the trading price of our Class A common shares.

Such conflicts of interest may arise in connection with the chartering, purchase, sale and operations of the vessels in our fleet versus vessels managed or owned by other companies affiliated with our Managers. As a result of these conflicts, our Managers may favor their own or their affiliates’ interests over our interests. These conflicts may have unfavorable consequences for us. Although our Executive Chairman and Conchart have entered into a non-competition agreement with us, conflicts of interest may arise between us and our Managers, and such conflicts may not be resolved in our favor and could have an adverse effect on our results of operations.

Our financial reporting is partly dependent on accounting and financial information provided to us by Technomar with respect to our vessels.

Technomar is obliged to provide us with requisite financial and accounting information on a timely basis so that we can meet our own reporting obligations under U.S. securities laws. Technomar is a privately held company with financial reporting arrangements different from ours. If it is delayed in providing us with key financial information, or it otherwise fails to meet its contractual obligations to us, we could fail to meet our financial reporting deadlines, which could lead to regulatory sanctions being imposed on us and cause us to default on reporting covenants under our financing agreements. Any such results may have a material adverse effect on our results of operation, financial condition and reputation.

Market Related Risks

Due to our lack of diversification, adverse developments in our containership transportation business could harm our business, results of operations and financial condition.

Nearly all of our cash flow is generated from our chartering of containerships. Due to our lack of diversification, an adverse development in the containership industry may harm our business, results of operations and financial condition more significantly than if we maintained more diverse assets or lines of business.

In addition, we operate our vessels in markets that have historically exhibited seasonal, as well as cyclical, variations in demand and, as a result, in charter hire rates. This seasonality may result in quarter-to-quarter volatility in our operating results, which could affect the amount of our cash flow.

We may be unable to recharter our vessels at profitable rates, if at all, upon their time charter expiry.

According to Maritime Strategies International Ltd. (“MSI”), as of December 31, 2024, idle capacity of the global containership fleet was 0.6%, and the overall orderbook-to-fleet ratio stood at 27.4%. Notwithstanding scrapping, the size of the orderbook will likely result in an increase in the size of the world containership fleet over the next few years, particularly in the larger vessel sizes (over 10,000 TEU). An over-supply of containership capacity, combined with a lack of growth in the demand for containerships, may result in downward pressure on charter rates. As at December 31, 2024, but adjusted to include the last Newly Acquired Vessel, Czech, delivered on January 9, 2025 and all charters agreed through February 28, 2025, and excluding the three vessels agreed to be sold in 2025, Tasman, Akiteta, Keta, the charters for eleven of our containerships either have expired or could expire before the end of the first half of 2025 and a further five vessels have charters which may expire during the second half of 2025.

We cannot be assured that we will be able to obtain new time charters for our vessels on expiry of existing charters or that if we do, the new rates will be favorable. If we are unable to obtain new time charters for our containerships at favorable rates or are unable to secure new charters promptly, or at all, the vessels would be idle. We would continue to incur certain operating costs but earn no revenue, which would have a material adverse effect on our business, financings, results of operations and financial condition. Please also see “—We are dependent on our charterers and other counterparties fulfilling their obligations under agreements with us, and their inability or unwillingness to honor these obligations could significantly reduce our revenues and cash flow” above.

Technological developments which affect global trade flows and supply chains may affect the demand for our vessels.

By reducing the cost of labor through automation and digitization and empowering consumers to demand goods whenever and wherever they choose, technology is changing the business models and production of goods in many industries. Consequently, supply chains are being pulled closer to the end-customer and are required to be more responsive to changing demand patterns. As a result, fewer intermediate and raw inputs are traded, which could lead to a decrease in shipping activity. If automation and digitization become more commercially viable and/or production becomes more regional or local, total containerized trade volumes would decrease, which would adversely affect demand for our services. Supply chain disruptions caused by geopolitical events, rising tariff barriers and environmental concerns may also accelerate these trends.

Financing/Debt Risks

Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations or pursue other business opportunities and may limit our ability to react to changes in the economy or our industry.

As of December 31, 2024, we had \$691.1 million of outstanding indebtedness, being \$231.9 million of publicly rated/investment grade 5.69% Senior Secured Notes due 2027 (the “2027 Secured Notes”), \$87.3 million of finance leases and \$371.9 million of secured credit facilities.

Our leverage could have important consequences, including:

- increasing our vulnerability to adverse economic, industry or competitive developments;
- requiring a substantial portion of our cash flows from operations to be dedicated to the payment of interest and amortization payments for our indebtedness, therefore reducing our ability to use our cash flows to fund operations, capital expenditure and future business opportunities;
- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under our 2027 Secured Notes and the agreements governing our other indebtedness;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage may prevent us from exploiting.

Despite our indebtedness levels, we may be able to incur substantially more indebtedness. This could further exacerbate the risks associated with our substantial indebtedness.

We may be able to incur substantial additional indebtedness in the future. Although certain of our debt agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. In addition, our debt agreements will not prevent us from incurring obligations that do not constitute indebtedness thereunder. If we incur substantially more indebtedness, the risks associated with our indebtedness as described above could be exacerbated.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our debt agreements contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit or restrict our ability and the ability of certain of our subsidiaries from, among other things:

- incurring additional indebtedness;
- making any substantial change to the nature of our business;
- paying dividends;
- redeeming or repurchasing capital stock;
- selling the collateral vessel, if applicable;
- entering into certain transactions other than arm's length transactions;
- acquiring a company, shares or securities or a business or undertaking;
- effecting a change of control of us, entering into any amalgamation, demerger, merger, consolidation or corporate reconstruction, or selling all or substantially all of our assets;
- changing the flag, class or technical or commercial management of the applicable collateral vessel or terminating or materially amending the management agreements relating to such vessel; and
- experiencing any change in the position and ownership of our Executive Chairman.

In addition, certain of our debt agreements require us and our subsidiaries to satisfy certain financial covenants, including minimum liquidity, and value adjusted leverage ratio. Our ability to meet those financial covenants and other tests will depend on our ongoing financial and operating performance, which, in turn, will be subject to economic conditions and to financial, market, and competitive factors, many of which are beyond our control.

Due to restrictions in our debt agreements, we may need to seek consent from our lenders in order to engage in certain corporate and commercial actions that we believe would be in the best interest of our business, and a denial of consent may make it difficult for us to successfully execute our business strategy or effectively compete with companies that are not similarly restricted. For example, our debt agreements restrict our entry into certain transactions or the termination or amendment of our third-party ship management agreements with Technomar and Conchart and require that George Giouroukos remain our Executive Chairman. Our lenders' interests may be different from ours, and we cannot guarantee that we will be able to obtain their permission when needed. This may prevent us from taking actions that we believe are in our or our shareholders' best interest. Any future agreements governing our indebtedness may include similar or more restrictive restrictions.

A breach of any of these covenants could result in a default under one or more of our debt agreements, including as a result of cross default provisions, and may permit the lenders (and other similar counterparties) to cease making loans to us. Upon the occurrence of an event of default under our debt agreements, the lenders (or other similar counterparties) could elect to declare all amounts outstanding under the loan to be immediately due and payable. Such actions by the lenders (or other similar counterparties) could cause cross defaults under our other debt agreements.

All but 18 of the vessels owned by us as of December 31, 2024, serve as security under our secured debt agreements. If our operating performance declines, we may be required to obtain waivers from our lenders (and other similar counterparties) to avoid default thereunder. If we are not able to obtain such waivers, our lenders (and other similar counterparties) could exercise their rights upon default and we could be forced into bankruptcy or liquidation.

The vessels' mortgagor or other maritime claimants could arrest our vessels, which could interrupt the charterers' or our cash flow.

If we default under any of our credit facilities or other indebtedness, lenders under our other credit facilities and indebtedness who hold mortgages on our vessels could arrest some or all of our vessels and cause them to be sold. We would not receive any proceeds of such sale unless and until all amounts outstanding under such indebtedness had been repaid in full. Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that 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 one or more of our vessels, for valid or invalid reasons, could interrupt the charterers' or our cash flow and require the charterer or us or our insurance to pay a significant amount to have the arrest lifted. 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 vessel in our fleet for claims relating to another vessel in our fleet. In any event, any lien imposed may adversely affect our results of operations by delaying the revenue gained from ships.

Volatility of SOFR could affect our profitability, earnings, and cash flows.

Our secured credit facilities and finance lease obligations accrue interest based on SOFR, which, in some cases, adds a credit adjustment spread, or CAS. 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 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 our exposure to interest rate fluctuations, we have in the past, and may from time-to-time in the future, use interest rate derivatives to effectively fix any floating rate debt obligations. As of December 31, 2024, \$459.2 million of our total outstanding debt was floating rate debt across a number of facilities and sale and leaseback arrangements, bearing interest at SOFR based on interest rate cap agreements that we have in place that expire in 2026. An increase in interest rates upon expiry of these interest rate cap agreements could cause us to incur additional costs associated with our debt service, which may materially and adversely affect our results of operations. Further, no assurance can be given that the use of these derivative instruments, if any, may effectively protect us from adverse interest rate movements.

Assets’ Fair Value Risks

Vessel values may fluctuate, which may adversely affect our financial condition, result in the incurrence of a loss upon disposal of a vessel or increase the cost of acquiring additional vessels.

Vessel values may fluctuate due to a number of different factors, including:

- general economic and market conditions affecting the shipping industry;
- the types, sizes and demand for available vessels;
- the availability of other modes of transportation;
- increases in the supply of vessel capacity;
- the cost of newbuildings;
- governmental or other regulations; and
- the need to upgrade second hand and previously owned vessels as a result of changes in regulations, charterer requirements, technological advances in vessel design or equipment, or otherwise.

In addition, as vessels grow older, they generally decline in value. If a charter terminates, we may be unable to re-deploy the vessel at attractive rates, or at all and, rather than continue to incur costs to maintain and finance the vessel, may seek to dispose of it. Our inability to dispose of the containership at a reasonable price, or at all, could result in a loss on its sale and harm our business, results of operations and financial condition. We may be forced to sell some of our vessels for a lesser amount because of these constraints. Moreover, if the book value of a vessel is impaired due to unfavorable market conditions, we may incur a loss that could adversely affect our operating results.

Conversely, if vessel values are elevated at a time when we wish to acquire additional vessels, the cost of acquisition may increase and this could adversely affect our business, results of operations, cash flow and financial condition.

In addition, if we determine at any time that a vessel’s value has been impaired, we may need to recognize an impairment charge, which could be significant, that would reduce our earnings and net assets. We review our containership assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, which occurs when the assets’ carrying value is greater than the undiscounted future cash flows the asset is expected to generate over its remaining useful life. In our experience, certain assumptions relating to our estimates of future cash flows are more predictable by their nature, including, estimated revenue under existing contract terms and remaining vessel life. Certain assumptions relating to our estimates of future cash flows require more judgement and are inherently less predictable, such as future charter rates beyond the firm period of existing contracts, the amount of time a vessel is off-charter, ongoing operating costs and vessel residual values, due to factors such as the volatility in vessel charter rates, vessel values and inflation in expenses. We believe that the assumptions used to estimate future cash flows of our vessels are reasonable at the time they are made. We can provide no assurances, however, as to whether our estimates of future cash flows, particularly future vessel charter revenues or vessel values, will be accurate. Vessels that currently are not considered impaired may become impaired over time if the future estimated undiscounted cash flows decline at a rate that is faster than the depreciation of our vessels. Future fluctuations in charter rates and vessel values may trigger a possible impairment of our vessels as described in “Item 5. Operating and Financial Review and Prospects— A. Results of Operations—Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Critical Accounting Estimates.”

Declining containership values could affect our ability to raise cash by limiting our ability to refinance vessels or use unencumbered vessels as collateral for new loans or result in prepayments under certain of our credit facilities. This could harm our business, results of operations, financial condition or ability to raise capital.

If impairment testing is required, we may need to recognize impairment charges. The determination of the fair value of vessels will depend on various market factors, including charter and discount rates, ship operating costs and vessel trading values, and our reasonable assumptions at that time. For example, we recorded an impairment loss of \$18.8 million, in aggregate, in 2023 for two vessels. No impairment loss was recorded in 2024. The amount, if any, and timing of any impairment charges we may need to recognize in the future will depend upon the then current and expected future charter rates, vessel utilization, operating and dry-docking expenditures, vessel residual values, inflation and the remaining expected useful lives of our vessels, which may differ materially from those used in our assessments as of December 31, 2024.

Loss of Income Risks

Our vessels may be subject to extended periods of off-hire, which could materially adversely affect our business, financial condition and results of operations.

Under the time charters for our vessels, when the vessel is not available for service, it will likely be “off-hire”, in which case the charterer is generally not required to pay hire, and we will be responsible for all costs unless the charterer is responsible for the circumstances giving rise to the lack of availability. Additionally, in many cases the charterer has the option to extend the latest redelivery date by the off-hire days. A vessel generally will be deemed to be off-hire if there is an occurrence that affects the full working condition of the vessel, such as:

- any drydocking for repairs, maintenance or classification society inspection;
- any time out of service necessary for owner to upgrade vessels to meet new regulatory requirements, such as ballast water treatment or emission control or to improve the specification and commercial characteristics of our vessels;
- any damage, defect, breakdown or deficiency of the ship’s hull, machinery or equipment or repairs or maintenance thereto;
- any deficiency of the ship’s master, officers and/or crew, including the failure, refusal or inability of the ship’s master, officers and/or crew to perform the service immediately required, whether or not within its control;
- its deviation, other than to save life or property, which results in charterer’s lost time;
- crewing labor boycotts or certain vessel arrests;
- our failure to maintain the vessel in compliance with the charter’s requirements, such as maintaining operational certificates;
- the vessel’s declared performance speed is reduced or fuel consumption is increased by more than 5% over a specified period of time; or
- the vessel is requisitioned by any government or governmental authority.

Additionally, the charterer may have the right to terminate the charter agreement under a number of circumstances, such as if:

- the vessel is off-hire for a specified number of days, subject to certain conditions;
- the charterer informs us of a default under the charter, and the default is not rectified;
- there is a total (actual or constructive) loss of the vessel;
- the vessel is requisitioned by any government or governmental authority; or
- a vessel’s declared performance speed is reduced or fuel consumption increased in excess of a pre-agreed percentage over a continuous period of an agreed number of days, (for example, consumption in excess of 10% of that declared for a given speed over a continuous period of 30 days) and the reason is within our or the vessel’s control.

Our business, financial condition and results of operations may be materially adversely affected if our vessels are subject to extended periods of off-hire. For additional information, please see “Item 4. Information on the Company —B. Business Overview—Time Charters.”

Vessels’ Operational Risks

We may need to make substantial expenditures to maintain our fleet, meet new regulatory requirements, meet commercial requirements or to acquire vessels.

We must make substantial expenditures to maintain our fleet and we generally expect to finance these expenditures from operating cash flow. In addition, we will need to make substantial capital expenditures to acquire vessels in accordance with our growth strategy. Further, we may be obliged to make substantial expenditures to become compliant with changes in the regulatory environment, particularly concerning decarbonization, emission control and ballast water treatment. We may also incur substantial expenditure to improve the specification and commercial characteristics and competitiveness of some of our vessels. Such expenditures could increase as a result of, among other things, the cost of labor and materials, customer requirements and governmental regulations and maritime self-regulatory organization standards relating to safety, security or the environment. If we are unable to generate sufficient operating cash flow, we will need to fund these significant expenditures, including those required to maintain our fleet, with additional borrowings or otherwise find alternative sources of financing. Such financing arrangements may not be available on satisfactory economic terms or at all, which could have a material adverse effect on our business and results of operations.

As our fleet ages, we may incur increased operating costs beyond normal inflation, which would adversely affect our results of operations.

In general, the day-to-day cost of operating and maintaining a vessel increases with age. In addition, older vessels are typically less fuel efficient and may attract lower charter rates compared to modern, more fuel-efficient vessels. Governmental regulations and safety or other equipment standards may also require expenditures for modifications or the addition of new equipment and may restrict the type of activities in which our vessels may engage. We cannot assure you that, as our vessels age, market conditions will justify any such expenditures or expenditures to otherwise improve their operating characteristics, such as fuel efficiency to enable us to operate our vessels profitably during the remainder of their useful lives, which could adversely affect our results of operations. Our fleet of 71 vessels as of December 31, 2024 had an average age weighted by TEU capacity of 17.6 years. In November 2024, we agreed to purchase four high-reefer ECO 9,000 TEU vessels (the “Newly Acquired Vessels”), of which three were delivered in December 2024 and the fourth in January 2025. In addition, during December 2024, we agreed to sell an older vessel Tasman (5,936 TEU built 2000) and in February 2025, we agreed to sell two more vessels, Akiteta (2,220 TEU built 2002) and Keta (2,207 TEU, built 2003). Akiteta was delivered to her new owners on February 19, 2025 and Tasman was delivered to her new owners on March 10, 2025. Keta is scheduled for delivery to her new owners in first half 2025.

Unless we set aside reserves or are able to borrow funds for vessel replacement, at the end of the useful lives of our vessels our revenue will decline, which would adversely affect our business, results of operations and financial condition.

Our fleet of 71 vessels as of December 31, 2024 had an average age weighted by TEU capacity of 17.6 years. Unless we maintain reserves or are able to borrow or raise funds for vessel replacement, we will be unable to replace the older vessels in our fleet. Our cash flows and income are dependent on the revenues earned by the chartering of our containerships. The inability to replace the vessels in our fleet upon the expiration of their useful lives could have a material adverse effect on our business, results of operations and financial condition. Any reserves set aside by any of our subsidiaries for vessel replacement will not be available for servicing our indebtedness.

Our business depends upon certain individuals who may not necessarily continue to be affiliated with us in the future.

Our current performance and future success depend to a significant extent upon our Executive Chairman, George Giouroukos, our Chief Executive Officer, Thomas A. Lister, and our Chief Financial Officer, Anastasios Psaropoulos, who collectively have almost 88 years of experience in the shipping industry and have worked with several of the world’s largest shipping, ship leasing and ship management companies. They and the members of our Board of Directors (our “Board of Directors”) are crucial to the execution of our business strategies and to the growth and development of our business. Mr. Giouroukos has committed to spend approximately 50% on his time on matters related to our affairs. If these individuals were no longer to be affiliated with us, or if we were to otherwise cease to receive advisory services from them, we may be unable to recruit other employees with equivalent talent and experience, and our business and financial condition may suffer as a result.

Rising crew and other vessel operating costs may adversely affect our profits.

Acquiring and renewing charters with leading liner companies depends on a number of factors, including our ability to man our containerships with suitably experienced, high-quality masters, officers and crews. The limited supply of and increased demand for well-qualified crew, due to the increase in the size of the global shipping fleet, has from time-to-time created upward pressure on crewing costs, which we generally bear under our time charters. Increases in crew costs and other vessel operating costs such as insurance, repairs and maintenance, and lubricants may adversely affect our profitability. In addition, if we cannot retain a sufficient number of high-quality onboard seafaring personnel, our fleet utilization will decrease, which could have a material adverse effect on our business, results of operations and financial condition.

Increased fuel prices may have a material adverse effect on our profits.

The cost of fuel is a significant factor in negotiating charter rates and can affect us both directly and indirectly. The cost of fuel is borne by us when our vessels are off-hire, being positioned for and undergoing drydockings, between charters and when employed on voyage charters or contracts of affreightment. We currently have no voyage charters or contracts of affreightment, but we may enter into such arrangements in the future, and to the extent we do so, an increase in the price of fuel beyond our expectations may adversely affect our profitability. 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. In such case, we 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 affect in a negative way our profitability and our cash flows. Even where the cost of fuel is ordinarily borne by the charterer, which is the case with all of our existing time charters, that cost will affect the level of charter rates that charterers are prepared to pay, depending in part on the fuel efficiency of a particular vessel. Upon redelivery of any vessels at the end of a 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.

The price of fuel is unpredictable and fluctuates based on events outside our control, including but not limited to conflicts, geopolitical developments, supply and demand for oil, actions by members of the Organization of the Petroleum Exporting Countries and other oil and gas producers, economic or other sanctions levied against oil and gas producing countries, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns and regulations.

In addition, since the implementation of the International Maritime Organization’s regulations limiting sulfur emissions effective January 1, 2020, our vessels have been and continue to be operated using compliant low sulfur fuels, the price of which has increased as a result of increased demand. Fuel may continue to be more expensive, which may reduce our profitability and the competitiveness of our business compared to other forms of transportation. Further, as fuel costs are generally paid by our charterers, high fuel prices may impact their profitability if they are unable to pass these costs through to their customers. High fuel prices could have a material adverse effect on our business, results of operations and financial condition.

Subsidiaries’ Performance Risk

We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial and other obligations.

We are a holding company and have no significant assets other than the equity interests in our subsidiaries. Our subsidiaries own all of the vessels and payments under charters are made to them. As a result, our ability to pay dividends and meet any debt service obligations and other liabilities depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to pay dividends or make other distributions or payments to us will be subject to the availability of profits or funds for such purpose which, in turn, will depend on the future performance of the subsidiary concerned which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that may be beyond its control. Additionally, the ability of our subsidiaries to make these distributions could be affected by the provisions of our financing arrangements or a claim or other action by a third party, including a creditor, or by English law, Marshall Islands law or the laws of any jurisdiction which applies to us and regulates the payment of dividends by companies. Applicable tax laws may also subject such payments to further taxation. Applicable law may also limit the amounts that some of our subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or even prevent such payments. Limitations on our ability to transfer cash among and within our group may mean that even though we, in aggregate, may have sufficient resources to meet our obligations, we may not be permitted to make the necessary transfers from one entity in our group to another entity in our group in order to make payments on our obligations. Therefore, if we are unable to obtain funds from our subsidiaries, we may not be able to pay dividends, including on our 8.75% Series B Cumulative Perpetual Preferred Shares (the “Series B Preferred Shares”), or meet our debt service obligations or our other liabilities.

Exchange Rates Fluctuation Risk

Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could hurt our results of operations.

We generate all of our revenues in U.S. dollars and some of our expenses are denominated in currencies other than U.S. dollars. This currency mismatch could lead to fluctuations in net income due to changes in the value of the U.S. dollar relative to other currencies. Expenses incurred in foreign currencies against which the U.S. dollar falls in value could increase, thereby decreasing our net income. On April 4, 2024, we entered into a foreign exchange option strip (“FX option”) to purchase €3.0 million, with monthly settlements, starting April 11, 2024, and ending March 13, 2025. The strike price is EURUSD 1.10. We entered to this option to hedge the downside foreign exchange risk associated with expenses denominated in EUR against fluctuations between the US Dollar and Euro. This FX option is designated as a cash flow hedge of anticipated expenses totaling €3.0 million, expected to occur each month. Future declines in the U.S. dollar versus other currencies could have a material adverse effect on our operating expenses and net income.

Insurance and Litigation Related Risks

Our insurance may be insufficient to cover losses that may occur to our property or result from our operations.

The shipping industry has inherent operational risks. Although we carry hull and machinery insurance, war risks insurance and protection and indemnity insurance (which includes coverage for environmental damage and pollution) and other insurances commonly held by vessel owners, we may not be adequately insured against all risks or our insurers may not pay every claim. Even if our insurance coverage is adequate to cover our losses, we may not be able to obtain a replacement vessel in the event of a total or constructive total loss in a timely manner. Further, under our financings, we are subject to restrictions on the use of any proceeds we may receive under claims in the event of a total or constructive total loss. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. We may also be 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. In addition, insurers typically charge additional premiums if vessels transit certain “excluded areas,” which may be subject to higher risk of piracy, war or terrorism. We cannot be certain that our insurers will continue to provide such coverage, or that we will be able to recover these increased costs from our charterers. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe are standard in the shipping industry, may nevertheless increase our costs.

In addition, we do not presently carry loss-of-hire insurance, which covers the loss of revenue during extended vessel off-hire periods, such as those that might occur during an unscheduled drydocking due to damage to the vessel from a major accident. Accordingly, any vessel that is off hire for an extended period of time, due to an accident or otherwise, could have a material adverse effect on our business, results of operations and financial condition.

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 and/or insurers may not remain solvent which may have a material adverse effect on our financial condition. Please see “Item 8. Consolidated Statements and Other Financial Information—A. Legal Proceedings.”

Risks Relating to Certain Corporate Affairs

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law.

Our corporate affairs are governed by our amended and restated articles of incorporation (the “Amended and Restated Articles of Incorporation”) and fourth amended and restated bylaws (the “Fourth Amended and Restated Bylaws”) and by the Business Corporations Act of the Republic of the Marshall Islands, or 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 very few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law 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, our 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.

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

We and most of our directors and officers and those of our subsidiaries are residents of countries other than the United States. Substantially all of our and our subsidiaries' assets and a substantial portion of the assets of our directors and officers are located outside the United States. As a result, it may be difficult or impossible for United States investors to effect service of process within the United States upon us, our directors or officers, or our subsidiaries or to realize against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. 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.

Our Fourth Amended and Restated Bylaws include forum selection provisions 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 other employees.

Our Fourth Amended and Restated Bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the High Court of the Republic of the Marshall Islands shall be the sole and exclusive forum for any internal corporate claim, intra-corporate claim, or claim governed by the internal affairs doctrine, including (i) any 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, employee or shareholder of the Company to the Company or the Company's shareholders, and (iii) any action asserting a claim arising pursuant to any provision of the BCA or our Amended and Restated Articles of Incorporation or Fourth Amended and Restated Bylaws. Our Fourth Amended and Restated Bylaws further provide that, unless we consent in writing to the selection of an alternative forum and subject to the foregoing, and except as otherwise provided above, the United States District Court for the Southern District of York (or, if such court does not have jurisdiction over such claim, any other federal district court of the United States) shall be the sole and exclusive forum for claims arising under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forum selection provisions may increase costs associated with, and/or 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, although shareholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder.

We may not achieve the intended benefits of having forum selection provisions if they are found to be unenforceable.

Our Fourth Amended and Restated Bylaws include forum selection provisions 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 provisions contained in our Fourth Amended and Restated Bylaws to be inapplicable or unenforceable in such action. 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 and the rules and regulations thereunder and 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 and the rules and regulations thereunder, and accordingly, we cannot be certain that a court would enforce our forum selection provisions. It is possible that a court could find our forum selection provisions to be inapplicable or unenforceable, and, accordingly, we could be required to litigate claims in multiple jurisdictions, incur additional costs with resolving such claims in other jurisdictions, or otherwise not receive the benefits that we expect our forum selection provisions to provide, which could adversely affect our business, financial condition and results of operations.

Cybersecurity Risk

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. 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. 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. A successful cyber-attack 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 our business and results of operations.

Risks Relating to Our Industry

The container shipping industry is cyclical and volatile and our growth and long-term profitability depend mainly upon growth in demand for containerships, the condition of the charter market and the availability of capital.

The container shipping industry is both seasonal and cyclical. According to MSI, between 2000 and 2008, which included a period of super-cyclical growth partly fueled by a significant increase in trade with China, containerized trade grew at an annual compound rate of 9.9%. The Global Financial Crisis, from late 2008, prompted a contraction of demand, with 2009 volumes falling by around 8.0%. In 2010, demand rebounded, with volume growth of 15.3%. From 2010 through 2024, incorporating the impact of negative growth in 2020 (COVID-19), the rebound in 2021, and further negative growth in 2022 and 2023 (geopolitical tensions driving inflationary macro-economic headwinds), and a rebound in 2024, CAGR was 3.0%. On the supply side, between 1995 and 2008, the nominal carrying capacity of the industry-wide fully cellular fleet grew by a CAGR of 11.4%; and from 2009 through 2020 at 5.7%, as the industry digested the legacy of the pre-financial crisis orderbook. Net supply CAGR 2021 through 2024 is estimated at 7.5% and, as of December 31, 2024, the containership fleet was estimated to be 6,215 ships, with an aggregate capacity of approximately 30.8 million TEU.

Weak conditions in the containership sector may affect our ability to generate cash flows and maintain liquidity, as well as adversely affect our ability to obtain financing.

The factors affecting the supply and demand for containerships and container shipping services are outside our control, and the nature, timing and degree of changes in industry conditions are unpredictable.

The primary factors that influence demand for containership capacity include, among others:

- supply and demand for products suitable for shipping in containers, including as a result of technological developments which may affect global trade flows and supply chains;
- changes in the patterns of global production and consumption of products transported by containerships;
- the changing dynamics of globalization, regionalization, or re-shoring of manufacturing;
- global and regional economic and political conditions, including weather, natural or other disasters, including health crises such as the COVID-19 pandemic, armed conflicts (including the conflicts in Ukraine and in the Middle East, as well as Houthi attacks in the Red Sea), terrorist activities and strikes;
- developments in international trade;
- changes in seaborne and other transportation patterns, including changes in the distances over which container cargoes are transported, the size of containerships, the extent of trans-shipments and the competitiveness of other forms of marine transportation including dry bulk and refrigerated vessels;
- environmental and other legal and regulatory developments;
- the price of oil and economics of slow steaming;
- the availability of trade finance and currency exchange rates; and
- port and canal congestion.

The primary factors that influence the supply of containership capacity include, among others:

- the containership newbuilding orderbook;
- the availability of financing;
- the scrapping rate of containerships;
- the number of containerships off-hire or otherwise idle including laid-up;
- the price of steel and other raw materials;
- changes in environmental and other laws and regulations that may limit the useful life of containerships;
- the availability of shipyard capacity;
- port and canal congestion;
- the extent of slow steaming; and
- changes in the environmental and other regulations that may limit the useful lives of vessels.

The conditions in the containership sector may also affect our ability to recharter our containerships upon the expiration of their current charters. As at December 31, 2024, but adjusted to include the last Newly Acquired Vessel, Czech, delivered on January 9, 2025 and all charters agreed through February 28, 2025, and excluding the three vessels agreed to be sold in 2025, Tasman, Akiteta, Keta, the charters for eleven of our containerships either have expired or could expire before the end of the first half of 2025 and a further five vessels have charters which may expire during the second half of 2025.

Charter rates receivable under any renewal or replacement charters will depend upon, among other things, the prevailing state of the containership charter market. If the charter market is depressed when our charters expire, we may be forced to recharter our containerships at reduced or even unprofitable rates, or we may not be able to recharter them at all, which may reduce or eliminate our results of operations or make our results of operations volatile. The same issues will exist in respect of any additional vessels we may acquire either when obtaining the initial charters or on rechartering at their expiry.

Global Financial Market Risks

A decrease in the export and/or import of containerized cargo or an increase in trade protectionism may harm our customers' business and, in turn, harm our business, results of operations and financial condition.

Much of our customers' containership business revenue is derived from the shipment of goods from the Asia Pacific region, primarily China, to various overseas export markets, including the United States and Europe. Any reduction in or hindrance to the output of China-based exporters could negatively affect the growth rate of China's exports and our customers' business. For instance, the government of China has implemented economic policies aimed at increasing domestic consumption of Chinese-made goods. This may reduce the supply of goods available for export and may, in turn, result in a decrease in shipping demand. Additionally, though in China there is an increasing level of autonomy and a gradual shift in emphasis to a "market economy" and enterprise reform, many of the reforms, particularly some limited price reforms that result in the prices for certain commodities being principally determined by market forces, are unprecedented or experimental and may be subject to revision, change or abolition. The level of imports to and exports from China could be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government. Changes in laws and regulations in China, including with regards to tax matters, and their implementation by local authorities could affect our charterers' business and have a material adverse impact on our business, results of operations and financial condition.

Our international operations expose us to the risk that increased trade protectionism will harm our business. In times of global economic challenge, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. Protectionist developments, or the perception that they may occur, could 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, (ii) the length of time required to transport goods and (iii) the risks associated with exporting goods. Such increases may significantly affect 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 renew and increase the number of their time charters with us. This could have a material adverse effect on our business, results of operations, financial condition and our ability to pay any cash distributions to our stockholders. Please also see below, “—Adverse economic conditions, especially in the Asia Pacific region, the European Union or the United States, could harm our business, results of operations and financial condition” and “—The current state of the world financial markets and economic conditions and geopolitical conflicts could have a material adverse impact on our results of operations, financial condition and cash flows.”

Adverse economic conditions, especially in the Asia Pacific region, the European Union or the United States, could harm our business, results of operations and financial condition.

We anticipate a significant number of the port calls made by our vessels will involve the loading or discharging of containerships in ports in the Asia Pacific region. Consequently, economic turmoil in that region may exacerbate the effect of any economic slowdown on us. 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, 2024 was approximately 5.0%, which was a decrease from 5.2% for the year ended December 31, 2023. 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.

The United States has also implemented more protectionist trade measures in an effort to protect and enhance its domestic economy. Additionally, the European Union, or the EU, and certain of its member states are facing significant economic and political challenges, including a risk of increased protectionist policies and the withdrawal of the United Kingdom from the European Union. Our business, results of operations and financial condition will likely be harmed by any significant economic downturn in the Asia Pacific region, including China, or in the EU or the United States.

In recent years, China and the United States have implemented certain increasingly protective trade measures with continuing trade tensions, including significant tariff increases, between these countries. In January 2025, during the initial days of President Trump’s second term, the U.S. announced the imposition of additional substantial tariffs on imports from various countries, including China, Canada and Mexico, and the subject countries indicated their intention to impose counter measures. In February 2025, President Trump announced that the U.S. would impose tariffs of 10% on all imported goods from China, which took effect in February 2025, and 25% on all steel and aluminum imports beginning in March 2025. On February 13, 2025, President Trump ordered his trade advisers to come up with “reciprocal” tariffs on U.S. trade partners to retaliate against taxes, tariffs, regulations and subsidies, thus increasing the possibility of a global trade war. On March 4, 2025, the U.S. imposed 25% tariffs on imports from Mexico and Canada and enacted an extra 10% tariff on Chinese imports, therefore doubling the previously levied tariff from February to an additional 20% on existing tariffs. In response, Canada plans to immediately impose a 25% tariff on U.S. imports, and Mexico stated that the country will also retaliate, intending to disclose plans in due time. Additionally, China announced retaliatory tariffs on U.S. agricultural goods and export restrictions to the U.S., in addition to filing a lawsuit with the World Trade Organization. On March 5, 2025, President Trump announced that cars made in North America that comply with the continent’s existing free trade agreement are exempted from tariffs for a month. On March 6, 2025, President Trump announced that the U.S. will pause the 25% tariffs on U.S. imports from Mexico and Canada that are covered under a 2020 United States-Mexico-Canada Agreement (USMCA) trade agreement until April 2, 2025. Goods that are not covered by the agreement remain subject to tariffs. On March 11, 2025, President Trump announced higher tariffs on steel and aluminum from Canada; however, hours later, reverted to previous plan to continue with the 25% tariffs on steel and aluminum products from Canada. On March 12, 2025, Canada announced new retaliatory trade duties on U.S. goods that took effect on March 13, 2025. Additionally, on February 26, 2025, President Trump announced a 25% tariff on imports from the European Union, which was imposed as of March 12, 2025. The EU announced on March 12, 2025 that it will respond with retaliatory tariffs that will take effect on U.S. products starting April 1, 2025.

The U.S. implementation of tariffs and related countermeasures taken by impacted foreign countries further increases the risk of additional trade protectionism. Trade protectionism in the markets that our charterers serve may cause an increase in the cost of exported goods, the length of time required to deliver goods and the risks associated with exporting goods and, which may further result in a decline in the volume of exported goods and demand for shipping. If significant tariffs or other restrictions are imposed on imports by the U.S. and related countermeasures are taken by impacted foreign countries, our business, including operating results, cash flows, and financial condition, may be adversely affected. Additionally, a decrease in the level of imports to and exports from China could adversely affect our business, operating results and financial condition.

The current state of the world financial markets and economic conditions and geopolitical conflicts could have a material adverse impact on our results of operations, financial condition and cash flows.

The world economy is facing a number of actual and potential challenges, including the continuing wars between Russia and Ukraine and Israel and Hamas, ongoing disputes between China and Taiwan, deteriorating trade relations between the U.S. and China, and ongoing political unrest and conflicts in the Middle East and other regions throughout the world, changes in tariffs, trade barriers, and embargos, including recently imposed or announced tariffs by the U.S. and the effects of retaliatory tariffs and countermeasures from affected countries, growing tensions between the U.S. and Europe due to the Russia-Ukraine war and U.S. threats of tariffs on European Union imports, banking crises or failures, global public health threats, epidemics and pandemics or other disease outbreaks, such as COVID-19, influenza and other highly communicable diseases or viruses, outbreaks of which from time to time occur in various parts of the world in which we operate, including China. For example, due in part to fears associated with the spread of COVID-19 in 2020, global financial markets experienced significant volatility which may continue as a new COVID-19 variant or new infectious disease emerges.

In addition, the continuing conflict 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. Whether the present dislocation in the markets and resultant inflationary pressures will transition to a long-term inflationary environment is uncertain, and the effects of such a development on charter rates, vessel demand and operating expenses in the sector in which we operate are uncertain. These issues, along with the re-pricing of credit risk and the difficulties currently experienced by financial institutions have made, and will likely continue to make, it difficult to obtain financing. As a result of the disruptions in the credit markets, many lenders have increased margins, enacted tighter lending standards, required more restrictive terms (including higher collateral ratios for advances, shorter maturities and smaller loan amounts), or refused to refinance existing debt at all or on terms similar to our current debt. Furthermore, certain banks that have historically been significant lenders to the shipping industry have announced an intention to reduce or cease lending activities in the shipping industry. New banking regulations, including larger capital requirements and the resulting policies adopted by lenders, could reduce lending activities. We may experience difficulties obtaining financing commitments in the future if current or future lenders are unwilling to extend financing to us or unable to meet their funding obligations due to their own liquidity, capital or solvency issues. The current state of global financial markets and current economic conditions might adversely impact our ability to issue additional equity at prices that will not be dilutive to our existing shareholders or preclude us from issuing equity at all.

We cannot be certain that financing or refinancing will be available on acceptable terms or at all. If financing or refinancing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our future obligations as they come due. Our failure to obtain such funds could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for dividends to our shareholders. In the absence of available financing, we also may be unable to take advantage of business opportunities or respond to competitive pressures.

Further, we may not be able to access our existing cash due to market conditions. If banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash may be threatened and could have a material adverse effect on our business and financial condition.

A recent proposal by the U.S. to impose new port fees on Chinese-operated vessels, Chinese-built vessels, non-Chinese companies operating Chinese-built vessels and companies with newbuilding orders at Chinese shipyards, and to restrict a percentage of U.S. products being transported on U.S. vessels could have a material adverse effect on our operations and financial results.

The United States Trade Representative (USTR) has recently put forward significant trade actions under Section 301 of the Trade Act of 1974 with the aim of addressing China's dominance in the maritime, logistics, and shipbuilding industries. These proposed actions, should they be enacted, have the potential to dramatically increase the port fees and therefore the overall operating expenses for ships calling at U.S. ports. Specifically, the USTR is proposing a series of service fees that would function as direct increases to port-related costs.

The proposal would include a service fee targeting Chinese operators of up to \$1.0 million for each instance a vessel operated by a Chinese entity enters a U.S. port. Alternatively, the fee could be calculated at a rate of up to \$1,000 per dwt of the vessel for each port entrance.

Another proposed service fee focuses on operators with fleets comprised of Chinese-built vessels. Under this proposal, fees could reach as high as \$1.5 million each time a Chinese-built vessel owned by a non-Chinese operator enters a U.S. port. Furthermore, a tiered fee structure is under consideration, based on the proportion of Chinese-built vessels within an operator's fleet. Operators with fleets that are 50% or more Chinese-built could face fees of up to \$1.0 million dollars per port call; for operators with fleets that are greater than 25% and less than 50% Chinese-built, the fee could be up to \$750,000 per port call; and for operators whose fleets have greater than 0% and less than 25% percent Chinese-built vessels, the port fee could reach up to \$500,000 per vessel entrance. Another option being considered is an additional fee of up to \$1.0 million per port entrance if 25% or more of an operator's fleet is composed of vessels constructed in China.

A further proposed service fee is aimed at operators with newbuilding orders for Chinese vessels. This fee would be based on the percentage of vessels an operator has ordered from Chinese shipyards or expects to receive from them within the next 24 months. Operators with 50% or more of their vessel orders placed with Chinese shipyards could be charged up to \$1.0 million per vessel entrance. For those with greater than 25% to less than 50% percent of their orders in Chinese shipyards, the fee could reach \$750,000, and for those with greater than 0% to less than 25%, it could be up to \$500,000 per vessel entrance. Another possibility is a flat fee of up to \$1.0 million dollars per port entrance if 25% or more of an operator's total vessel orders over the next 24 months are with Chinese shipyards.

The actual implementation of these proposed actions remains uncertain. The final form, scope, and effective dates of any measures that are ultimately adopted may significantly differ from the current proposals. Additionally, specifics, such as applicability to sale leaseback arrangements with Chinese leasing financiers, has not been clarified. In a sale leaseback arrangement, the Chinese leasing financiers are the formal owners of the vessels. Furthermore, retaliatory measures from China or other nations could further compound disruptions and cost increases within the global shipping industry.

In addition to direct port fee increases, retaliatory actions by China or other countries could indirectly impact port-related costs. For example, China could impose retaliatory port fees or restrictions on vessels of non-Chinese origin calling at Chinese ports, which could disrupt global shipping patterns and potentially increase congestion and costs at ports worldwide, including U.S. ports.

Given the potential magnitude of these proposed port-related fees and the many uncertainties surrounding their implementation, it is not possible at this time to fully predict the ultimate financial impact. However, if measures similar to those that have been proposed are implemented, port fees for our vessels or vessels we charter and our operating costs for voyages calling at U.S. ports could materially increase. Even though port fees are typically borne by the charterer, if port fees are assessed due to our ownership of the relevant vessel, it is possible that charterers may demand that we bear these costs or otherwise reduce the applicable charter rate. This, in turn, could significantly reduce our profitability, negatively impact our ability to compete effectively, and materially and adversely affect our operations and financial results.

We may have more difficulty entering into long-term charters if a more active and cheaper short-term or spot container shipping market develops.

At the expiration of our charters or if a charter terminates early for any reason or if we acquire vessels charter-free, we will need to charter or recharter our vessels. If an excess of vessels is available on the spot or short-term market at the time we are seeking to fix new longer-term charters, we may have difficulty entering into such charters at all or at profitable rates and for any term other than short term and, as a result, our cash flow may be subject to instability in the mid to long-term. In addition, it would be more difficult to fix relatively older vessels should there be an oversupply of younger vessels on the market. A depressed spot market may require us to enter into short-term spot charters based on prevailing market rates, which could result in a decrease in our cash flow.

An over-supply of containership capacity may lead to reductions in charter hire rates and profitability.

While the size of the containership orderbook has declined substantially since its peak in 2008/2009, the containership newbuilding orderbook as of December 31, 2024 represented approximately 27.4% of the total on the water fleet capacity. Further containerships are likely to be ordered. Notwithstanding scrapping, delivery of newly built containerships will likely result in an increase in the size of the world containership fleet over the next few years. An over-supply of containership capacity, combined with any decline in the rate of growth in demand for containerships, would be likely to result in a reduction of charter hire rates. If such a reduction occurs when we seek to charter newbuilding vessels, our growth opportunities may be diminished. If such a reduction occurs upon the expiration or termination of our containerships' current time charters, we may only be able to recharter our containerships for reduced rates or unprofitable rates or we may not be able to recharter our containerships at all, which would have a material adverse effect on our business, financial condition and results of operation.

Increased competition in technology and innovation could reduce our charter hire income and the value of our vessels.

The charter rates and the value and operational life of a vessel are determined by a number of factors, including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed and fuel economy. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits together with other vessel specifications such as the capacity to carry temperature controlled containers (reefers). Physical life is related to the original design and construction, maintenance and the impact of the stress of operations. If new ship designs currently promoted by shipyards as being more fuel efficient perform, or if new containerships built in future that are more efficient or flexible or have longer physical lives than our vessels, competition from these more technologically advanced containerships could adversely affect our ability to re-charter, the amount of charter-hire payments that we receive for our containerships once their current time charters expire and the resale value of our containerships. This could adversely affect our ability to service our debt or pay dividends to our shareholders.

Piracy Related Risk

Acts of piracy on ocean-going vessels have increased in frequency, which could adversely affect our business.

Piracy is an inherent risk in the operation of ocean-going vessels and particularly affects vessels operating in specific regions of the world such as the South China Sea, the Gulf of Aden, the Arabian Sea, off the coast of West Africa and off the coast of Somalia. Generally, we do not control the routing of our vessels, which is determined by the charterer. Pirate attacks on any of our vessels could result in loss of life, the kidnapping of crew or the theft, damage or destruction of vessels or of containers or cargo being transported thereon. In addition, 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 it is therefore entitled to cancel the charter party, 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 our business, results of operations and financial condition. In addition, insurance premiums and costs such as onboard security guards, should we decide to employ them, could increase in such circumstances. Further, acts of piracy may materially adversely affect our charterer's business, impairing its ability to make payments to us under our charters.

Terrorist attacks and international hostilities could affect our results of operations and financial condition.

Terrorist attacks and the continuing response of the United States and other countries to these attacks, as well as the threat of future terrorist attacks, continue to cause uncertainty in the world financial markets and may affect our business, results of operations and financial condition from increased security costs and more rigorous inspection procedures at borders and ports. From time to time, acts of terrorism, regional conflict and other armed conflict around the world may contribute to further economic instability in the global financial markets. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all.

Terrorist attacks targeted at oceangoing vessels may also negatively affect our future operations and financial condition from, for example, increased insurance costs, and directly impact our containerships or our charterer. Future terrorist attacks could result in increased market volatility or even a recession in the United States or elsewhere or negatively affect global financial markets and could further increase inspection and security requirements and regulation that could slow our operations and negatively affect our profitability. Any of these occurrences could have a material adverse impact on our operating results, revenue and costs.

Vessels' Trading Risks

If our vessels call on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the United States government, the European Union, the United Nations, or other governmental authorities, it could lead to monetary fines or other penalties and have a material adverse effect on the market for our securities.

While none of our vessels called on ports located in countries or territories that are the subject of country-wide or territory-wide sanctions and/or embargoes imposed by the U.S. government or other authorities or countries identified by the U.S. government or other authorities as state sponsors of terrorism ("Sanctioned Jurisdictions"), and we endeavor to take precautions reasonably designed to mitigate such activities, it is possible that, on charterers' instructions and without our consent, our vessels may call on ports located in Sanctioned Jurisdictions. If such activities result in a sanctions violation, we could be subject to monetary fines, penalties, or other sanctions, and our reputation and the market for our common shares could be adversely affected.

The applicable 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 may be amended or strengthened over time. Current or future counterparties of ours may be affiliated with persons or entities that are or may be in the future the subject of sanctions imposed by the U.S., the EU, and/or other international bodies. If we determine that such sanctions require us to terminate existing or future contracts to which we or our subsidiaries are party or if we are found to be in violation of such applicable sanctions, our results of operations may be adversely affected or we may suffer reputational harm.

Although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance 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 not to invest, 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 Sanctioned Jurisdictions and certain financial institutions may have policies against lending or extending credit to companies that have contracts with Sanctioned Jurisdictions. The determination by these investors not to invest in, or to divest from, our common shares or the determination by these financial institutions not to offer financing 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 or territories subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries or territories, or engaging in operations associated with those countries or territories pursuant to contracts with third parties that are unrelated to those countries or territories or entities controlled by their governments. Investor perception of the value of our common shares may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

The smuggling of drugs, weapons or other contraband and stowaways on our vessels may lead to governmental claims against us.

We expect that our vessels will call in areas where smugglers attempt to hide drugs, weapons and other contraband on vessels or stowaways attempt to board, with or without the knowledge of crew members. To the extent our vessels are found with contraband or stowaways, whether with or without the knowledge of any of our crew or charterers, we may face governmental or other regulatory claims, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We are exposed to significant risks in relation to compliance with anti-corruption laws and regulations.

Our business entails numerous interactions with government authorities, including port authorities, health, safety, and environment authorities, labor and tax authorities and customs and immigration authorities. Furthermore, at our charterer's direction, our vessels call at ports throughout the world, including in some countries where corruption is endemic. Although we have strict and adequate procedures prohibiting our employees or persons associated with us from making unlawful payments to government officials, we cannot guarantee that such payments may not be made despite our procedures and without our approval. In such case, such payments may be deemed to have violated anti-corruption laws potentially applicable to us, including the UK Bribery Act 2010, or the Bribery Act, and the U.S. Foreign Corrupt Practices Act, or the FCPA. Both civil and criminal penalties may be imposed on us as a result of violations of anti-corruption laws, and such penalties could have a material adverse impact on our reputation, business and financial condition.

Risks inherent in the operation of containerships could impair the ability of the charterer to make payments to us, increase our costs or reduce the value of our assets.

Our containerships and their cargoes are at risk of being damaged or lost because of events such as marine accidents, bad weather, mechanical failures, human error, war, terrorism, piracy, environmental accidents and other circumstances or events. Any of these events connected to our vessels or other vessels under the charterer’s control, or any other factor which negatively affects the charterer’s business such as economic downturn and significant cyclical depression in the container shipping industry, could impair the ability of the charterer to make payments to us pursuant to our charters. Although the charterer is obligated to pay us charter hire regardless of the amount of cargo being carried on board, it is possible that generally low cargo volumes and low freight rates or events noted above may render the charterer financially unable to pay us its hire. Furthermore, there is a risk that a vessel may become damaged, lost or destroyed during normal operations and any such occurrence may cause us additional expenses to repair or substitute the vessel or may render us unable to provide the vessel for chartering, which will cause us to lose charter revenue.

These occurrences could also result in death or injury to persons, loss of property or environmental damage, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates, and damage to our reputation and customer relationships generally. Any of these circumstances or events could increase our costs or lower our revenues, which could result in reduction in the market price of our common shares.

Governments could requisition our vessels during a period of war or emergency without adequate compensation, which under most of our time charter agreements would permit the customer to terminate the charter agreement for that vessel.

A government of a vessel’s registry could requisition one or more of our vessels. Requisition for title occurs when a government takes control of a vessel and becomes its owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would likely be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Additionally, under most of our time charter agreements, if a vessel is requisitioned, our customer has the option to terminate the charter agreement within 14 days of receipt of notice of the requisition. Government requisition of one or more of our vessels may negatively impact our revenues and cash flow.

If labor or other interruptions are not resolved in a timely manner, they could have an adverse effect on our business, results of operations, cash flows, financial condition and available cash.

In addition to providing services to us our technical managers are responsible for recruiting the senior officers and other crew members for our vessels. If not resolved in a timely and cost-effective manner, industrial action or other labor unrest or any other labor interruption, could prevent or hinder our operations from being carried out as we expect and could have an adverse effect on our business, financial condition, operating results, distribution of dividends or the trading price of our common shares.

Reliability of suppliers may limit our ability to obtain supplies and services when needed.

We rely, and will continue to rely, on a significant supply of consumables, spare parts and equipment to operate, maintain, repair and upgrade our fleet of ships. Delays in delivery or unavailability of supplies could result in off-hire days due to consequent delays in the repair and maintenance of our fleet which would negatively impact our revenues and cash flows. Cost increases could also negatively impact our future operations.

Environmental and Safety Compliance Risks

Compliance with safety and other vessel requirements imposed by classification societies may be costly and may adversely affect our business and operating results.

The hull and machinery of every commercial vessel must conform to the rules and standards of a classification society approved by the vessel’s country of registry. Such societies set the rules and standards for the design, construction, classification, and surveys of vessels and conduct surveys to determine whether vessels are in compliance with such rules and standards. A certification by a society is an attestation that the vessel is in compliance with the society’s rules and standards. A vessel involved in international trade must also conform to national and international regulations on safety, environment and security, including (but not limited to) the Safety of Life at Sea Convention, or SOLAS, and the International Convention for the Prevention of Pollution from Ships. A vessel conforms to such regulations by obtaining certificates from its country of registry and/or a classification society authorized by the country of registry.

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special or class renewal survey, a vessel's machinery may be reviewed on a continuous survey cycle, under which the machinery would be surveyed over a five-year period. See "Item 4. Information on the Company—B. Business Overview—Inspection by Classification Societies" for more information regarding annual surveys, intermediate surveys and special surveys. Bureau Veritas, DNV & RINA, the classification societies for the vessels in our fleet, may approve and carry out in-water inspections of the underwater parts of our vessels once every three to five years, in lieu of drydocking inspections. In-water inspections are typically less expensive than drydocking inspections and we intend to conduct in-water inspections when that option is available to us.

If a vessel does not maintain its "in class" certification or fails any annual survey, intermediate survey or special survey, port authorities may detain the vessel, refuse her entry into port or refuse to allow her to trade resulting in the vessel being unable to trade and therefore rendering her unemployable. In the event that a vessel becomes unemployable, we could also be in violation of provisions in our charters, insurance coverage, covenants in our loan agreements and ship registration requirements and our revenues and future profitability would be negatively affected.

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 containerships are materially affected by environmental regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which our containerships operate, as well as in the countries of their registration, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, water discharges, ballast water management and vessel recycling. Because such conventions, laws and regulations are often revised, we cannot predict the ultimate cost or effect of complying with such requirements or the effect of such compliance on the current market value, resale price or useful life of our containerships. Additional conventions, laws and regulations may be adopted that could limit our ability to do business or increase the cost of our doing business, which may negatively impact our business, results of operations and financial condition. In addition, any future decarbonization technologies may increase our costs, or we may be limited in our ability to apply them to commercial scale.

Environmental requirements, including in response to emissions reduction and decarbonization, may also require a reduction in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in substantial penalties, fines or other sanctions, including the denial of access to certain jurisdictional waters or ports or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations and natural resource damages, if there is a release of petroleum or other hazardous materials from our vessels or otherwise in connection with our operations. We could also become subject to personal injury or property damage claims relating to the release of hazardous materials associated with our operations, even if not carried as cargo.

In addition, in complying with existing environmental laws and regulations and those that may be adopted, we may incur significant costs in meeting new maintenance and inspection requirements and new restrictions on air emissions from our containerships, in managing ballast water, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety, security and environmental requirements, can be expected to become stricter in the future and require us to incur significant capital expenditures on our vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. Substantial violations of applicable requirements or a catastrophic release of bunker fuel from one or more of our containerships could harm our business, results of operations and financial condition. For additional information about the environmental regulations to which we are subject, please read "Item 4. Information on the Company—B. Business Overview—Environmental and Other Regulations".

Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance (“ESG”) policies may impose additional costs on us or expose us to additional risks.

Environmental impact (including emissions / decarbonization) is increasingly the subject of regulatory requirement & commercial pressure from our customers. Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices, especially as they relate to the environment health and safety, diversity, labor conditions and human rights in recent years, and have placed increasing importance on the implications and social cost of their investments. The expectations of these constituencies vary widely across nations and industries, and may conflict with each other in some instances. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company’s ESG practices. Failure to adapt to or comply with evolving investor, lender or other industry shareholder expectations and standards or the perception of not responding appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may damage such a company’s reputation or stock price, resulting in direct or indirect material and adverse effects on the company’s business and financial condition.

Moreover, from time to time, in alignment with our sustainability priorities, 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 negative publicity could adversely affect our reputation and/or our access to capital.

Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and cause disruption of our containership business.

International container shipping is subject to security and customs inspection and related procedures in countries of origin, destination, and certain trans-shipment points. These inspection procedures can result in cargo seizure, delays in the loading, offloading, trans-shipment, or delivery of containers, and the levying of customs duties, fines and other penalties against us.

Since the events of September 11, 2001, U.S. authorities have substantially increased container inspections. Government investment in non-intrusive container scanning technology has grown and there is interest in electronic monitoring technology, including so-called “e-seals” and “smart” containers, which would enable remote, centralized monitoring of containers during shipment to identify tampering with or opening of the containers, along with potentially measuring other characteristics such as temperature, air pressure, motion, chemicals, biological agents and radiation. Also, as a response to the events of September 11, 2001, additional vessel security requirements have been imposed, including the installation of security alert and automatic identification systems on board vessels.

It is unclear what additional changes, if any, to the existing inspection and security procedures may ultimately be proposed or implemented in the future, or how any such changes will affect the industry. It is possible that such changes could impose additional financial and legal obligations on us. Furthermore, changes to inspection and security procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of goods in containers uneconomical or impractical. Any such changes or developments could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our shareholders.

The operation of our vessels is also affected by the requirements set forth in the International Ship and Port Facilities Security Code, or the ISPS Code. The ISPS Code requires vessels to develop and maintain a ship security plan that provides security measures to address potential threats to the security of ships or port facilities. Although each of our containerships is ISPS Code certified, any failure to comply with the ISPS Code or maintain such certifications may subject us to increased liability and may result in denial of access to, or detention in, certain ports. Furthermore, compliance with the ISPS Code requires us to incur certain costs. Although such costs have not been material to date, if new or more stringent regulations relating to the ISPS Code are adopted by the International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels (the “IMO”) and the flag states, these requirements could require significant additional capital expenditures or otherwise increase the costs of our operations.

Sulfur regulations to reduce air pollution from ships are likely to require retrofitting of vessels and may cause us to incur significant costs.

From January 1, 2020, vessels must comply with the IMO mandated sulfur emission limit of 0.5% m/m on the sulfur in fuel oil used on board. The interpretation of “fuel oil used on board” includes use in main engine, auxiliary engines and boilers. This may be achieved by (i) using low sulfur fuel which may be at a higher cost than standard heavy fuel oil, (ii) installing scrubbers for cleaning of exhaust gas; or (iii) by retrofitting vessels to be powered by, for example, liquefied natural gas. The higher cost of low sulfur fuel is, in the first instance, borne by the vessel operator, our charterer, whereas the installation of scrubbers or retrofitting for an alternative fuel source, would in the first instance be borne by us as the vessel owner. Contrary to initial concerns, the availability of low sulfur fuel has not been an issue for the industry and, to date, the pricing spread between high- and low-sulfur fuels has been much tighter than originally anticipated. Nevertheless, costs of compliance going forward may be significant and may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Climate change risks and greenhouse gas restrictions may adversely impact our operations.

Due to concerns over the risks associated with climate change, a number of countries, the IMO and other regulatory organizations have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emission from ships. These regulatory measures may include the adoption of cap and trade regimes (of which there are currently around forty five world wide), carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy.

Maritime shipping is now included in the EU ETS as of 2024 with a phase-in period. Broadly, it is the “shipping company” which is either the ship owner or the ISM party contractually mandated to assume responsibility for EU ETS compliance, that is required to purchase and surrender emission allowances that represent their MRV-recorded carbon emission exposure for a specific reporting period (the “EU ETS Responsible Entity”). As part of the phased approach shipping companies will be required to surrender 40% of their 2024 emissions in 2025; 70% of their 2025 emissions in 2026; and 100% of their 2026 emissions in 2027. An EU ETS costs clause is also being mandated which enables the shipping company to contractually pass on costs of EU ETS allowances to commercial operators. Compliance with the Maritime EU ETS will result in additional compliance and administration costs to properly incorporate the provisions of the Directive into our business routines. Additional EU regulations which are part of the EU’s Fit-for-55, such as the new FEUM regulation, will also affect our financial position in terms of compliance and administration costs when they take effect (see below). Effective January 1, 2024, we appointed Technomar, our technical ship manager, as the EU ETS Responsible Entity and amended our technical management agreements with Technomar to expand the scope of its responsibilities, accordingly.

FEUM compliance strategy must be put in place by shipping companies now in order to ensure compliance with Fuel EU which came into effect from January 1, 2025. By August 31, 2024, shipping companies must have already submitted their FEUM monitoring plans to verifiers demonstrating how they, in conjunction with the commercial operators plan to meet the greenhouse gas intensity targets set by FEUM Regulation and what monitoring methods and fuels they plan to use. The year 2026 will be the first reporting year for shipping companies that fall under the scope of FEUM and by April 2026 shipping companies will be required to determine whether to comply by entering into pooling mechanisms with other shipping companies (including commercial operators) in order to achieve compliance, whether to bank any surplus emissions, whether to borrow compliance balances from future years, or whether to submit a penalty payment. FEUM is more technically challenging and legally complex than EU ETS and aims to increase demand for and use of renewable and low-carbon maritime fuels and decrease greenhouse gas emissions across the maritime sector.

The European Union is also intent on raising operational performance standards across the board and 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. It has 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.

On the investment side, territorial taxonomy regulations in geographies where we are operating and are regulatorily liable, such as EU Taxonomy, might jeopardize the level of access to capital. For example, EU has already introduced a set of criteria for economic activities which should be framed as ‘green’, called EU Taxonomy. As long as we are an EU-based company meeting the NFRD prerequisites, we will be eligible for reporting our Taxonomy eligibility and alignment. Based on the current version of the Regulation, companies that own assets shipping fossil fuels are considered as not aligned with EU Taxonomy. The outcome of such provision might be either an increase in the cost of capital and/or gradually reduced access to financing as a result of financial institutions’ compliance with EU Taxonomy.

Change of administration in the U.S. is also sending waves through the maritime industry’s role in tackling climate change. Emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, or any amendments or successor agreements. The Paris Agreement adopted under the United Nations Framework Convention on Climate Change in December 2015, entered into force in 2016, which contemplates commitments from each nation party thereto to take action to reduce greenhouse gas emissions and limit increases in global temperatures, did not include any restrictions or other measures specific to shipping emissions. However, restrictions on shipping emissions are likely to continue to be considered and a new treaty may be adopted in the future that includes additional restrictions on shipping emissions to those already adopted under MARPOL. In January 2025, President Trump signed an executive order to start the process of withdrawing the United States from the Paris Agreement; the withdrawal will take at least one year to complete.

Any climate control legislation, or other regulatory initiatives that aim to reduce greenhouse gases emissions, may affect our business. Compliance with changes in laws, regulations and obligations relating to climate change may affect the propulsion options in subsequent vessel designs and could increase our costs related to acquiring new vessels, operating and maintaining our existing ships and require us to install new emission controls, require that we acquire allowances or pay taxes related to our greenhouse gas emissions or that we administer and manage a greenhouse gas emissions program. Among other things, these risks may also include increases in the pricing of greenhouse gas emissions, new reporting regulations (such as, for example, the Corporate Sustainability Reporting Directive, applicable for certain companies from 2024, see below), changes in legislation impacting existing products and services, costs of transitioning to lower-emission fuels and technologies, potential substitution or replacement of existing products and services, and stakeholder concerns and/or shifts in customer preferences which may have financial implications for our business and could lead us to retire existing assets prior to the end of their currently-anticipated economic lives.

For example, on March 6, 2024, the SEC adopted final rules to require registrants to disclose certain climate-related information in registration statements and annual reports. The final rules will require us to disclose, among other things, material climate-related risks, information about our Board of Directors’ oversight of climate-related risks, management’s role in managing material climate-related risks, and Scope 1 and Scope 2 greenhouse gas emissions. These rules were challenged in federal court, and on February 11, 2025, the acting chairperson of the SEC issued a statement that the rules were deeply flawed and requested the court pause the litigation. The impact of the litigation on the content and effectiveness of these rules is uncertain. Although we are in the process of evaluating the new rules, compliance may result in increased legal, accounting, and other compliance-related costs, as well as place strain on our personnel, systems, and resources.

In addition to being exposed to the risk of legislative and regulatory change, our business is vulnerable to the underlying risks of climate change itself and may be directly or indirectly affected by climate-related changes such as rising sea levels, rising temperatures, changes in precipitation patterns, volatile and extreme weather, demographic change, and heightened risk of conflict—all of which could lead, among other things, to reduced demand for our services, increased operating and/or capital costs, and increased insurance premiums.

For further discussion, please see “Item 4. Information on the Company—B. Business—Environmental and Other Regulations”.

European mandatory non-financial reporting regulations.

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 on a phased basis starting from financial year 2024 through to 2028 to large EU and non-EU entities, subject to certain financial and employee thresholds being met. If the CSRD is applicable to us, we may incur significant costs, to prepare for and manage the administrative aspect of compliance with the CSRD. We note that following the publication of the Omnibus package of proposals on February 26, 2025 which are designed to simplify EU regulations and cut red tape, the application of all reporting requirements in the CSRD for companies that are due to report in 2026 and 2027 is postponed to 2028. If implemented into law, the Omnibus package will simplify compliance for SMEs and all companies with up to 1,000 employees and 50 million turnover will be outside the scope of the CSRD. For the companies in scope (above 1,000 employees and 50 million turnover), the Commission will adopt a delegated act to revise and simplify the existing sustainability reporting standards (ESRS). The proposed provisions in CSRD also create a derogation for companies with more than 1,000 employees and a turnover below EUR 450 million by making the reporting of Taxonomy voluntary, and also, put a stronger emphasis on transition finance by introducing the option of reporting on partial Taxonomy-alignment.

Regulations relating to ballast water discharge that have been in effect since September 2019 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. Existing vessels constructed before September 8, 2017, must comply with updated standards on or after September 8, 2019, with the exact date depending on the date of the next International Oil Pollution Prevention (“IOPP”) renewal survey. For most vessels, compliance with the standard will involve installing on-board systems to treat ballast water to eliminate unwanted organisms. Ships constructed on or after September 8, 2017 have been obligated to comply with the standards on or after September 8, 2017. Currently all of our vessels have a ballast water management system fitted.

Furthermore, United States regulations are currently changing. Although the 2013 Vessel General Permit (“VGP”) program and U.S. National Invasive Species Act (“NISA”) are currently in effect to regulate ballast discharge, exchange and installation, the Vessel Incidental Discharge Act (“VIDA”), which was signed into law on December 4, 2018, requires that the U.S. Environmental Protection Agency (“EPA”) 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 September 20, 2024, the EPA finalized national standards of performance for non-recreational vessels 79-feet in length and longer with respect to incidental discharges and on October 9, 2024, the Vessel Incidental Discharge National Standards of Performance were published. Within two years of publication, the USCG is required to develop corresponding implementation regulations. If the USCG spends the full two years to finalize the corresponding enforcement standards, the current 2013 VGP scheme will remain in force until 2026. Several U.S. states have added specific requirements to the Vessel General Permit including submission of a Notice of Intent, or NOI, or retention of a permit Authorization and Record of Inspection (PARI) form and submission of annual reports 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.

The new regulations could require the installation of new equipment, which may cause us to incur substantial costs.

Risks Relating to our Common Stock and Depositary Shares Representing Series B Preferred Shares

We cannot guarantee that our Board of Directors will declare dividends or otherwise return cash to shareholders.

Our Board of Directors may, in its sole discretion, from time to time, declare and pay cash dividends in accordance with our dividend policy or determine to return cash to shareholders in other ways, such as share repurchases. Our Board of Directors makes determinations regarding the payment of dividends in its sole discretion, and there is no guarantee that we will continue to declare and pay dividends in the future. The timing and amount of any dividends declared will depend on, among other things (a) our results of operations, financial condition, cash flow and cash requirements, (b) our liquidity, including our ability to obtain debt and equity financing on acceptable terms as contemplated by our vessel acquisition strategy, (c) restrictive covenants in our existing and future debt instruments and (d) provisions of Marshall Islands law. The declaration and payment of dividends is also subject at all times to the discretion of our Board of Directors.

The international containership and containership leasing industry is highly volatile, and we cannot predict with certainty the amount of cash, if any, that will be available for distribution as dividends in any period. Also, there may be a high degree of variability from period to period in the amount of cash, if any, that is available for the payment of dividends. The amount of cash we generate from operations and the actual amount of cash we will have available for dividends in each quarter will vary based upon, among other things:

- the charter-hire payments we obtain from our charters as well as the rates obtained upon the expiration of our existing charters;
- acquisition of additional vessels;
- the timing of scheduled drydockings;
- the timing of interest payments, scheduled debt amortization payments and other payments that might be due under our debt facilities;
- delays in the delivery of newbuilding vessels, if any, and the beginning of payments under charters relating to those vessels;
- the level of our operating costs, such as the costs of crews, lubricants and insurance;
- the number of unscheduled off-hire days for our fleet and the timing of, and number of days required for, scheduled dry-docking of our containerships;
- any idle time after one charter expires until a new charter is agreed or the vessel is disposed of, should a new charter not be agreed;
- unexpected repairs to, or required expenditures on, vessels or dry-docking costs in excess of those anticipated;
- the loss of a vessel;
- prevailing global and regional economic and geopolitical conditions;
- changes in interest rates;
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business;
- changes in the basis of taxation of our activities in various jurisdictions;
- modification or revocation of our dividend policy by our Board of Directors; and
- the amount of any cash reserves established by our Board of Directors.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which will be affected by non-cash items. We may incur other expenses or liabilities that could reduce or eliminate the cash available for distribution as dividends or to be returned to shareholders in other ways.

In addition, Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received from the sale of shares above the par value of the shares) or if there is no surplus, from the net profits for the current and prior fiscal years, or while a company is insolvent or if it would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus or net profits in the future to pay dividends, and our subsidiaries may not have sufficient funds, surplus or net profits to make distributions to us. As a result of these and other factors, we may not be able to pay dividends during periods when we record losses and may not pay dividends during periods when we record net income. We can give no assurance that dividends will be paid in the future or that cash will be returned to shareholders in other ways.

The price of our securities may be volatile.

The price of our common shares and Depositary Shares representing Series B Preferred Shares may be volatile and may fluctuate due to factors such as:

- actual or anticipated fluctuations in our quarterly revenues and results of operations and those of publicly held containership owners or operators;
- market conditions in the industry;
- perceived counterparty risk;
- shortfalls in our operating results from levels forecasted by securities analysts;
- announcements concerning us or other containership owners or operators;
- mergers and strategic alliances in the shipping industry;
- changes in government regulation including taxation; and
- the general state of the securities markets.

The international containership industry has been highly unpredictable and volatile. The market for common shares and Depositary Shares representing Series B Preferred Shares in companies operating in this industry may be equally volatile.

We have anti-takeover provisions in our organizational documents that may discourage a change of control.

Certain provisions of our Amended and Restated Articles of Incorporation and Fourth Amended and Restated Bylaws may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a shareholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by shareholders.

Certain of these provisions provide for:

- a classified Board of Directors with staggered three-year terms;
- restrictions on business combinations with certain interested shareholders;
- directors only to be removed for cause and only with the affirmative vote of holders of at least a majority of the common shares entitled to vote in the election of directors;
- advance notice for nominations of directors by shareholders and for shareholders to include matters to be considered at annual meetings; and
- a limited ability for shareholders to call special shareholder meetings.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

We are subject to certain risks relating to the inability to obtain the minimum quorum established in our Amended and Restated Articles of Incorporation and our Fourth Amended and Restated Bylaws for the conduct of business at shareholder meetings.

Our Amended and Restated Articles of Incorporation and Fourth Amended and Restated Bylaws require a quorum of the majority of our common stock outstanding in order to conduct business at any meeting of shareholders (including our annual meetings of shareholders). Due to the increased size and diversified nature of our shareholder base, it has become administratively more difficult to obtain the current quorum at shareholder meetings. Preparing proxy materials, including the printing and mailing of such materials to shareholders, together with proxy solicitation in order to reach the quorum requirement, is costly. Further, adjourning shareholder meetings for failure to obtain the requisite quorum also leads to increased costs. If we are unable to obtain the minimum quorum requirement to conduct business at shareholder meetings, we may be unable to take effectively conduct certain business.

Our management is required to devote substantial time to complying with public company regulations.

As a public company, we incur significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") as well as rules subsequently adopted by the SEC and the New York Stock Exchange ("NYSE"), including the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, have imposed various requirements on public companies, including changes in corporate governance practices. Our directors, management and other personnel devote a substantial amount of time to comply with these requirements. Moreover, these rules and regulations relating to public companies increase our legal and financial compliance costs and make some activities more time-consuming and costly.

Sarbanes-Oxley requires, among other things, that we maintain and periodically evaluate our internal control over financial reporting and disclosure controls and procedures. In particular, under Section 404 of the Sarbanes-Oxley Act of 2002, we are required to include in each of our annual reports on Form 20-F a report containing our management's assessment of the effectiveness of our internal control over financial reporting and, if we are an accelerated filer or a large accelerated filer, a related attestation of our independent registered public accounting firm. While we did not identify any material weaknesses or significant deficiencies in our internal controls under the current assessment, we cannot be certain at this time that our internal controls will be considered effective in future assessments and that our independent registered public accounting firm would reach a similar conclusion. Therefore, we can give no assurances that our internal control over financial reporting will satisfy regulatory requirements in the future.

We are a “foreign private issuer” under the NYSE rules, and as such we are entitled to exemption from certain NYSE corporate governance standards, and you may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

We are a “foreign private issuer” under the securities laws of the United States and the rules of the NYSE. Under the securities laws of the United States, “foreign private issuers” are subject to different disclosure requirements than U.S. domiciled registrants, as well as different financial reporting requirements. Under the NYSE rules, a “foreign private issuer” is subject to less stringent corporate governance requirements. Subject to certain exceptions, the rules of the NYSE permit a “foreign private issuer” to follow its home country practice in lieu of the listing requirements of the NYSE.

Accordingly, you may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

Future sales of our common stock could cause the market price of our common stock to decline.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, may depress the market price for our common stock. These sales could also impair our ability to raise additional capital through the sale of our equity securities in the future.

Subject to the rules of the NYSE, in the future, we may issue additional shares of common stock, and other equity securities of equal or senior rank, without shareholder approval, in a number of circumstances. The issuance by us of additional shares of common stock or other equity securities of equal or senior rank would have the following effects:

- our existing shareholders’ proportionate ownership interest in us may decrease;
- the dividend amount payable per share on our common stock may be lower;
- the relative voting strength of each previously outstanding share may be diminished; and
- the market price of our common stock may decline.

Our shareholders also may elect to sell large numbers of shares held by them from time to time. The number of shares of common stock available for sale in the public market will be limited by restrictions applicable under securities laws, and agreements that we and our executive officers, directors and existing shareholders may enter into with the underwriters at the time of an offering. Subject to certain exceptions, these agreements generally restrict us and our executive officers, directors and existing shareholders from directly or indirectly offering, selling, pledging, hedging or otherwise disposing of our equity securities or any security that is convertible into or exercisable or exchangeable for our equity securities and from engaging in certain other transactions relating to such securities for a period of up to 180 days after the date of an offering prospectus without the prior written consent of the underwriter(s).

We may not have sufficient cash from our operations to enable us to pay dividends on or to redeem our Series B Preferred Shares, and accordingly the Depositary Shares, as the case may be.

We pay quarterly dividends on the Series B Preferred Shares, and accordingly the Depositary Shares, only from funds legally available for such purpose when, as and if declared by our Board of Directors. We may not have sufficient cash available each quarter to pay dividends. In addition, if our Board of Directors does not authorize and declare a dividend for any dividend period prior to the relevant dividend payment date, holders of the Series B Preferred Shares and accordingly the Depositary Shares would not be entitled to receive a dividend for that dividend period. However, any unpaid dividends will accumulate. In addition, we have the option to redeem the Series B Preferred Shares, and accordingly the Depositary Shares, although we may have insufficient cash available to do so or may otherwise elect not to do so.

The amount of cash we can use to pay dividends or redeem our Series B Preferred Shares and the Depositary Shares depends upon the amount of cash we generate from our operations, which may fluctuate significantly, and other factors, including the following:

- changes in our operating cash flow, capital expenditure requirements, working capital requirements and other cash needs;
- the amount of any cash reserves established by our Board of Directors;
- restrictions under Marshall Islands law as described below;
- restrictions under our credit facilities and other instruments and agreements governing our existing and future debt as described below; and
- our overall financial and operating performance, which, in turn, is subject to prevailing economic and competitive conditions and to the risks associated with the shipping industry and the other factors (see “—Risks Relating to our Business” above), many of which are beyond our control.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which will be affected by noncash items, and our Board of Directors in its discretion may elect not to declare any dividends. We may incur other expenses or liabilities that could reduce or eliminate the cash available for distribution as dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income.

Our ability to pay dividends on and to redeem our Series B Preferred Shares is limited by the requirements of Marshall Islands law and by our contractual obligations.

Marshall Islands law provides that we may pay dividends on and redeem the Series B Preferred Shares only to the extent that assets are legally available for such purposes. Legally available assets generally are limited to our surplus, which essentially represents our retained earnings and the excess of consideration received by us for the sale of shares above the par value of the shares. In addition, under Marshall Islands law we may not pay dividends on or redeem Series B Preferred Shares if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

Further, the terms of our credit facilities may prohibit us from declaring or paying any dividends or distributions on preferred stock, including the Series B Preferred Shares, or redeeming, purchasing, acquiring or making a liquidation payment on preferred stock in certain circumstances.

Risks Relating to Tax Matters

Our operating income could fail to qualify for an exemption from U.S. federal income taxation, which would reduce our cash flow.

We do not expect to be engaged in a U.S. trade or business. In the case of a foreign corporation that is not so engaged, the Internal Revenue Code of 1986, as amended (the “Code”), imposes a 4% U.S. federal income tax (without allowance of any deductions) on 50% of the corporation’s gross transportation income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, unless the corporation qualifies for the exemption provided in Section 883 of the Code or an applicable income tax treaty. The imposition of this tax, to the extent not payable by our charterers, could have a negative effect on our business, financial condition and results of operations.

We will qualify for the exemption under Section 883 if, among other things, our stock is treated as primarily and regularly traded on an established securities market in the United States. However, under the relevant Treasury regulations, a class of stock will not be treated as primarily and regularly traded on an established securities market if, during more than half the number of days during the taxable year, one or more shareholders who actually or constructively own at least 5% of the vote and value of the outstanding shares of such class of stock (“5% Shareholders”), own, in the aggregate, 50% or more of the vote and value of the outstanding shares of such class of stock, unless a sufficient amount of stock is owned by 5% Shareholders that are considered to be “qualified shareholders” to preclude non-qualifying 5% Shareholders from owning 50% or more of the total value of the stock held by the 5% Shareholders group.

Generally, a 5% Shareholder is a qualified 5% Shareholder if the 5% Shareholder is an individual who is a resident of a qualified foreign country, the government of a qualified foreign country, a foreign corporation organized in a qualified foreign country that meets the “publicly-traded” test discussed herein, a non-profit organization organized in a qualified foreign country or an individual beneficiary (resident in a qualified foreign country) of a pension plan administered in or by a qualified foreign country. Generally, a foreign country is a qualified foreign country if it grants an equivalent exemption from tax to corporations organized in the United States.

Based on information that we have as to our shareholders and other matters, we believe that we qualified for the Section 883 exemption for 2022 through 2024, under the “publicly-traded” test. Whether we may satisfy the “publicly-traded” test depends on factors that are outside of our control, and we cannot provide any assurances that we will or will not satisfy the “publicly-traded” test to claim exemption from U.S. taxation for 2025 or future taxable years. See Item “10. Additional Information—E. Taxation—Taxation of Global Ship Lease—The Section 883 exemption” for a more comprehensive discussion of the U.S. federal income tax rules related to Section 883.

Certain adverse U.S. federal income tax consequences could arise for U.S. holders.

Shareholders of a “passive foreign investment company,” or PFIC, that are U.S. persons within the meaning of the Code (“U.S. shareholders”) are subject to a disadvantageous U.S. federal income tax regime with respect to the distributions they receive from a PFIC and the gain, if any, they derive from the sale or other disposition of their shares in a PFIC (as discussed below). In addition, dividends paid by a PFIC do not constitute qualified dividend income and, hence, are ineligible for the preferential rate of tax that applies to qualified dividend income.

A foreign corporation is treated as a PFIC if either (1) 75% or more of its gross income for any taxable year consists of certain types of “passive income” or (2) 50% or more 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 and 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; income derived from the performance of services does not, however, constitute “passive income”.

Based on the projected composition of our income and valuation of our assets, we do not expect that we will constitute a PFIC with respect to the current or any future taxable year, although there can be no assurance in this regard. Our expectation is based principally on the position that, for purposes of determining whether we are a PFIC, the majority, if not all, of the gross income we derive from our chartering activities should constitute services income rather than rental income.

In this regard, we have been advised by our tax advisor that the income from our time and voyage chartering activities should be classified as services income. There is, however, no direct legal authority under the PFIC rules addressing our current and projected future operations or supporting our position. Accordingly, no assurance can be given that the U.S. Internal Revenue Service (the “IRS”) will not assert that we are a PFIC with respect to any taxable year, nor that a court would not uphold any such assertion.

Further, in a case not concerning PFICs, *Tidewater Inc. v. U.S.*, 2009-1 USTC ¶ 50,337, the Fifth Circuit held that a vessel time charter at issue generated rental, rather than services, income. However, the court’s ruling was contrary to the position of the IRS that the time charter income should be treated as services income. Subsequently, the IRS has stated that it disagrees with and will not acquiesce to the rental versus services distinction in the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. The IRS’s statement with respect to *Tidewater* cannot be relied upon or otherwise cited as precedent by taxpayers. Further, the facts in *Tidewater* are not directly analogous to our facts. No assurance can be given that the IRS or a court of law would accept our position, and there is a risk that the IRS or a court of law could determine that the company is a PFIC.

If the IRS were to determine that we are or have been a PFIC for any taxable year, our U.S. shareholders will face adverse U.S. tax consequences. Distributions paid by us with respect to our shares will not constitute qualified dividend income if we were a PFIC in the year we pay a dividend or in the prior taxable year and, hence, will not be eligible for the preferential rate of tax that applies to qualified dividend income. In addition, our U.S. shareholders (other than shareholders who have made a “qualified electing fund” or “mark-to-market” election) will be subject to special rules relating to the taxation of “excess distributions”—with excess distributions being defined to include certain distributions we may make on our Class A common shares as well as gain recognized by a U.S. holder on a disposition of our Class A common shares. In general, the amount of any “excess distribution” will be allocated ratably to each day of the U.S. holder’s holding period for our Class A common shares. The amount allocated to the current year and any taxable year prior to the first taxable year for which we were a PFIC will be included in the U.S. holder’s gross income for the current year as ordinary income. With respect to amounts allocated to prior years for which we were a PFIC, the tax imposed for the current year will be increased by the “deferred tax amount,” which is an amount calculated with respect to each prior year by multiplying the amount allocated to such year by the highest rate of tax in effect for such year, together with an interest charge as though the amounts of tax were overdue. See Item 10.E. “Additional Information—Taxation —Tax consequences of holding Class A common shares—Consequences of possible passive foreign investment company classification.” for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. shareholders if we were treated as a PFIC (including those applicable to U.S. shareholders who make a qualified electing fund or mark-to-market election).

We may be subject to taxation on all or part of our income in the United Kingdom, which could have a material adverse effect on our results of operations.

If we or our vessel owning subsidiaries were considered to be a resident of the United Kingdom (or “UK”) or to have a permanent establishment in the United Kingdom, all or a part of our profits could be subject to UK corporate tax, which had a maximum rate of 19% for years ended March 31, 2016 until the year ended March 31, 2023. From April 1, 2023, the main rate increased to 25%.

We and our vessel owning subsidiaries are centrally managed and controlled from outside the United Kingdom and have restricted activities within the United Kingdom. Certain intra-group services will have been provided from within the United Kingdom up to March 31, 2024. We may have to calculate the taxable profit of these services using arm’s-length pricing. The appropriate arm’s-length price in these circumstances may be subject to discussion with the UK taxing authorities.

We do not believe that we or our vessel owning subsidiaries are residents of the United Kingdom for UK tax purposes, or that we or our vessel owning subsidiaries have permanent establishments in the United Kingdom. However, because some administrative and executive services are provided to us or our vessel owning subsidiaries by a subsidiary company located in the United Kingdom and certain of our directors reside in the United Kingdom, and because UK statutory and case law does not outline specific activities that constitute a trade being carried on in the United Kingdom through a permanent establishment, the UK taxing authorities may contend that we or our vessel owning subsidiaries are subject to UK corporate tax on all of our income, or on a greater portion of our income than we currently expect to be taxed. If the UK taxing authorities made such a contention, we could incur substantial legal costs defending our position, and, if we were unsuccessful in our defense, our results of operations would be materially adversely affected.

We may be subject to taxes which will reduce our cash flow.

We and our vessel owning subsidiaries may be subject to tax in certain jurisdictions in which we are organized, own assets or have operations, which would reduce the amount of our cash available for distribution. In computing our tax obligations in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We cannot assure you that upon review of these positions, the applicable authorities will agree with our positions. A successful challenge by a tax authority, or a change in law in a jurisdiction in which we operate (including Cyprus and Hong Kong, where a number of our vessel owning subsidiaries are entered in the local tonnage tax regime), could result in additional tax imposed on us, further reducing the cash available for distribution.

Tax laws, including tax rates, in the jurisdictions in which we operate may change as a result of macroeconomic or other factors outside of our control. For example, various governments and organizations such as the European Union and Organization for Economic Co-operation and Development (the “OECD”) are increasingly focused on tax reform and other legislative or regulatory action to increase tax revenue. In January 2019, the OECD announced further work in continuation of its Base Erosion and Profit Shifting project, focusing on two “pillars”. Pillar One provides a framework for the reallocation of certain residual profits of multinational enterprises to market jurisdictions where goods or services are used or consumed. Pillar Two consists of two interrelated rules referred to as Global Anti-Base Erosion Rules, which operate to impose a minimum tax rate of 15% calculated on a jurisdictional basis. In the third quarter of 2021, more than 130 countries tentatively signed on to a framework that imposes a minimum tax rate of 15%, among other provisions. Qualifying international shipping income is exempt from many aspects of this framework. On December 20, 2021, the OECD published model rules to implement the Pillar Two rules, which are generally consistent with agreement reached by the framework in October 2021. These changes, when enacted by various countries in which we do business, may increase our taxes in these countries. As this framework is subject to implementation by each member country, the timing and ultimate impact of any such changes on our tax obligations are uncertain.

Item 4. Information on the Company

A. History and Development of the Company

Our legal and commercial name is Global Ship Lease, Inc. We are a Republic of the Marshall Islands corporation that owns a fleet of mid-sized and smaller containerships which we charter out under fixed-rate charters to reputable container shipping companies.

The mailing address of our principal executive office is c/o GSL Enterprises Ltd., 9 Irodou Attikou Street, Kifisia, Athens 14561, Greece and our telephone number at that address is +30 210 6233670. Our agent in the United States is Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware 19711. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of the SEC's Internet site is www.sec.gov. Our website address is www.globalshiplease.com. None of the information contained on these websites is incorporated herein by reference or forms a part of this Annual Report. From time to time, we may use our website and social media outlets as channels of distribution of material company information.

We were formed in 2007 pursuant to the Marshall Islands Business Corporations Act to purchase and charter back 17 containerships then owned or to be purchased by CMA CGM, at that time the third largest containership operator in the world by number of vessels. On August 14, 2008, we merged indirectly with Marathon Acquisition Corp. (the "Marathon Merger") and became listed on the NYSE on August 15, 2008.

On November 15, 2018, we completed a transformative transaction by which we acquired 20 containerships, one of which was contracted to be sold, which we refer to as the "Poseidon Transaction." On the closing of the Poseidon Transaction, we issued as consideration 3,005,603 Class A common shares and 250,000 Series C Preferred Shares, which were converted to an aggregate of 12,955,188 Class A common shares in January 2021, and assumed debt in the amount of \$509.7 million.

Since the Poseidon Transaction, we have continued to expand our fleet, and have acquired 38 additional vessels; this includes the Newly Acquired Vessels that we agreed to purchase in November 2024 for an aggregate price of \$274.0 million, of which three were delivered to us in December 2024 and the fourth in January 2025. In addition, during December 2024, we agreed to sell an older vessel Tasman (5,936 TEU built 2000) and in February 2025, we agreed to sell two more vessels, Akiteta (2,220 TEU built 2002) and Keta (2,207 TEU, built 2003). Akiteta was delivered to her new owners on February 19, 2025 and Tasman was delivered on March 10, 2025. Keta is scheduled for delivery to her new owners in first half 2025.

As of March 10, 2025, we owned 70 mid-sized and smaller containerships, ranging from 2,207 to 11,040 TEU, with an aggregate capacity of 404,681 TEU. 39 ships are wide-beam Post-Panamax. See "Item 4. Information on the Company-B. Business Overview."

Class A Common Shares

In March 2022, our Board of Directors authorized our repurchase of up to \$40.0 million common shares, to be utilized on an opportunistic basis (our "Share Repurchase Program"). During the year ended December 31, 2022, we repurchased an aggregate of 1,060,640 Class A common shares under the Share Repurchase Program for an average purchase price of \$18.87 per share, for a total of \$20.0 million.

During the year ended December 31, 2022, 586,819 Class A common shares were issued under the Global Ship Lease 2019 Omnibus Incentive Plan (the "2019 Plan").

As at December 31, 2022, there were 35,990,288 Class A common shares outstanding.

In July 2023, our Board of Directors replenished our Share Repurchase Program with the authorization of our repurchase of an additional \$40.0 million of Class A common shares. During the year ended December 31, 2023, we repurchased an aggregate of 1,242,663 Class A common shares at an average price of \$17.68 per share, for a total of \$22.0 million.

During the year ended December 31, 2023, 440,698 Class A common shares were issued under the 2019 Plan.

As at December 31, 2023, there were 35,188,323 Class A common shares outstanding.

During the period from January 1, 2024 through the date of this annual report, we repurchased an aggregate of 251,772 Class A common shares for an average purchase price of \$19.84 per share, for a total of \$5.0 million. As of the date of this annual report, we have remaining approximately \$33.0 million available for repurchases under our Share Repurchase Program.

On August 16, 2024, we entered into an equity distribution agreement (the "Sales Agreement") with Evercore Group L.L.C. under which we may, from time to time, opportunistically offer and sell Class A common shares having an aggregate offering price of up to \$100.0 million. As of December 31, 2024, we issued 27,106 Class A common shares pursuant to the Sales Agreement at an average price of \$27.02.

During the year ended December 31, 2024, 483,713 Class A common shares were issued under the 2019 Plan.

As at December 31, 2024, there were 35,447,370 Class A common shares outstanding.

Depository Shares

On August 20, 2014, we issued 1,400,000 Depository Shares (the “Depository Shares”), each of which represents 1/100th of one share of the Company's Series B Preferred Shares representing an interest in a total of 14,000 Series B Preferred Shares, par value \$0.01 per share, with a liquidation preference of \$2,500.00 per share (equivalent to \$25.00 per Depository Share), priced at \$25.00 per Depository Share (NYSE:GSL-B). Dividends are payable at 8.75% per annum in arrears on a quarterly basis. At any time after August 20, 2019 (or within 180 days after the occurrence of a fundamental change), the Series B Preferred Shares may be redeemed, at our discretion, in whole or in part, at a redemption price of \$2,500.00 per share (equivalent to \$25.00 per Depository Share).

On December 29, 2022, we entered into a At Market Issuance Sales Agreement with B. Riley Securities, Inc., pursuant to which we may offer and sell, from time to time, up to \$150.0 million of our Depository Shares (the “Depository Shares ATM Program”). During the years ended December 31, 2022, 2023 and 2024, we have not issued or sold any Depository Shares under the Depository Shares ATM Program.

As at December 31, 2024, 4,359,190 Depository Shares were outstanding, representing an interest in 43,592 Series B Preferred Shares.

Other Recent Developments

On June 26, 2024, we announced updates from three leading credit rating agencies. Our Corporate Credit Rating had been upgraded to Ba2 from Ba3, with a stable outlook, by Moody's Investor Service. In addition, S&P Global Ratings upgraded our long-term issuer credit rating to BB+ from BB, with a stable outlook, and the Kroll Bond Rating Agency upgraded our corporate rating to BB+ from BB, maintaining its stable outlook and also affirmed the BBB/stable investment grade rating and outlook for the \$350.0 million 5.69% Senior Secured Notes due 2027.

On February 12, 2025, we announced that our Board of Directors declared a dividend of \$0.45 per Class A common share for the fourth quarter of 2024, that was paid on March 6, 2025 to common shareholders of record as of February 24, 2025. This follows dividends of \$0.375 per Class A common share paid for the first quarter of 2024 and \$0.45 per Class A common share paid for each of the second and third quarters of 2024.

On March 5, 2025, we announced an increase in our supplemental quarterly dividend by \$0.075 per Class A common share (subject to declaration by our Board of Directors), representing an 16.7% increase on our quarterly dividend of \$0.45 per Class A common share (taking into account regular and supplemental quarterly dividend). Following the increase, our total quarterly dividend is expected to be \$0.525 per Class A common share, effective with the regular quarterly dividend that is declared on our Class A common shares in connection with the first quarter of 2025 and paid in June 2025.

On March 6, 2025, we announced that our Board of Directors declared a dividend of \$0.546875 per Depository Share, scheduled to be paid on April 1, 2025 to all Series B Preferred Shareholders of record as of March 25, 2025.

Please see “Item 8. Financial Information – Dividend Policy.”

B. Business Overview

Our Fleet

As of December 31, 2024, we had 71 containerships in our fleet, with the fourth Newly Acquired Vessel (Czech) delivered in January 2025. As of February 28, 2025, three of our older vessels (Tasman, Keta, and Akiteta) were contracted for sale. Akiteta was delivered to her new owners on February 19, 2025 and Tasman was delivered to her new owners on March 10, 2025. Keta is scheduled for delivery to her new owners in first half 2025. Charters agreed up to February 28, 2025 are included below:

Vessel Name	Capacity in TEUs	Lightweight (tons)	Year Built	Charterer	Earliest Charter Expiry Date	Latest Charter Expiry Date ⁽²⁾	Daily Charter Rate \$
CMA CGM Thalassa	11,040	38,577	2008	CMA CGM	3Q28	4Q28	47,200 ⁽³⁾
ZIM Norfolk ⁽¹⁾	9,115	31,764	2015	ZIM	2Q27	4Q27	65,000
Anthea Y ⁽¹⁾	9,115	31,890	2015	MSC	3Q25	4Q25	Footnote ⁽⁴⁾
ZIM Xiamen ⁽¹⁾	9,115	31,820	2015	ZIM	3Q27	4Q27	65,000
Sydney Express ⁽¹⁾	9,019	31,254	2016	Hapag-Lloyd ⁽⁵⁾	1Q26	4Q29	Footnote ⁽⁵⁾
Istanbul Express ⁽¹⁾	9,019	31,380	2016	Hapag-Lloyd ⁽⁵⁾	3Q26	2Q30	Footnote ⁽⁵⁾
Bremerhaven Express ⁽¹⁾	9,019	31,199	2015	Hapag Lloyd ⁽⁵⁾	1Q26	3Q29	Footnote ⁽⁵⁾
Czech	9,019	31,319	2015	Hapag-Lloyd ⁽⁵⁾	4Q26	3Q30	Footnote ⁽⁵⁾
MSC Tianjin	8,603	34,243	2005	MSC ⁽⁶⁾	3Q27	4Q27	Footnote ⁽⁶⁾
MSC Qingdao	8,603	34,585	2004	MSC ⁽⁶⁾	3Q27	4Q27	Footnote ⁽⁶⁾
GSL Ningbo	8,603	34,340	2004	MSC	3Q27	1Q28	Footnote ⁽⁷⁾
GSL Alexandra	8,544	37,809	2004	Maersk	2Q26	3Q26	Footnote ⁽⁸⁾
GSL Sofia	8,544	37,777	2003	Maersk	3Q26	3Q26	Footnote ⁽⁸⁾
GSL Effie	8,544	37,777	2003	Maersk	3Q26	3Q26	Footnote ⁽⁸⁾
GSL Lydia	8,544	37,777	2003	Maersk	2Q26	3Q26	Footnote ⁽⁸⁾
GSL Eleni	7,847	29,261	2004	Maersk	4Q27	2Q29	Footnote ⁽⁹⁾
GSL Kalliopi	7,847	29,261	2004	Maersk	1Q28	2Q29	Footnote ⁽⁹⁾
GSL Grania	7,847	29,261	2004	Maersk	1Q28	3Q29	Footnote ⁽⁹⁾
Colombia Express (ex Mary) ⁽¹⁾	7,072	23,424	2013	Hapag-Lloyd ⁽¹⁰⁾	4Q28	1Q31	Footnote ⁽¹⁰⁾
Panama Express (ex Kristina) ⁽¹⁾	7,072	23,421	2013	Hapag-Lloyd ⁽¹⁰⁾	4Q29	4Q31	Footnote ⁽¹⁰⁾
Costa Rica Express (ex Katherine) ⁽¹⁾	7,072	23,403	2013	Hapag-Lloyd ⁽¹⁰⁾	2Q29	3Q31	Footnote ⁽¹⁰⁾
Nicaragua Express (ex Alexandra) ⁽¹⁾	7,072	23,348	2013	Hapag-Lloyd ⁽¹⁰⁾	3Q29	4Q31	Footnote ⁽¹⁰⁾
CMA CGM Berlioz	7,023	26,776	2001	CMA CGM	4Q25	2Q26	37,750
Mexico Express (ex Alexis) ⁽¹⁾	6,910	23,970	2015	Footnote ⁽¹⁰⁾	3Q29	4Q31	Footnote ⁽¹⁰⁾
Jamaica Express (ex Olivia I) ⁽¹⁾	6,910	23,915	2015	Hapag-Lloyd ⁽¹⁰⁾	3Q29	4Q31	Footnote ⁽¹⁰⁾
GSL Christen	6,858	27,954	2002	Maersk	4Q27	1Q28	Footnote ⁽¹¹⁾
GSL Nicoletta	6,858	28,070	2002	Maersk	1Q28	2Q28	Footnote ⁽¹¹⁾
Agios Dimitrios	6,572	24,931	2011	MSC ⁽⁶⁾	2Q27	3Q27	Footnote ⁽⁶⁾
GSL Vinia	6,080	23,737	2004	Maersk	1Q28	4Q29	13,250 ⁽¹²⁾
GSL Christel Elisabeth	6,080	23,745	2004	Maersk	1Q28	3Q29	13,250 ⁽¹²⁾
GSL Arcadia	6,008	24,858	2000	Maersk	3Q25	1Q26	12,900 ⁽¹³⁾
GSL Violetta	6,008	24,873	2000	Maersk	2Q25	4Q25	12,900 ⁽¹³⁾
GSL Maria	6,008	24,414	2001	Maersk	4Q25	1Q27	12,900 ⁽¹³⁾
GSL MYNY	6,008	24,876	2000	Maersk	2Q25	1Q26	12,900 ⁽¹³⁾
GSL Melita	6,008	24,859	2001	Maersk	1Q26	3Q26	12,900 ⁽¹³⁾
GSL Tegea	5,994	24,308	2001	Maersk	1Q26	3Q26	12,900 ⁽¹³⁾
GSL Dorothea	5,994	24,243	2001	Maersk	1Q26	3Q26	12,900 ⁽¹³⁾
Tasman ⁽²⁰⁾	5,936	25,010	2000	Maersk	1Q25	1Q25	21,500
Dimitris Y (ex Zim Europe)	5,936	25,010	2000	ONE	2Q25	3Q25	33,900
Ian H	5,936	25,128	2000	COSCO	4Q27	4Q27	Footnote ⁽¹⁴⁾
GSL Tripoli	5,470	22,109	2009	Maersk	3Q27	4Q27	17,250
GSL Kithira	5,470	22,259	2009	Maersk	4Q27	1Q28	17,250
GSL Tinos	5,470	22,068	2010	Maersk	3Q27	4Q27	17,250
GSL Syros	5,470	22,099	2010	Maersk	4Q27	4Q27	17,250
Dolphin II	5,095	20,596	2007	OOCL	1Q25	3Q25	53,500
Orca I	5,095	20,633	2006	Maersk	2Q25	4Q25	21,000
CMA CGM Alcazar	5,089	20,087	2007	CMA CGM	3Q26	1Q27	35,500
GSL Château d'If	5,089	19,994	2007	CMA CGM	4Q26	1Q27	35,500
GSL Susan	4,363	17,309	2008	CMA CGM	3Q27	1Q28	Footnote ⁽¹⁵⁾
CMA CGM Jamaica	4,298	17,272	2006	CMA CGM	1Q28	2Q28	Footnote ⁽¹⁵⁾
CMA CGM Sambhar	4,045	17,355	2006	CMA CGM	1Q28	2Q28	Footnote ⁽¹⁵⁾
CMA CGM America	4,045	17,355	2006	CMA CGM	1Q28	2Q28	Footnote ⁽¹⁵⁾
GSL Rossi	3,421	16,420	2012	ZIM	1Q26	3Q26	35,311 ⁽¹⁶⁾
GSL Alice	3,421	16,543	2014	CMA CGM	2Q28	3Q28	20,500 ⁽³⁾
GSL Eleftheria	3,421	16,642	2013	Maersk	3Q25	4Q25	37,975
GSL Melina	3,404	16,703	2013	Maersk	4Q26	4Q26	29,900
Athena	2,980	13,538	2003	MSC	2Q25	3Q25	17,500
GSL Valerie	2,824	11,971	2005	ZIM	3Q27	4Q27	32,000 ⁽¹⁷⁾
GSL Mamitsa (ex Matson Molokai)	2,824	11,949	2007	Matson	2Q25	3Q25	36,600
GSL Lalo	2,824	11,950	2006	MSC	2Q25	3Q25	18,000
GSL Mercer	2,824	11,970	2007	ONE	1Q27	2Q27	35,750 ⁽¹⁸⁾
GSL Elizabeth	2,741	11,530	2006	Maersk	2Q26	2Q26	20,360
GSL Chloe (ex Beethoven)	2,546	12,212	2012	ONE	1Q27	2Q27	33,000 ⁽¹⁸⁾
GSL Maren	2,546	12,243	2014	OOCL	1Q26	2Q26	16,500
Maira	2,506	11,453	2000	CMA CGM	4Q26	1Q27	26,000
Nikolas	2,506	11,370	2000	CMA CGM	4Q26	1Q27	26,000
Newyorker	2,506	11,463	2001	Maersk	1Q25	2Q25	17,250
Manet	2,288	11,534	2001	OOCL	3Q26	4Q26	24,000
Kumasi	2,220	11,652	2002	Wan Hai	1Q25	2Q25	38,000
Akiteta ⁽²⁰⁾	2,220	11,592	2002	OOCL	1Q25	1Q25	32,000
Keta ⁽²⁰⁾	2,207	11,731	2003	CMA CGM	1Q25	1Q25	25,000
Julie	2,207	11,731	2002	MSC	2Q25	3Q25	Footnote ⁽¹⁹⁾

- (1) Modern design, high reefer capacity, fuel-efficient “ECO” vessel.
- (2) In many instances charterers have the option to extend a charter beyond the nominal latest expiry date by the amount of time that the vessel was off hire during the course of that charter. This additional charter time (“Offhire Extension”) is computed at the end of the initially contracted charter period. The Latest Charter Expiry Dates shown in this table have been adjusted to reflect offhire accrued up to December 31, 2024, plus estimated offhire scheduled to occur during the remaining lifetimes of the respective charters. However, as actual offhire can only be calculated at the end of each charter, in some cases actual Offhire Extensions – if invoked by charterers – may exceed the Latest Charter Expiry Dates indicated.
- (3) CMA CGM Thalassa and GSL Alice were both forward fixed for 36 months +/-45 days. CMA CGM Thalassa and GSL Alice new charters are expected to commence in 4Q2025 and 2Q2025, respectively.
- (4) Anthea Y. The vessel is chartered at a confidential rate.
- (5) Sydney Express, Istanbul Express, Bremerhaven Express and Czech were contracted for purchase in 4Q2024, with three vessels delivered in December 2024 and the fourth in January 2025. Contract cover for each vessel is for a varied median firm duration extending for an average of 1.7 years, or up to an average of 5.1 years if all charterers’ options are exercised. The vessels are chartered at confidential rates.
- (6) MSC Tianjin, MSC Qingdao and Agios Dimitrios are chartered at confidential rates. MSC Qingdao & Agios Dimitrios are fitted with Exhaust Gas Cleaning Systems (“scrubbers”).
- (7) GSL Ningbo is chartered at a confidential rate.
- (8) GSL Alexandra, GSL Sofia, GSL Effie and GSL Lydia delivered in 2Q 2023. Contract cover for each vessel is for a minimum firm period of 24 months from the date each vessel was delivered, with charterers holding one year extension options. GSL Sofia and GSL Effie options were exercised in January 2025. GSL Alexandra and GSL Lydia options were exercised in February 2025. The vessels are chartered at confidential rates.
- (9) GSL Eleni, GSL Kalliopi and GSL Grania, were forward fixed for 35 – 38 months to commence after drydocking, after which the charterer has the option to extend each charter for a further 12 – 16 months, at confidential rates. As of December 31, 2024, all three vessels were under drydocking. Each new charter is expected to commence in 1Q2025.
- (10) Colombia Express (ex Mary), Panama Express (ex Kristina), Costa Rica Express (ex Katherine), Nicaragua Express (ex Alexandra), Mexico Express (ex Alexis), Jamaica Express (ex Olivia I) are fixed to Hapag-Lloyd for 60 months +/-45 days, followed by two periods of 12 months each at the option of the charterer. The vessels are chartered at confidential rates.
- (11) GSL Nicoletta and GSL Christen are chartered at confidential rates.
- (12) GSL Vinia and GSL Christel Elizabeth were both forward fixed for 36 – 40 months to commence after drydocking, after which the charterer has the option to extend each charter for a further 12 – 15 months, at confidential rates. The new charters are both scheduled to commence in 1Q 2025.
- (13) GSL Maria, GSL Violetta, GSL Arcadia, GSL MYNY, GSL Melita, GSL Tegea and GSL Dorothea. Contract cover for each ship is for a firm period of at least three years from the date each vessel was delivered in 2021, with charterers holding a one-year extension option on each charter (at a rate of \$12,900 per day), followed by a second option (at a rate of \$12,700 per day) with the period determined by – and terminating prior to – each vessel’s 25th year drydocking & special survey. The first extension options have been exercised for all seven ships. Second extension options were exercised in January 2025 for GSL Dorothea, GSL Arcadia, GSL Melita and GSL Tegea.
- (14) Ian H charter is chartered at a confidential rate.
- (15) GSL Susan, CMA CGM Jamaica, CMA CGM Sambhar and CMA CGM America are chartered at confidential rates.
- (16) GSL Rossi. Chartered at an average rate of \$35,311 per day, \$38,000 to 1Q 2025 and \$35,000 for the remaining period.
- (17) GSL Valerie was forward fixed in direct continuation for 24 – 27 months to commence after drydocking, at a confidential rate.
- (18) GSL Mercer and GSL Chloe were both forward fixed for 23.5 – 26 months, at confidential rates. The new charters are both expected to commence in 1Q 2025.
- (19) Julie. Chartered at a confidential rate.
- (20) In December 2024, Tasman was contracted to be sold. In February 2025, Keta and Akiteta were also contracted to be sold. Aggregate sale price agreed for all three vessels is \$54.5 million, v. aggregate book value at December 31, 2024 of \$24.9 million. Akiteta was delivered to her new owners on February 19, 2025 and Tasman was delivered to her new owners on March 10, 2025. Keta is scheduled for delivery to her new owners in first half 2025.

Fleet Development

As of December 31, 2024, our fleet consisted of 72 containerships, including the delivery of the fourth Newly Acquired Vessel (Czech) on January 9, 2025, with an aggregate capacity of 412,837 TEU and a TEU-weighted average age of approximately 17.4 years.

Vessel Acquisitions

In 2023, we purchased four containerships, each with a carrying capacity of 8,544 TEU, for an aggregate purchase price of \$123.3 million, which were delivered to us in May and June 2023.

In November 2024, we agreed to purchase four high-reefer ECO 9,000 TEU vessels, which we refer to as the Newly Acquired Vessels, for an aggregate price of \$274.0 million. Three of the vessels were delivered in December 2024 and the fourth in January 2025.

Vessel Disposals

On March 23, 2023, we sold GSL Amstel, a 2008-built, 1,118 TEU containership, for net proceeds of \$5.9 million.

In December 2024, we agreed to sell Tasman, a 5,936 TEU vessel for a sale price of \$31.5 million. In February 2025, we agreed to sell Akiteta (2,220 TEU) and Keta (2,207 TEU) for a sale price of \$11.0 million and \$12.0 million, respectively. Akiteta was delivered to her new owners on February 19, 2025 and Tasman was delivered to her new owners on March 10, 2025. Keta is scheduled for delivery to her new owners in first half of 2025.

Time Charters

A time charter is a contract for the use of a vessel for a fixed period of time at a specified daily rate. Under a time charter, the vessel owner provides crew, lubricating oil, all maintenance and other services related to the vessel’s operation, the cost of which is included in the daily rate. The vessel owner is also responsible for insuring its interests in the vessel and liabilities as owner arising from its use. The charterer is responsible for substantially all of the vessel’s voyage costs, such as fuel (bunker) costs, canal fees, port expenses, extra war risk insurance costs if the vessel is deployed outside normal insurance limits and for entering areas which are specified by the insurance underwriters as being subject to additional premiums and cargo handling charges.

The initial term for a time charter commences on the vessel's delivery to the charterer. Time charter agreements may include options, in favor of the owner or the charterer, to extend the charter on pre-agreed terms. At the end of a charter, the vessel may be re-delivered by the charterer within a pre-agreed time window, to allow for operational flexibility. Charters may be extended on mutually agreed terms, or the vessel is re-delivered, in which case we would seek alternate employment with another charterer.

Our charters expire on different dates and over a period of time. We believe the staggered expirations of our charters reduces our exposure to rechartering risk and may mitigate the impact of the cyclical nature of the container shipping industry.

Daily Charter Rate

Daily charter rate refers to the gross amount per day payable by the charterer to the owner for the use of the vessel. It may be reduced by chartering commission payable to a broker or other party. Under our time charters, hire is payable to us typically every 15 days in advance and in U.S. dollars. The daily charter rate is a fixed daily amount that will remain the same for the duration of the charter, although the charter rate can be reduced in certain circumstances where there are added costs to the charterer due to vessel performance deficiencies in speed or fuel consumption. Hire can also be reduced, pro-rata for any cost savings that we may realize, if the vessel is laid up or idled at the charterers' request.

Operations and Expenses

As owners, we are required to maintain each vessel in class and in an efficient state of hull and machinery and are responsible for vessel costs such as crewing, lubricating oil, maintenance, insurance and drydocking. In general, the charterer is responsible for the voyage costs, which includes bunker fuel, stevedoring, port charges, towage, and taxes or dues arising out of cargo carried or ports visited while on charter, and other costs customarily borne by charterers. As described below, we have entered into ship management agreements to sub-contract the day-to-day technical management of our vessels.

Off-hire

Under a time charter, when the vessel is not available for service, and is "off-hire", the charterer generally is not required to pay charter hire (unless the charterer is responsible for the circumstances giving rise to the ship's unavailability), and we are responsible for costs during any off-hire period, and possible additional costs of fuel to regain lost time. Additionally, in many cases the charterer has the option to extend the latest redelivery date by the off-hire days. A vessel generally will be deemed to be off-hire if there is an occurrence that affects the full working condition of the vessel, including, among other things:

- certain drydocking for repairs, maintenance or classification society inspection;
- any damage, defect, breakdown or deficiency of the ship's hull, machinery or equipment or repairs or maintenance thereto;
- any deficiency of the ship's master, officers and/or crew, including the failure, refusal or inability of the ship's master, officers and/or crew to perform the service immediately required, whether or not within its control;
- its deviation, other than to save life or property, which results in the charterer's lost time;
- crewing labor boycotts, strikes, or certain vessel arrests; or
- governmental restrictions, prohibitions, or regulations relating to the vessel's flag, ownership, management, or crewing;
- arrest or detention of the vessel by a third-party; or
- our failure to maintain the vessel in compliance with the charter's requirements, such as maintaining operational certificates.

Ship Management and Maintenance

Under each of our time charters, we are responsible for the operation and technical management of each vessel, which includes crewing, lubricating oils, maintaining the vessel, periodic drydocking and performing work required by regulations. The day-to-day crewing and technical management of our vessels are provided by our ship managers pursuant to the terms of ship management agreements.

Termination and Withdrawal

Generally, if a vessel is off-hire for a significant number of consecutive days, then the charterer may cancel the charter without any further consequential claims provided the vessel is free of cargo. The number of these days varies from 40 to 180 days and depends on the relevant charter agreement. Some of our charters provide that we can in some circumstances provide a substitute vessel during an anticipated extended period of off-hire.

For a number of vessels chartered to CMA CGM, if a vessel’s fuel consumption exceeds a level specified in the charter over a continuous period of 30 days, and the reason is within our or the vessel’s control, CMA CGM may request that we cure the deficiency. If the deficiency is not cured within 30 days after we receive notice, then CMA CGM may terminate the charter.

Generally, if either party informs the other party of a default under the charter, and the default is not rectified within 60 days of such notice, then the party giving the notice has the right to terminate the time charter with respect to that vessel.

The charter will terminate in the event of a total (actual or constructive) loss of the vessel or if the vessel is requisitioned.

Management of Our Fleet

Our management team supervises the day-to-day technical ship management of our vessels, which is provided by Technomar, a company of which our Executive Chairman is the Founder, Managing Director, and majority beneficial owner, and the commercial ship management, which is provided by Conchart, a company of which our Executive Chairman is the sole beneficial owner.

Technical Management

Technomar provides us with all day-to-day technical ship management services, pursuant to a technical management agreement with each of our vessel-owning subsidiaries (as amended from time to time, the “TTMA”) for all of the vessels in our fleet. Each TTMA was amended in March 2024 (with effect from January 1, 2024) to expand Technomar’s responsibilities in view of EU ETS requirements, and again amended in March 2025 to expand Technomar’s responsibilities in view of FEUM requirements, as detailed below.

Under each TTMA, Technomar is responsible for all day-to-day ship management, including crewing, purchasing stores, lubricating oils and spare parts, paying wages, pensions and insurance for the crew, and organizing other vessel operating necessities, including monitoring and reporting with respect to EU ETS compliance (including related Emission Trading Scheme Allowances) and FEUM compliance, and the arrangement and management of drydocking. We reimburse the ship managers for the costs they incur on our behalf. Each ship management agreement provides that we have the right to audit the accounts of our ship manager to verify the costs incurred. The ship managers have agreed to maintain our vessels so that they remain in class with valid certification. In addition, they are responsible for our current fleet’s compliance with all applicable government and other regulations, and compliance with class certifications. The ship managers are required to use their best endeavors to provide the services specified in the ship management agreements. Pursuant to the terms of the ship management agreements, we provide customary indemnification to the manager and its employees, agents and sub-contractors.

We pay Technomar a daily management fee of Euro 820 from January 1, 2025, compared to Euro 785 for 2024, per vessel, payable in U.S. dollars, which, in addition to the technical ship management services noted above, includes administrative support services provided to us including accounting and financial reporting, treasury management and legal services. Commencing January 1, 2024, we also pay Technomar a fee of EUR 7,500, per annum per vessel, pro rata, for the provision of additional services relating to our compliance with EU ETS requirements, such services including, among others, gathering and monitoring emissions data, calculating emissions allowances, reporting verified emissions data to the relevant authorities, and managing and monitoring EU ETS trading accounts on our behalf. Each TTMA has a minimum term of twenty-four months after the later to occur of the expiry of the charter for the applicable vessel or the credit facility (or other debt agreement) for which the applicable vessel serves as collateral, unless terminated earlier in accordance with the provisions of the TTMA. The EU ETS Fee is subject to a good faith re-appraisal as market standards evolve.

We expect that additional vessels that we may acquire in the future will also be managed under a TTMA on substantially similar terms. For additional information on each TTMA, including term and termination provisions, please see “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions—Ship Management Agreements.”

Commercial Management

Commercial management of vessels includes evaluating possible daily rate and duration of future employment, marketing a vessel for such employment, agreeing the detailed terms of a new charter or extension of an existing charter, administering the conduct of the charter including collection of charter-hire where necessary. Commercial management also includes negotiating sale and purchase transactions.

The commercial management of all of our vessels is provided by Conchart pursuant to a commercial management agreement (the “CCMA”). Under each CCMA, we have agreed to pay Conchart a commission of 1.25% on all monies earned under each charter fixture. No commission is payable on any charter of a vessel in our fleet to CMA CGM in place as of November 15, 2018, if applicable. However, commission is payable to Conchart for any extension of such charters after March 31, 2021. The CCMA also provides for Conchart to be the named broker in each memorandum of agreement (or equivalent agreement) for the sale of all vessels and purchase of some vessels, at a commission of 1.00% based on the sale and purchase price for any sale and purchase of a vessel, which shall be payable upon request of the commercial manager. We expect that additional vessels that we may acquire in the future will also be managed under a CCMA on substantially similar terms. For additional information on the CCMA, including term and termination provisions, please see “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions—Ship Management Agreements.”

Pursuant to a Brokerage Services Agreement dated February 21, 2020 among the Company, each vessel owning subsidiary and GSL Enterprises Ltd (“GSL Enterprises”), GSL Enterprises has been engaged by the Company and the vessel owning subsidiaries to provide various brokerage, administrative and other services. GSL Enterprises receives a base fee of \$1,300 per month per vessel plus supplemental fees. The Brokerage Services Agreement can be terminated by mutual agreement at any time or by either party in case of the other party’s breach of the terms of the agreement.

Insurance

We arrange for insurance coverage for each of our vessels, including hull and machinery insurance, protection and indemnity insurance and war risk insurance. We are responsible for the payment of all premiums. See “—Risk of Loss and Liability Insurance.”

Inspection by Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorized by the vessel’s 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 the International Convention for the Safety of Life at Sea of 1974, or SOLAS Convention. Most insurance underwriters make it a condition for insurance coverage that a vessel be certified “in class” by a classification society which is a member of the International Association of Classification Societies, the IACS. All of our vessels are certified as being “in class” by all the applicable Classification Societies.

For maintenance of the class, regular and extraordinary surveys of hull and machinery, including the electrical plant and any special equipment classed, are required to be performed as follows:

Annual Surveys

For seagoing ships, annual surveys are conducted for the hull and the machinery, including the electrical plant, and where applicable, on special equipment classed at intervals of 12 months from the date of commencement of the class period indicated in the certificate.

Intermediate Surveys

Extended annual surveys are referred to as intermediate surveys and typically are conducted two and one-half years after commissioning and each class renewal. Intermediate surveys may be carried out on the occasion of the second or third annual survey.

Class Renewal Surveys

Class renewal surveys, also known as special surveys, are carried out on the ship’s hull and machinery, including the electrical plant, and on any special equipment classed at the intervals indicated by the character of classification for the hull. During the special survey, the vessel is thoroughly examined, including audio-gauging to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. Substantial amounts of funds may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey, which is generally every five years, a shipowner has the option of arranging with the classification society for the vessel’s hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle. At a ship-owner’s application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as continuous class renewal. All areas subject to surveys as defined by the classification society are required to be surveyed at least once per class period, unless shorter intervals between surveys are otherwise prescribed. The period between two consecutive surveys of each area must not exceed five years.

All vessels are also dry-docked at least once every five years for inspection of their underwater parts and for repairs related to such inspections. If any defects are found, the classification surveyor will issue a “recommendation” which must be rectified by the ship-owner within prescribed time limits.

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.

The following table shows the classification societies for our vessels and lists the date by which they need to have completed their next drydocking.

Vessel Name	Classification Society	Drydocking Date ⁽¹⁾
CMA CGM Thalassa	RINA	Jul-27
ZIM Norfolk	DNV & RINA	Jun-30
Anthea Y	DNV & RINA	Mar-28
ZIM Xiamen	DNV & RINA	Aug-25
Sydney Express	DNV	Jan-29
Istanbul Express	DNV	Apr-31
Bremerhaven Express	DNV	Mar-31
Czech	RINA	Oct-25
MSC Tianjin	RINA	Aug-29
MSC Qingdao	BV	Apr-29
GSL Ningbo	BV	May-29
GSL Alexandra	RINA	Jul-28
GSL Sofia	RINA	May-28
GSL Effie	RINA	Sep-28
GSL Lydia	RINA	Mar-28
GSL Eleni	RINA	Jul-29
GSL Kalliopi	RINA	Oct-29
GSL Grania	RINA	In progress
Colombia Express	RINA	Jan-29
Panama Express	RINA	Nov-29
Costa Rica Express	RINA	Jul-29
Nicaragua Express	RINA	Nov-29
CMA CGM Berlioz	BV	Jul-26
Mexico Express	DNV & RINA	Sep-29
Jamaica Express	DNV & RINA	Sep-29
GSL Christen	RINA	Feb-28
GSL Nicoletta	RINA	Nov-27
Agios Dimitrios	BV	Jun-29
GSL Vinia	BV	In progress
GSL Christel Elisabeth	BV	Sep-29
GSL Arcadia	DNV	Dec-25
GSL Violetta	DNV	Aug-25
GSL Maria	RINA	Dec-26
GSL MYNY	DNV	Oct-25
GSL Melita	RINA	May-26
GSL Tegea	RINA	Jun-26
GSL Dorothea	RINA	May-26
Tasman ⁽²⁾	BV	Apr-25
Dimitris Y	BV	May-25
Ian H	BV	Dec-29
GSL Tripoli	RINA	May-28
GSL Kithira	RINA	Jan-28
GSL Tinos	RINA	Jul-28
GSL Syros	RINA	Apr-28
Dolphin II	BV	Jan-27
Orca I	BV	Nov-26
CMA CGM Alcazar	BV	Nov-27
GSL Château d'If	BV	Dec-27
GSL Susan	RINA	May-28
CMA CGM Jamaica	DNV	Sep-26
CMA CGM Sambhar	RINA	Jul-26
CMA CGM America	RINA	Sep-26
GSL Rossi	RINA	Mar-27
GSL Alice	RINA	Jan-29
GSL Eleftheria	RINA	May-28
GSL Melina	RINA	Nov-28
Athena	RINA	Feb-28
GSL Valerie	DNV	Jun-25
GSL Mamitsa	RINA	May-25
GSL Lalo	RINA	Aug-26
GSL Mercer	RINA	May-27
GSL Elizabeth	RINA	Mar-26
GSL Chloe	RINA	Feb-30
GSL Maren	RINA	Mar-29
Maira	RINA	Aug-25
Nikolas	RINA	Aug-25
Newyorker	RINA	Jan-26
Manet	BV	Oct-26
Kumasi	BV	Mar-27
Akiteta ⁽²⁾	BV	Jan-27
Keta ⁽²⁾	BV	Nov-26
Julie	RINA	Nov-27

(1) Expected date of drydocking assumes that the vessel qualifies for in-water inspections at the intermediate survey.
(2) During December 2024, we agreed to sell Tasman and in February 2025, we agreed to sell Akiteta and Keta. Akiteta was delivered to her new owners on February 19, 2025 and Tasman was delivered to her new owners on March 10, 2025. Keta is scheduled for delivery to her new owners in first half 2025.

The table does not take account of discretionary drydockings to effect vessel upgrades, or in response to proposed or actual regulatory changes such as for ballast water treatment.

Competition

We operate in markets that are highly competitive. We expect to compete for vessel purchases and charters based upon price, customer relationships, operating expertise, professional reputation and size, age and condition of the vessel. We also expect to compete with many other companies, both other owners and operators to, among other things, purchase newbuildings and secondhand vessels to grow our fleet.

We expect substantial competition in obtaining new containership charters from a number of experienced and substantial companies. Many of these competitors may have greater financial resources than us, may operate larger fleets, may have been established for longer and may be able to offer better charter rates. Due to the recent industry downturn, there have been an increased number of vessels available for charter, including many from owners with strong reputations and experience. Excess supply of vessels in the container shipping market results in a more active short-term charter market and greater price competition for charters. As a result of these factors, we may be unable to purchase additional containerships, expand our relationships with existing customers or obtain new charterers on a profitable basis, if at all, which would have a material adverse effect on our business, results of operations and financial condition.

Permits and Authorizations

We are required by various governmental and other 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 commodities transported, the waters in which the vessel operates, the nationality of the vessel’s crew and the age of a vessel. Not all of the permits, licenses and certificates currently required to operate the vessels globally have been obtained by us or our ship managers. For example, Keta, Julie, Kumasi and Akiteta have not been certified to comply with all U.S., Canadian and Panama Canal regulations, as our charterers do not intend to operate them in these waters. However, permits can be obtained in case charterers wish to trade the vessels in USA Canada and/or transit Panama Canal.

Environmental and Other Regulations

Government regulation significantly affects our business and the operation of our vessels. We are subject to international conventions and codes, and national, state, and local laws and regulations in the jurisdictions in which our vessels operate or are registered, including, among others, those governing the generation, management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions and water discharges. Because such laws and regulations frequently change, we cannot predict the ultimate cost of complying with these requirements or the impact of these requirements on the resale or current market value or useful lives of our vessels.

A variety of government, quasi-government and private entities require us to obtain permits, licenses or certificates for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or temporarily suspend the operation of one or more of our vessels in one or more ports.

Increasing environmental concerns have created a demand for vessels that conform to the strictest environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States and international regulations and with flag state administrations.

The following is an overview of certain material governmental regulations that affect our business and the operation of our vessels.

International Maritime Organization

The IMO is the United Nations’ agency for maritime safety. The IMO has adopted international conventions that impose liability for pollution in international waters and a signatory’s territorial waters. For example, the IMO’s International Convention for the Prevention of Pollution from Ships, or MARPOL, imposes environmental standards on the shipping industry relating to, among other things, pollution prevention and procedures, technical standards, oil spills management, transportation of marine pollutants and air emissions.

Annex VI of MARPOL, which regulates air pollution from vessels, sets limits on sulfur oxide (or NOx), nitrogen oxide and particulate matter emissions from vessel exhausts and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. We believe all of our vessels currently are Annex VI compliant. Annex VI also includes a global cap on the sulfur content of fuel oil with a lower cap (currently 0.1%) on the sulfur content applicable inside Emission Control Areas, or ECAs. Existing ECAs include the Baltic Sea, the North Sea, including the English Channel, the North American area and the U.S. Caribbean Sea area. At the MEPC78, the IMO approved a proposal for a new ECA for the Mediterranean. As such, effective May 1, 2025, amendments designating the Mediterranean Sea, as a whole, as an ECA for sulfur oxides and particular matter enter into effect. MEPC 82 adopted additional amendments to Annex VI designating the Canadian Arctic and the Norwegian Sea as ECAs, which will become effective on March 1, 2026. Other areas in China are subject to local regulations that impose stricter emission controls. Additional geographical areas may be designated as ECAs in the future. If other ECAs are approved by the IMO 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.

Annex VI establishes 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 (such as the Canadian Arctic and the Norwegian Sea). 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. Additional ECAs could be established in the future.

From January 1, 2020, the IMO mandated global sulfur cap of 0.5% m/m was implemented. Vessels comply either by being fitted with exhaust gas cleaning systems (“scrubbers”), allowing the vessel to continue to use less expensive, higher sulfur content fuel or by burning more expensive, low sulfur fuel. From March 1, 2020, vessels not fitted with exhaust gas scrubbers cannot have high sulfur content fuel on board.

Our existing time charters call for our customers to supply fuel that complies with Annex VI. It may be that charterers of certain of our vessels will seek to comply with Annex VI by agreeing with us to have exhaust gas cleaning systems installed.

These amendments or other changes could require modifications to our vessels to achieve compliance, and the cost of compliance may be significant to our operations.

The IMO has also adopted technical and operational measures aimed at reducing greenhouse gas emissions from vessels. These include the “Energy Efficiency Design Index,” (EEDI) which is mandatory for newbuilding vessels, and the “Ship Energy Efficiency Management Plan,” (SEEMP) which is mandatory for all vessels. Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014. The IMO now requires ships of 5,000 gross tonnage, or grt, or more to record and report their fuel consumption to their flag state at the end of each calendar year. The IMO plans to use this data to adopt an initial greenhouse gas emissions reduction strategy. In 2016 IMO adopted the mandatory IMO Data Collection System (DCS) for ships to collect and report fuel oil consumption data from ships over 5,000 GT - first calendar year data collection completed in 2019. The IMO DCS covers any maritime activity carried out by ships, including dredging, pipeline laying, 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. A range of IMO-led global projects initiated since 2012 support developing countries in ratifying MARPOL Annex VI and implementing the energy efficiency measures and to support and encourage pilot projects, innovation and R&D. Beginning in January 2023, Annex VI requires EEXI and CII certification. The first annual reporting was to be completed in 2023, with initial ratings given in 2024.

The IMO’s International Convention on Civil Liability for Bunker Oil Pollution Damage, or the Bunker Convention, imposes, subject to limited exceptions, strict liability on vessel owners for pollution damage in jurisdictional waters of ratifying states, which does not include the United States, caused by discharges of “bunker oil.” The Bunker Convention also requires owners of registered vessels over a certain size to maintain insurance for pollution damage in an amount generally equal to the limits of liability under the applicable national or international limitation regime. With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in a ship’s bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur on a fault or strict-liability basis. We believe our vessels comply with the Bunker Convention. 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.

The IMO’s International Convention for the Control and Management of Ships’ Ballast Water and Sediments, or the BWM Convention, requires the installation of ballast water treatment systems on certain newbuilding vessels for which the keel is laid after September 8, 2017 and for existing vessels at the renewal of their International Oil Pollution Prevention Certificate after September 8, 2019. The MEPC adopted updated guidelines for approval of ballast water management systems (G8) at MEPC 70. At MEPC 71, the schedule regarding the BWM Convention’s implementation dates was also discussed and amendments were introduced to extend the date existing vessels are subject to certain ballast water standards. Those changes were adopted at MEPC 72. Ships over 400 gross tons generally must comply with a “D-1 standard,” requiring the exchange of ballast water only in open seas and away from coastal waters. The “D-2 standard” specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. Depending on the date of the IOPP renewal survey, existing vessels must comply with the D-2 standard on or after September 8, 2019. For most ships, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ballast water management systems, which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the ballast water, must be approved in accordance with IMO Guidelines (Regulation D-3). As of October 13, 2019, MEPC 72’s amendments to the BWM Convention took effect, making the Code for Approval of Ballast Water Management Systems, which governs assessment of ballast water management systems, mandatory rather than permissive, and formalized an implementation schedule for the D-2 standard. Under these amendments, all ships must meet the D-2 standard by September 8, 2024. Costs of compliance with these regulations may be substantial. The BWM Convention also requires ships to carry an approved ballast water management plan, record books and statement of compliance. Additionally, in November 2020, MEPC 75 adopted amendments to the BWM Convention requiring a commissioning test of the ballast water management system for the initial survey or when performing an additional survey for retrofits. This analysis will not apply to ships that already have an installed BWM system certified under the BWM Convention. These amendments became effective on June 1, 2022. Additional amendments to the BWM Convention, concerning the form of the Ballast Water Record Book entered into force on February 1, 2025, and additional amendments concerning the use of Ballast Water Record Books in electronic form are expected to enter into force in October 2025. We will be required to incur significant costs to install these ballast water treatment systems on all our vessels before the applicable due dates.

The IMO’s International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the “Anti-fouling Convention,” prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels and requires vessels over 400 grt engaged in international voyages 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, or subsequent surveys when the anti-fouling systems are altered or replaced. In 2023, MEPC 75 approved draft amendments to the Anti-fouling Convention will come into effect and will include controls on the biocide cybutryne; ships shall not apply or re-apply anti-fouling systems containing this substance from 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. We have obtained Anti-fouling System Certificates for all of our vessels that are subject to the Anti-fouling Convention. 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.

Amendments to MARPOL Annex V (regulation for the prevention of pollution by garbage from ships) adopted at MEPC 70 entered into force on March 1, 2018. The changes include criteria for determining whether cargo residues are harmful to the marine environment, and a new Garbage Record Book format with a new garbage category for e-waste. As all our existing containerhips are compliant with MARPOL Annex V requirements, the amendments could cause us to incur additional operational costs for the handling of garbage produced on our fleet.

The IMO also regulates vessel safety. The International Safety Management Code, or the ISM Code, provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code requires our vessels to develop and maintain an extensive “Safety Management System” that includes the adoption of a safety and environmental protection policy and implementation procedures. A Safety Management Certificate is issued under the provisions of the SOLAS Convention to each vessel with a Safety Management System verified to be in compliance with the ISM Code. 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. Failure to comply with the ISM Code may subject a 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. All of the vessels in our fleet are ISM Code-certified. Furthermore, all seafarers are required to meet the standards of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, or STCW, and be in possession of a valid STCW certificate. Flag states that have ratified the SOLAS Convention and STCW generally employ the classification societies to undertake surveys to confirm compliance.

Furthermore, recent action 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, under the IMO’s Resolution MSC.428(98), cyber risks must be appropriately addressed in existing safety management systems no later than the first annual verification of a company’s Document of Compliance after January 1, 2021. This might cause companies to create additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures.

Increasingly, various regions are adopting additional, unilateral requirements on the operation of vessels in their territorial waters. These regulations, such as those described below, apply to our vessels when they operate in the relevant regions’ waters and can add to operational and maintenance costs, as well as increase the potential liability that applies to violations of the applicable requirements.

United States Regulations

The year 2025 marks a change in administration in the United States. President Trump has signed a number of executive orders and directives that are likely to have an impact on U.S. regulations. For example, a regulatory freeze was issued, which permits the withdrawal of rules sent to be published and authorizes those in charge of federal agencies to delay for 60 days the effective date of rules that have been published but are not yet effective. This regulatory freeze impacts U.S. EPA decisions and proposed amendments. Additionally federal agencies have placed employees on leave as a result of an executive order regarding diversity, equity and inclusion programs, which may impact implementation and enforcement of regulations. This and additional executive orders could impact regulatory requirements.

The United States Oil Pollution Act of 1990 and CERCLA

The United States Oil Pollution Act of 1990, (“OPA”), establishes an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. The Comprehensive Environmental Response, Compensation and Liability Act, (“CERCLA”), governs spills or releases of hazardous substances other than petroleum or petroleum products. Under OPA and CERCLA, vessel owners, operators and bareboat charterers 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., are jointly and, subject to limited exceptions, strictly liable for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil or hazardous substances, as applicable, from their vessels. OPA and CERCLA define these damages broadly to include certain direct and indirect damages and losses, including but not limited to assessment of damages, remediation, damages to natural resources such as fish and wildlife habitat, and agency oversight costs. Although our vessels do not carry oil as cargo, they do carry oil as bunkers, or fuel.

Under OPA and CERCLA, the liability of responsible parties is limited to a specified amount, which is periodically updated. Effective March 2023, the USCG adjusted the limits of OPA liability for non-tank vessels 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. 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. Liability limits do not apply under OPA if the responsible party fails or refuses to report the incident where the responsible party knows or has reason to know of the incident or reasonably cooperate and assist as requested in connection with oil removal activities or comply with an order issued under the U.S. Federal Water Pollution Act or Intervention of the High Seas Act, or under CERCLA 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. Under both OPA and CERCLA, liability is unlimited if the incident is caused by gross negligence, willful misconduct or a violation of certain regulations.

We maintain pollution liability coverage insurance in the amount of \$1 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage it could harm our business, financial condition and results of operation. Vessel owners and operators must establish and maintain with the U.S. Coast Guard evidence of financial responsibility sufficient to meet their potential aggregate liabilities under OPA and CERCLA. Evidence of financial responsibility may be demonstrated by showing proof of insurance, surety bonds, self-insurance or guarantees. We have obtained the necessary U.S. Coast Guard financial assurance certificates, or COFRs, for each of our vessels currently in service and trading to the United States. Owners or operators of certain vessels operating in U.S. waters also must prepare and submit to the U.S. Coast Guard a response plan for each vessel, which plan, among other things, must address a “worst case” scenario environmental discharge and describe crew training and drills to address any discharge. Each of our vessels has the necessary response plans in place.

OPA and CERCLA do not prohibit individual states from imposing their own liability regimes with regard to oil pollution or hazardous substance incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for spills. In some cases, states that have enacted such legislation have not yet issued implementing regulations defining vessel owners’ responsibilities under these laws. We intend to comply with all applicable state regulations in the ports where our vessels call. Nevertheless, future changes to OPA, CERCLA and other United States environmental regulations could adversely affect our operations.

Clean Water Act

The Clean Water Act, or CWA, establishes the basic structure for regulating discharges of pollutants into the “waters of the United States” and regulating quality standards for surface waters. The CWA authorizes civil and criminal penalties for discharging pollutants without a permit, failure to meet any requirement of a permit, and also allows for citizen suits against violators. The CWA imposes strict liability in the form of penalties for any unauthorized discharges, and 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 (“WOTUS”), thereby expanding federal authority under the CWA. On December 30, 2022, the EPA and U.S. Army Corps of Engineers announced the final 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. This 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 the Vessel Incidental Discharge Act (“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. 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 September 20, 2024, the EPA finalized national standards of performance for non-recreational vessels 79-feet in length and longer with respect to incidental discharges and on October 9, 2024, the Vessel Incidental Discharge National Standards of Performance were published. Within two years of publication, the USCG is required to develop corresponding implementation regulations. If the USCG spends the full two years to finalize the corresponding enforcement standards, the current 2013 VGP scheme will remain in force until 2026. 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. 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.

Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP. Under the U.S. National Invasive Species Act, or NISA, newbuilding vessels constructed after December 1, 2013 are required to have a U.S. Coast Guard-approved ballast water treatment system installed, and existing vessels, are required to have a ballast water treatment system installed on the first scheduled dry-dock after January 1, 2016. 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.

In addition, the Act to Prevent Pollution from Ships, or APPS, implements various provisions of MARPOL and applies to larger foreign-flag ships when operating in U.S. waters. The regulatory mechanisms established in APPS to implement MARPOL are separate and distinct from the CWA and other federal environmental laws. Civil and criminal penalties may be assessed under APPS for non-compliance.

Additional Ballast Water Regulations

The U.S. Coast Guard regulations also require vessels to maintain a vessel-specific ballast water management plan that addresses training and safety procedures, fouling maintenance and sediment removal procedures. Individual U.S. states have also enacted laws to address invasive species through ballast water and hull cleaning management and permitting requirements.

Clean Air Act

The Clean Air Act, or the CAA, and its implementing regulations subject our vessels to vapor control and recovery requirements when cleaning fuel tanks and conducting other operations in regulated port areas and to air emissions standards for our engines while operating in U.S. waters. The EPA has adopted standards that apply to certain engines installed on U.S. vessels and to marine diesel fuels produced and distributed in the United States. These standards are consistent with Annex VI of MARPOL and establish significant reductions for vessel emissions of particulate matter, sulfur oxides and nitrogen oxides.

The CAA also requires states to draft State Implementation Plans, or SIPs, designed to attain national health-based air quality standards in primarily major metropolitan and industrial areas. Several SIPs regulate emissions from degassing operations by requiring the installation of vapor control equipment on vessels. California has enacted regulations which apply to ocean-going vessels' engines when operating within 24 miles of the California coast and require operators to use low sulfur fuels. California also approved regulations to reduce emissions from diesel auxiliary engines on certain ocean-going vessels while in California ports, including container ship fleets that make 25 or more annual visits to California ports, which became effective January 2023 with respect to containerships. These federal and state requirements may increase our capital expenditures and operating costs while in applicable ports. As with other U.S. environmental laws, failure to comply with the Clean Air Act may subject us to enforcement action, including payment of civil or criminal penalties and citizen suits.

European Union Requirements

In waters of the EU, our vessels are subject to regulation by EU-level legislation, including directives implemented by the various member states through laws and regulations of these requirements. These laws and regulations prescribe measures, among others, to prevent pollution, protect the environment and support maritime safety. For instance, the EU has adopted directives that require member states to refuse access to their ports to certain sub-standard vessels, according to various factors, such as the vessel's condition, flag, and number of previous detentions (Directive 2009/16 of vessels using their ports annually (based on an inspection "share" of the relevant member state of the total number of inspections to be carried out within the EU and the Paris Memorandum of Understanding on Port State Control region), inspect all vessels which are due for a mandatory inspection (based, among other things, on their type, age, risk profile and the time of their last inspection) and carry out more frequent inspections of vessels with a high risk profile. If deficiencies are found that are clearly hazardous to safety, health or the environment, the state is required to detain the vessel or stop loading or unloading until the deficiencies are addressed. Member states are also required to implement their own separate systems of proportionate penalties for breaches of these standards.

Our vessels are also subject to inspection by appropriate classification societies. Classification societies typically establish and maintain standards for the construction and classification of vessels, supervise that construction in accordance with such standards, and carry out regular surveys of ships in service to ensure compliance with such standards. The EU has adopted legislation (Regulation (EC) No 391/2009 and Directive 2009/15/EC, as amended and supplemented from time to time) that provides member states with greater authority and control over classification societies, including the ability to seek to suspend or revoke the authority of classification societies that are negligent in their duties. The EU requires member states to monitor these organizations' compliance with EU inspection requirements and to suspend any organization whose safety and pollution prevention performance becomes unsatisfactory.

The EU's directive on the sulfur content of fuels (Directive (EU) 2016/802, which consolidates Directive 1999/32/EC and its various amendments) restricts the maximum sulfur content of marine fuels used in vessels operating in EU member states' territorial seas, exclusive economic zones and pollution control zones. The directive provides for more stringent rules on maximum sulfur content of marine fuels applicable in specific Sulfur Emission Control Areas, or SECAs, such as the Baltic Sea and the North Sea, including the English Channel. Further sea areas may be designated as SECAs in the future by the IMO in accordance with Annex VI of MARPOL. Under this directive, we may be required to make expenditures to comply with the sulfur fuel content limits in the marine fuel our vessels use in order to avoid delays or other obstructions to their operations, as well as any enforcement measures which may be imposed by the relevant member states for non-compliance with the provisions of the directive. We also may need to make other expenditures (such as expenditures related to washing or filtering exhaust gases) to comply with relevant sulfur oxide emissions levels. The directive has been amended to bring the above requirements in line with Annex VI of MARPOL. It also makes certain of these requirements more stringent. These and other related requirements may require additional capital expenditures and increase our operating costs.

Through Directive 2005/35/EC (as amended by Directive 2009/123/EC and as further amended and supplemented from time to time), the EU requires member states to cooperate to detect pollution discharges and impose criminal sanctions for certain pollution discharges committed intentionally, recklessly or by serious negligence and to initiate proceedings against ships at their next port of call following the discharge. Penalties may include fines and civil and criminal penalties. Directive 2000/59/EC (as amended and supplemented from time to time) requires all ships (except for warships, naval auxiliary or other state-owned or state-operated ships on non-commercial service), irrespective of flag, calling at, or operating within, ports of member states to deliver all ship-generated waste and cargo residues to port reception facilities. Under the directive, a fee is payable by the ships for the use of the port reception facilities, including the treatment and disposal of the waste. The ships may be subject to an inspection for verification of their compliance with the requirements of the directive and penalties may be imposed for their breach.

The EU also authorizes member states to adopt the IMO's Bunker Convention, discussed above, that imposes strict liability on shipowners for pollution damage caused by spills of oil carried as fuel in vessels' bunkers and requires vessels of a certain size to maintain financial security to cover any liability for such damage. Most EU member states have ratified the Bunker Convention.

The EU has adopted a regulation (EU Ship Recycling Regulation (1257/2013)) which sets forth rules relating to vessel recycling and management of hazardous materials on vessels. The regulation contains requirements for the recycling of vessels at approved recycling facilities that must meet certain requirements, so as to minimize the adverse effects of recycling on human health and the environment. The regulation also contains rules for the control and proper management of hazardous materials on vessels and prohibits or restricts the installation or use of certain hazardous materials on vessels. The regulation seeks to facilitate the ratification of the IMO's Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009. The regulation applies to vessels flying the flag of a member state and certain of its provisions apply to vessels flying the flag of a third country calling at a port or anchorage of a member state. For example, when calling at a port or anchorage of a member state, a vessel flying the flag of a third country will be required, among other things, to have on board an inventory of hazardous materials which complies with the requirements of the new regulation and the vessel must be able to submit to the relevant authorities of that member state a copy of a statement of compliance issued by the relevant authorities of the country of the vessel's flag verifying the inventory. The regulation entered into force on December 30, 2013, although certain of its provisions are to apply at different stages, with certain of them applicable from December 31, 2020. Pursuant to this regulation, the EU Commission adopted the first version of a European List of approved ship recycling facilities meeting the requirements of the regulation, as well as four further implementing decisions dealing with certification and other administrative requirements set out in the regulation. Now that the HKC has been ratified and will enter into force on 26 June 2025, it is expected that the EU Ship Recycling Regulation will be reviewed in light of this.

The EU is considering other proposals to further regulate vessel operations. The EU has adopted an Integrated Maritime Policy for the purposes of achieving a more coherent approach to maritime issues through coordination between different maritime sectors and integration of maritime policies. The Integrated Maritime Policy has sought to promote the sustainable development of the European maritime economy and to protect the marine environment through cross-sector and cross-border cooperation of maritime participants. The EU Commission's proposals included, among other items, the development of environmentally sound end-of-life ship dismantling requirements (as described above in respect of the EU Ship Recycling Regulation (1257/2013)), promotion of the use of shore-side electricity by ships at berth in EU ports to reduce air emissions, and consideration of options for EU legislation to reduce greenhouse gas emissions from maritime transport. The European Maritime Safety Agency has been established to provide technical support to the EU Commission and member states in respect of EU legislation pertaining to maritime safety, pollution and security. The EU, any individual country or other competent authority may adopt additional legislation or regulations applicable to us and our operations.

Additionally, 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 these proposals: (a) the EU ETS, a bespoke emissions trading scheme for the maritime sector which commenced in 2024 and applies to all ships above a gross tonnage of 5,000; and (b) an FEUM draft regulation which seeks to require all ships above a gross tonnage of 5,000 to carry on board an FEUM 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. EU ETS was agreed in December 2022 and FEUM was passed into law on July 25, 2023 and will apply from January 2025. More specifically, EU ETS is to apply gradually over the period from 2024 to 2026. In 2025 shipping companies would have to surrender 40% of EU ETS allowances for 2024 emissions; in 2026 shipping companies would have to surrender 70% of EU ETS allowances for the 2025 emissions and 100% in 2027 for 2026 emissions. The cap under the EU 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). More recent proposed amendments signal that 100% of non-EU emissions may be caught if the IMO does not introduce a global market-based measure by 2028. All maritime allowances will be auctioned and there will be no free allocation for the shipping sector. From a risk management perspective, 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 EU ETS compliance.

Other Greenhouse Gas Legislation

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, 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. In January 2025, President Trump signed an executive order to start the process of withdrawing the United States from the Paris Agreement; the withdrawal will take at least one year to complete.

The IMO, EU, the United States and other individual countries, states and provinces are evaluating various measures to reduce greenhouse gas emissions from international shipping, which may include some combination of market-based instruments, a carbon tax or other mandatory reduction measures. The EU adopted Regulation (EU) 2015/757 concerning the monitoring, reporting and verification of carbon dioxide emissions from vessels, or the MRV Regulation, which entered into force in July 2015 (as amended by Regulation (EU) 2016/2071). The MRV Regulation applies to all vessels over 5,000 gross tonnage (except for a few types, including, but not limited to, warships and fish-catching or fish-processing vessels), irrespective of flag, in respect of carbon dioxide emissions released during voyages within the EU as well as EU incoming and outgoing voyages. The first reporting period commenced on January 1, 2018. The monitoring, reporting and verification system adopted by the MRV Regulation may be the precursor to a market-based mechanism to be adopted in the future. The EU recently agreed on a Directive on the inclusion of shipping in the EU Emissions Trading System and it has been in force since January 1, 2024.

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. Nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identified “levels of ambition” to reducing greenhouse gas emissions, including decreasing the carbon intensity from ships, reducing carbon dioxide emissions per transport work by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 emission levels, and reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008. At MEPC 80 in July 2023, the IMO adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, which revoked the 2018 initial strategy. The 2023 IMO GHG Strategy identifies a number of levels of ambition, including: (i) decline of carbon intensity through further improvement of the energy efficiency for new ships; (ii) decline of carbon intensity of international shipping, to reduce CO2 emissions by at least 40% by 2030, compared to 2008; (iii) uptake of zero or near-zero Green House Gas (“GHG”) emission technologies, fuels, and/or energy sources, striving to represent 10% of the energy sources used by international shipping by 2030; and (iv) to reach net-zero GHG emission by or around 2050. At the conclusion of MEPC 82, a draft legal text was used as a basis for ongoing talks about mid-term GHG reduction measures, which are expected to be adopted in 2025. The proposed mid-term measures include a goal-based marine fuel standard, phasing in the mandatory use of fuels with less GHG intensity, and a global GHG emission pricing mechanism. The latter could be in the form of a global carbon levy or in the form of a global emissions trading scheme thus removing the need for the existing fragmented and localized schemes as are present in China, Japan and Singapore. UK too is consulting on introducing a UK based emissions trading scheme (UK ETS) to apply from 2026 for ships above 5000GT but for domestic voyages only (i.e voyages taking place between two UK ports). These regulations could cause us to incur additional substantial expenses.

The EU made a unilateral commitment to reduce overall greenhouse gas emissions from its member states from 20% of 1990 levels by 2020. The EU also committed to reduce its emissions by 20% under the Kyoto Protocol’s second period from 2013 to 2020. Starting in January 2018, large ships over 5,000 gross tonnage calling at EU ports are required to collect and publish data on carbon dioxide emissions and other information. As previously discussed, regulations relating to the inclusion of greenhouse gas emissions from the maritime sector in the European Union’s carbon market are also forthcoming.

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 would affect our operations. On November 2, 2021, the EPA issued a proposed rule under the CAA designed to reduce methane emissions from oil and gas sources. In November 2022, the EPA issued a supplemental proposal to that would achieve more comprehensive emissions reductions and add proposed requirements for sources not previously covered. At COP28, the United States announced final standards to reduce methane emissions from oil and gas operations to achieve an 80% reduction below future methane emissions expected without the rule. If these new regulations are finalized, they could affect our operations.

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 financial 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.

Other Regions

We may be subject to environmental and other regulations that have been or may become adopted in other regions of the world that may impose obligations on our vessels and may increase our costs to own and operate them.

Compliance with these requirements may require significant expenditures on our part and may materially increase our operating costs.

Of particular importance, due to the trade intensity in these areas, are four ECAs created in Hong Kong and in China (Pearl River Delta, the Yangtze River Delta and Bohai Sea), aiming to reduce the levels of ship-generated air pollution and focus on the sulfur content of fuels. As of January 1, 2017, vessels at berth in a core port within an emission control area are required to use fuel with a maximum sulfur content of 0.5% m/m—except one hour after arrival and one hour before departure. Since January 1, 2018, all ports within Chinese emission control areas have implemented this standard. As of January 1, 2019, vessels must switch to fuel with a sulfur content not exceeding 0.5% m/m prior to entering China’s territorial sea, in defined areas. From January 1, 2020, vessels entering Inland ECAs (Yangtze River and Xi Jiang River) must use fuel with a sulfur content not exceeding 0.10% while operating within the Inland ECA. Looking further ahead, a sulfur cap of 0.1% will apply to seagoing vessels entering Hainan Waters within the coastal ECA from January 1, 2022. Vessels capable of receiving shore power must use shore power if they berth for more than three hours in ports in the coastal ECA that have shore power capabilities (or more than two hours in ports with such capabilities in the Inland ECAs). Furthermore, ships of 400 gross tonnage or over, or ships powered by main propulsion machinery greater than 750 kW of propulsion power, calling at a port in China should report energy consumption data of their last voyage to China MSA before leaving port (China Regulation on Data Collection for Energy Consumption of Ships). Hong Kong’s current Fuel at Berth Regulation requiring ships to burn fuel with a sulfur content not exceeding 0.5% m/m while at berth are expected to be replaced by a regulation extending the standard to ships operating in Hong Kong waters. Ships not fitted with scrubbers will be required to burn fuel with a sulfur content not exceeding 0.5% m/m within Hong Kong waters, irrespective of whether they are sailing or at berth. In Taiwan, ships not fitted with exhaust gas scrubbers must burn fuel with a sulfur content not exceeding 0.5% m/m when entering its international commercial port areas. In December 2021, the member states of the Convention for the Protection of the Mediterranean Sea Against Pollution (“Barcelona Convention”) agreed to support the designation of a new ECA in the Mediterranean. The group plans to submit a formal proposal to the IMO by the end of 2022 with the goal of having the ECA implemented by 2025.

In connection with the introduction of the ban of high sulfur fuel for vessels not fitted with exhaust gas scrubbers, a number of countries are introducing rules as to the type of exhaust gas scrubber that may be acceptable to be operated on vessels, in effect prohibiting the operation in their waters of hybrid or open loop type exhaust gas scrubbers and forcing vessels to use more expensive closed loop systems or to burn low sulfur fuel when sailing in their waters.

International Labor Organization

The International Labor Organization is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006 (“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 that are 500 gross tonnage or over and are either engaged in international trade or flying the flag of a Member and operating from a port, or between ports, in another country. We believe that all our vessels are in substantial compliance with and are certified to meet MLC 2006.

Vessel Security Regulations

Since September 2001, there have been a variety of initiatives intended to enhance vessel security. In November 2002, the U.S Maritime Transportation Security Act of 2002, or the MTSA, came into effect. To implement certain portions of the MTSA, the U.S. Coast Guard has 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, amendments to the SOLAS Convention created a new chapter of the convention dealing specifically with maritime security, which came into effect in July 2004. 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 new chapter imposes various detailed security obligations on vessels and port authorities, most of which are contained in the International Ship and Port Facilities Security Code, or ISPS Code. Among the various requirements are:

- on-board installation of automatic information systems, to enhance vessel-to-vessel and vessel-to-shore communications;
- on-board installation of ship security alert systems;
- the development of vessel security plans; and
- compliance with flag state security certification requirements.

The United States Coast Guard regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures if such vessels have on board a valid International Ship Security Certificate, that attests to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code. Our existing vessels have implemented the various security measures addressed by the MTSA, the SOLAS Convention and the ISPS Code.

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. The IACS has adopted harmonized Common Structural Rules, or "the Rules," which apply to oil tankers and bulk carriers contracted for construction on or after July 1, 2015. The Rules attempt to create a level of consistency between IACS Societies. All of our vessels are certified as being "in class" by all the applicable 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 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, Loss of Hire and War Risks Insurance

We maintain marine hull and machinery, increased value and war risks insurances, which cover the risk of actual or constructive total loss, for all of our vessels. Our vessels are each covered up to at least fair market value, which we expect to assess at least annually, with certain deductibles per vessel per incident. We also maintain freight value coverage for each of our vessels under which in the event of total loss or constructive total loss of a vessel, we will be entitled to recover the lost anticipated long term income. As required by the terms of our credit facilities, we have assigned certain of our insurance policies to our lenders and will be subject to restrictions on our use of any proceeds therefrom.

We do not have loss-of-hire insurance covering the loss of revenue during extended off-hire periods. We evaluate obtaining such coverage on an ongoing basis, taking into account insurance market conditions and the employment of our vessels.

Protection and Indemnity Insurance

Protection and indemnity insurance is provided by mutual protection and indemnity associations, or P&I associations, (“Clubs”) which insure our third-party and crew liabilities in connection with our shipping activities. Coverage includes third-party liability, crew liability and other related expenses resulting from the abandonment, injury or death of crew, and other third parties, the loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by P&I associations. Subject to the limit for pollution discussed below, our coverage is virtually unlimited, but subject to the rules of the particular protection and indemnity insurer.

Our current protection and indemnity insurance coverage for pollution is up to \$1.0 billion per vessel per incident. The 12 Clubs that comprise the International Group insure approximately 90% of the world’s commercial blue-water tonnage and have entered into a pooling agreement to reinsure each association’s liabilities. The International Group of P&I Clubs maintain a Pool arrangement, which provides a mechanism for sharing all claims in excess of \$10.0 million up to, currently, \$100.0 million. The Clubs are collectively reinsured in the International Group Excess Loss Programme for \$3.0 billion, with an excess of \$100.0 million. The overall limit of coverage per vessel, per incident, is approximately \$7.0 billion. As members of Clubs which are members 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 Clubs comprising the International Group.

C. Organizational Structure

Our holding company, Global Ship Lease, Inc., is a Marshall Islands corporation. Each of our vessels is owned by a separate wholly-owned subsidiary. 22 vessels are owned by companies incorporated in Marshall Islands. 48 vessels are owned by companies incorporated in Liberia; eight of them are under sale and leaseback transactions and while the disponent owners are Liberian companies, their registered owners are Hong Kong (eight) non GSL companies. In addition, GSLS, a company incorporated in England and Wales, provided certain administrative services to the group until its dissolution on September 24, 2024. GSL Enterprises Ltd., a Marshall Islands corporation which has established a branch office in Greece pursuant to the provisions of art. 25 of Law 27/1975 (formerly law 89/1967), provides certain administrative services to the group.

A list of our subsidiaries and their respective countries of incorporation is provided as Exhibit 8.1 to this Annual Report on Form 20-F.

D. Property, Plants and Equipment

Our only material properties are the vessels in our fleet, which are described in “Item 4. Information on the Company—B. Business Overview.” The vessels are affected by environmental and other regulations. See “Item 4. Information on the Company—B. Business Overview—Environmental and Other Regulations.” Certain of our vessels serve as security under our debt agreements. See “Item 5. Operating and Financial Review—B. Liquidity and Financial Resources—Indebtedness”. We do not own any real property.

Item 4A. Unresolved Staff Comments

Not applicable.

Item 5. Operating and Financial Review and Prospects

A. Operating Results

Management’s Discussion and Analysis of Financial Conditions and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes and the financial and other information included elsewhere in this Annual Report. The term consolidated financial statements refers to the consolidated financial statements of Global Ship Lease, Inc. and its subsidiaries. This discussion contains forward-looking statements based on assumptions about our future business. Our actual results will likely differ materially from those contained in the forward-looking statements. See “Cautionary Note Regarding Forward-Looking Statements” at the beginning of this Annual Report.

Overview

We are a containership owner, incorporated in the Marshall Islands. We commenced operations in December 2007 with a business of owning and chartering out containerships under fixed rate charters to container liner companies.

As of March 10, 2025, we owned 70 mid-sized and smaller containerships, ranging from 2,207 to 11,040 TEU, with an aggregate capacity of 404,681 TEU. 39 ships are wide-beam Post-Panamax.

We have entered into ship management agreements with third-party ship managers for the day-to-day technical and commercial management of our current fleet of vessels. See “Item 4. Information on the Company—B. Business Overview—Management of Our Fleet” for a more detailed description of our ship management agreements.

Our financial results are largely driven by the following factors:

- the continued performance of the charter agreements;
- the number of vessels in our fleet and their charter rates;
- the terms under which we recharter our vessels once the existing time charters have expired;
- the number of days that our vessels are utilized and not subject to drydocking, special surveys or otherwise are off-hire;
- our ability to control our costs, including ship operating costs, ship management fees, insurance costs, drydock costs, general, administrative and other expenses and interest and financing costs. Ship operating costs may vary from month to month depending on a number of factors, including the timing of purchases of spares and stores and of crew changes;
- impairment of our vessels and other non-current assets; and
- access to, and the pricing and other terms of, our financing arrangements.

As of December 31, 2024, including Czech delivered on January 9, 2025 and all charters agreed during 2024 and through February 28, 2025, the average remaining term of the Company’s charters, to the mid-point of redelivery, including options under the Company’s control and other than if a redelivery notice has been received, was 2.3 years on a TEU-weighted basis. Contracted revenue on the same basis was \$1.88 billion. Contracted revenue was \$2.37 billion, including options under charterers’ control and with latest redelivery date, representing a weighted average remaining term of 2.9 years. The time charters for eleven of our 72 containerships, excluding the charters of the three vessels agreed to be sold in 2025, Tasman, Keta and Akiteta), either have expired or could expire before the end of the first half of 2025, and a further five vessels have charters that could expire during the second half of 2025. The charter rate that we will be able to achieve on renewal will be affected by market conditions at that time. As discussed further below, operational matters such as off-hire days for planned maintenance or for unexpected accidents and incidents also affect the actual amount of revenues we receive.

The container shipping industry suffered a cyclical downturn as a result of the Global Financial Crisis in 2008—2009 and many container shipping companies reported substantial losses. Financial performance of container shipping companies subsequently improved; however, the industry remained under pressure due to oversupply of container ship capacity. 2020 saw a substantial downturn, triggered by the global COVID-19 pandemic. The industry recovered markedly in 2021, but was followed by negative growth in 2022 and 2023 due to geopolitical tensions driving inflationary macro-economic headwinds, which placed downward pressure on consumer demand, and as a result, the container shipping industry. Container trade volumes rebounded in 2024, expanding by approximately 5.8%.

Charter payments have been received on a timely basis and, as of December 31, 2024, charter hire was up-to-date. If our charterers are unable to make charter payments to us, our results of operations and financial condition will be materially adversely affected. If our existing charters with our charterers were terminated and we were required to recharter at lower rates or if we were unable to find new charters due to market conditions, our results of operations and financial condition would be materially adversely affected.

Selected Financial Information and Other Data

The following table sets forth our selected consolidated financial and other data as of and for the years ended December 31, 2024, 2023, 2022, 2021 and 2020. Consolidated financial data is derived from our audited consolidated financial statements which have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). Our audited consolidated statements of income and statements of cash flows for the years ended December 31, 2024, 2023 and 2022 and our audited consolidated balance sheets as of December 31, 2024 and 2023, together with the notes thereto, are included in this Annual Report. Our audited consolidated statements of income and cash flows for the years ended December 31, 2021 and 2020 and our audited consolidated balance sheets as of December 31, 2022, 2021, and 2020, and the notes thereto, are not included herein.

	2024	2023	2022	2021	2020
	(Expressed in millions of U.S. dollars, except for per share data)				
Statement of Income					
Operating revenues:					
Time charter revenue	\$ 711.1	\$ 674.8	\$ 645.6	\$ 448.0	\$ 282.8
Operating expenses:					
Vessel operating expenses	(191.4)	(179.2)	(167.4)	(130.3)	(102.8)
Time charter and voyage expenses	(23.5)	(23.6)	(21.2)	(13.1)	(11.2)
Depreciation and amortization	(100.0)	(91.7)	(81.3)	(61.6)	(47.0)
General and administrative expenses	(17.1)	(18.3)	(18.5)	(13.2)	(8.4)
Impairment of vessels	—	(18.8)	(3.0)	—	(8.5)
Gain/(Loss) on sale of vessels	—	—	—	7.8	(0.2)
Total operating expenses	(332.0)	(331.6)	(291.4)	(210.4)	(178.1)
Operating Income	379.1	343.2	354.2	237.6	104.7
Non-operating income/(expenses)					
Interest income	16.7	9.8	2.5	0.4	1.0
Interest and other finance expenses	(40.7)	(44.8)	(75.3)	(69.2)	(65.4)
Other income, net	3.7	2.1	1.8	2.8	1.3
Fair value adjustment on derivative asset	(5.2)	(5.4)	9.7	—	—
Income before income taxes	353.6	304.9	292.9	171.6	41.6
Income taxes	—	(0.4)	0.0	(0.1)	(0.0)
Net Income	353.6	304.5	292.9	171.5	41.6
Earnings allocated to Series B Preferred Shares	(9.5)	(9.5)	(9.5)	(8.3)	(4.0)
Net Income available to common shareholders	344.1	295.0	283.4	163.2	37.6
Net Earnings per Class A common share in \$					
Basic	9.74	8.33	7.74	4.65	1.23
Diluted	9.67	8.21	7.62	4.60	1.22
Weighted average number of Class A common shares outstanding					
Basic in millions	35.3	35.4	36.6	35.1	17.7
Diluted in millions	35.6	35.9	37.2	35.5	17.8
Net income per Class B common share in \$					
Basic and diluted	Nil	Nil	Nil	Nil	Nil
Weighted average number of Class B common shares outstanding					
Basic and diluted in millions	Nil	Nil	Nil	Nil	Nil
Dividend per Class A common share in \$	58.4	53.2	50.5	27.9	—
Statement of cash flow ⁽¹⁾					
Net cash provided by Operating Activities	430.1	375.0	327.5	247.9	89.7
Net cash used in Investing Activities	(254.6)	(152.0)	(9.9)	(463.0)	(24.9)
Net cash (used in)/provided by Financing Activities	(208.6)	(212.2)	(243.3)	318.4	(120.2)
Balance sheet data (at year end)					
Total current assets	301.2	295.7	237.0	143.4	98.6
Vessels in operation	1,884.6	1,664.1	1,623.3	1,682.8	1,140.6
Total assets	2,373.2	2,171.8	2,106.2	1,994.1	1,274.2
Debt (current and non-current portion), net	684.1	812.4	934.4	1,070.5	769.5
Class A and B common shares	0.4	0.4	0.4	0.4	0.2
Shareholders' equity	1,463.5	1,184.4	966.5	712.6	464.7
Other data					
Number of vessels in operation at year end	71	68	65	65	43
Ownership days	24,937	24,285	23,725	19,427	16,044
Utilization	96.1%	95.9%	95.5%	94.3%	93.0%

(1) As of December 31, 2023, we made reclassifications to our December 31, 2022, 2021 and 2020 statement of cash flows to correct and reclassify payments for drydocking and special survey costs from investing outflows to operating outflows which resulted in a decrease in investing outflows and increase in operating outflows of \$24.4 million, \$19.2 million and \$14.8 million for the years ended December 31, 2022, December 31, 2021 and December 31, 2020, respectively. As of December 31, 2023, we evaluated the reclassifications from both a quantitative and qualitative perspective and determined the impacts were immaterial to the previously issued interim and annual financial statements.

Results of Operations

Year ended December 31, 2024 compared to Year ended December 31, 2023

	Year ended December 31,	
	2024	2023
	(in millions of U.S. dollars)	
Operating Revenues		
Time charter revenue	\$ 711.1	\$ 674.8
Operating Expenses		
Vessel operating expenses	(191.4)	(179.2)
Time charter and voyage expenses	(23.5)	(23.6)
Depreciation and amortization	(100.0)	(91.7)
Impairment of vessels	—	(18.8)
General and administrative expenses	(17.1)	(18.3)
Total operating expenses	(332.0)	(331.6)
Operating Income	379.1	343.2
Non-Operating Income / (Expenses)		
Interest income	16.7	9.8
Interest and other finance expenses	(40.7)	(44.8)
Other income, net	3.7	2.1
Fair value adjustment on derivative asset	(5.2)	(5.4)
Income taxes	—	(0.4)
Net Income	353.6	304.5
Earnings allocated to Series B Preferred Shares	(9.5)	(9.5)
Net Income available to Common Shareholders	\$ 344.1	\$ 295.0

Operating Revenues

Operating revenues reflect income under fixed rate time charters and were \$711.1 million in the year ended December 31, 2024, an increase of \$36.3 million, or 5.4%, from operating revenues of \$674.8 million for 2023. The increase in operating revenue was mainly due to (i) the addition of four vessels which were delivered to us in the second quarter of 2023 (the “Four Vessels”) and the addition of three of the four Newly Acquired Vessels in December 2024, and (ii) charter renewals at higher rates on a number of vessels partially offset by a non-cash \$4.8 million increase in the effect from straight lining time charter modifications. There were 966 days of offhire and idle time in the year ended December 31, 2024, of which 807 were for scheduled drydockings, compared to 996 days of offhire and idle time in the prior year of which 701 were for scheduled drydockings. Utilization for the year ended December 31, 2024 was 96.1% compared to utilization of 95.9% in the prior year period.

Total Operating Expenses

Total operating expenses totaled \$332.0 million (or 46.7% of operating revenues) for the year ended December 31, 2024. Total operating expenses totaled \$331.6 million for the year ended December 31, 2023 (or 49.1% of operating revenues).

Total operating expenses is primarily comprised of:

- *Vessel Operating Expenses:* Vessel operating expenses, which relate to the operation of the vessels themselves, were \$191.4 million for the year ended December 31, 2024 (or 26.9% of operating revenues) compared to \$179.2 million for the year ended December 31, 2023 (or 26.6% of operating revenues). Ownership days in 2024 were 24,937, up 2.7% on 24,285 of 2023. The increase of \$12.2 million was mainly due to (i) the acquisition of the Four Vessels in the second quarter of 2023 and of three of the four Newly Acquired Vessels, (ii) an increase in repairs, spares and maintenance expenses for planned main engine maintenance and overhaul of diesel generators as well as main engine annual spares delivery due to timing of planned schedule, (iii) increased cost of insurance due to increased premiums as asset values rose over the period, and (iv) the impact of inflation on fees and expenses, including management fees. The average cost per ownership day for the year ended December 31, 2024 was \$7,670, compared to \$7,380 for the prior year period, up \$290 per day, or 3.9%.
- *Time Charter and Voyage Expenses:* Time charter and voyage expenses, which comprise mainly of commission paid to ship brokers, the cost of bunker fuel for owner's account when a ship is off-hire or idle and miscellaneous costs associated with a ship's voyage for the owner's account, were \$23.5 million for the year ended December 31, 2024 (or 3.3% of operating revenues) compared to \$23.6 million for the year ended December 31, 2023 (or 3.5% of operating revenues). The decrease was mainly due to a decrease in voyage administration costs and operational requests from charterers offset by increased commissions on charter renewals at higher rates. The average cost per ownership day was \$944, a decrease of \$27, (or 2.8%), from \$971 for 2023.
- *Depreciation and Amortization:* Depreciation and Amortization was \$100.0 million (or 14.1% of operating revenues) for the year ended December 31, 2024, up from \$91.7 million (or 13.6% of operating revenues) in 2023. The increase was mainly due to the 12 drydockings completed in 2024, the addition of the three Newly Acquired Vessels in December 2024, plus the acquisition of the Four Vessels in the second quarter of 2023.
- *Impairment of Vessels:* No impairment loss was recorded in 2024. An impairment loss of \$18.8 million was recorded in the fourth quarter of 2023 on two vessels.
- *General and Administrative Expenses:* General and administrative expenses were \$17.1 million (or 2.4% of operating revenues) in the year ended December 31, 2024, and were \$18.3 million (or 2.7% of operating revenues) for 2023. The average general and administrative expense per ownership day for the year ended December 31, 2024 was \$687, compared to \$750 in the comparative period, a decrease of \$63 or 8.4%. The movement was mainly due to the decrease in the non-cash charge for stock-based compensation expense.

Operating Income

As a consequence of all preceding items, operating income was \$379.1 million for the year ended December 31, 2024 compared to an operating income of \$343.2 million for the year ended December 31, 2023.

Interest Income

Interest income earned on cash balances for the year ended December 31, 2024 was \$16.7 million compared to \$9.8 million for the year ended December 31, 2023 with the increase being mainly due to net increase in cash and cash equivalents deposited in time deposits during 2024.

Interest and other finance expenses

Interest and other finance expenses for the year ended December 31, 2024 was \$40.7 million, down from \$44.8 million for the prior year. The decrease was mainly due to our blended cost of debt, which, taking into account our interest rate caps, has significantly decreased from approximately 4.55% for 2023 to 3.85% for 2024 mainly due to our recent refinancing activity. This decrease was offset by (i) the non-cash write off of deferred financing costs of \$2.7 million on the full repayments of six of our credit facilities and two of our sale and leaseback agreements, (ii) a prepayment fee of \$0.7 million on the full repayment of the sale and leaseback agreement with CMB Financial Leasing Co. Ltd. ("CMBFL") and (iii) a prepayment fee of \$0.2 million on the partial repayment of the Macquarie Credit Facility.

Other income, net

Other income, net represents miscellaneous revenue mainly from sundry recharges to charterers under our time charters. In the year ended December 31, 2024, other income, net was \$3.7 million, up from \$2.1 million in 2023.

Income Taxes

Income taxes for the year ended December 31, 2024 were nil. Income taxes for the year ended December 31, 2023 were \$0.4 million.

Net Income

For the year ended December 31, 2024, net income was \$353.6 million, compared to a net income of \$304.5 million for the year ended December 31, 2023.

Earnings Allocated to Series B Preferred Shares

The dividends payable on the \$109.0 million of Series B Preferred Shares outstanding as at December 31, 2024, are presented as a reduction of net income, as and when declared by the Board of Directors. These dividends totaled \$9.5 million for each of the years ended December 31, 2024 and 2023, respectively.

Net Income Available to Common Shareholders

Net income available to common shareholders for the year ended December 31, 2024 was \$344.1 million, compared to a net income available to common shareholders of \$295.0 million for the year ended December 31, 2023.

Year ended December 31, 2023 compared to Year ended December 31, 2022

For a discussion of our results for the year ended December 31, 2023 compared to the year ended December 31, 2022, please see “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations—Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022” contained in our Annual Report on Form 20-F for the year ended December 31, 2023, filed with the SEC on March 20, 2024.

B. Liquidity and Capital Resources

Liquidity, Working Capital and Dividends

We anticipate that our principal sources of funds for our short-term liquidity needs will be our primary operating cash flows, long-term bank borrowings, sale and leaseback transactions and other debt raisings, proceeds from asset sales and cash flows from our equity offerings. In addition, our primary short-term liquidity needs are to fund general working capital requirements, cash reserve requirements including those under our credit facilities and debt service, while our long term liquidity needs primarily relate to expansion and investment capital expenditures, other maintenance capital expenditures, debt repayment, lease payment and payment of quarterly dividends on our outstanding preferred and common stock. As of December 31, 2024, our current assets totaled \$301.2 million, while current liabilities totaled \$264.0 million, resulting in a positive working capital position of \$37.2 million. Since our working capital is positive, we believe that we have sufficient funds to meet our short-term and long-term liquidity needs although we cannot assure you that we will be able to secure adequate financing or to obtain additional funds on favorable terms, to meet our liquidity needs.

Our net cash flow from operating activities derives from revenue received under our charter contracts, which varies directly with the number of vessels under charter, days on-hire and charter rates, less operating expenses including crew costs, lubricating oil costs, costs of repairs and maintenance, insurance premiums, and organizing other ship operating necessities, including monitoring and reporting with respect to EU ETS requirements (including related Emission Trading Scheme Allowances) and FEUM compliance, general and administrative expenses, interest and other financing costs. In addition, each of our vessels is subject to a drydock approximately every five years. 12 drydockings were completed in 2024 for regulatory reasons and 49 vessel upgrades were completed, the total cost of which, excluding the effect of the associated 807 days of off-hire, was \$77.5 million. 13 drydockings were completed in 2023 for regulatory reasons and 35 for vessel upgrades, the total cost of which, excluding the effect of the associated 701 days of off-hire, was \$48.8 million. The average cost of the 25 drydockings completed on vessels in the current fleet between January 2023 and December 2024 was \$2.7 million with an average loss of revenue of \$1.6 million while the relevant vessel was off-hire. The average cost for vessel upgrades due to commercial reasons was \$0.6 million.

We have included a schedule of the next anticipated drydocking date for each of our vessels in “Item 4. Information on the Company—B. Business— Inspection by Classification Societies.” In future years there will be incremental costs for compliance with ballast water management regulations and with emission control regulations should we decide, in conjunction with our relevant charter, to retrofit scrubbers on our vessels. See “Item 4. Information on the Company—B. Business—Environmental and Other Regulations”.

The main factor affecting cash flow in a period is the timing of the receipt of charter hire, which is due to be paid two weeks or one month in advance, proceeds from any asset sales, costs of any asset purchases, the payments for costs of drydockings and vessel upgrades, the timing of the payment of interest, which is mainly quarterly, amortization of our debt including the 2027 Secured Notes, financings and refinancings, purchases of our Class A common shares, as of the date of this annual report, we have remaining approximately \$33.0 million available authorization for such purchases and dividends paid on our Class A common shares and Series B Preferred Shares.

At December 31, 2024, we had \$691.1 million of debt outstanding, comprising \$371.9 million of secured bank debt collateralized by vessels, \$231.9 million of investment grade rated 2027 Secured Notes collateralized by vessels, and \$87.3 million under sale and leaseback financing transactions, which have floating interest rates at SOFR plus a weighted average margin of approximately 2.47%. Assuming SOFR of 5.0%, quarterly interest on total gross debt at December 31, 2024, without taking into account amortization of the premium or the effect of the interest rate caps, would amount to approximately \$11.7 million.

Our credit facilities require that we maintain \$20.0 million minimum liquidity at each quarter end on group basis.

As of December 31, 2024 and December 31, 2023, we were in compliance with our debt covenants.

We intend to declare and make quarterly dividend payments amounting to approximately \$2.4 million per quarter on our Series B Preferred Shares based on the amount outstanding as of December 31, 2024 on a perpetual basis and in accordance with the Certificate of Designation governing the terms of our Series B Preferred Shares. Finally, we may, in the discretion of our Board of Directors, declare and pay dividends on our common shares, subject to, among other things, any applicable restrictions contained in our current and future agreements governing our indebtedness, including our credit facilities, and available cash flow. We paid dividends of \$0.375 per Class A common share for the first quarter of 2024, and \$0.45 per Class A common share for the second, third and fourth quarter of 2024. Effective from first quarter of 2025, we expect that our quarterly dividend will be \$0.525 per Class A common share. Please see “Item 8. Financial Information – Dividend Policy.”

Other than costs for drydockings and compliance with environmental regulations, there are no other current material commitments for capital expenditures or other known and reasonably likely material cash requirements other than in respect of our growth strategy.

All our revenues are denominated in U.S. dollars and a portion of our expenses are denominated in currencies other than U.S. dollars. As of December 31, 2024, we had \$273.8 million in cash and cash equivalents, including restricted cash and time deposits. Our cash and cash equivalents are mainly held in U.S. dollars, with relatively small amounts of UK pounds sterling and Euros. We regularly review the amount of cash and cash equivalents held in different jurisdictions to determine the amounts necessary to fund our operations and their growth initiatives and amounts needed to service our indebtedness and related obligations. If these amounts are moved out of their original jurisdictions, we may be subject to taxation.

Due to our charter coverage and nature of our operating and financial costs, our cashflows are predictable and visible, at least in the near to medium term. We have policies in place to control treasury activities within the group. For example, all new funding must be approved by our Board of Directors, and cash deposits can only be made with institutions meeting certain credit metrics and up to predetermined limits by institution.

Our floating rate debt is represented by drawings under a number of secured credit facilities. In December 2021, we entered into a USD one-month London Interbank Offered Rate (“LIBOR”) interest rate cap of 0.75% through fourth quarter of 2026 on \$484.1 million of floating rate debt and in February 2022 we entered into USD one-month LIBOR interest rate caps of 0.75% through fourth quarter of 2026 on \$507.9 million of floating rate debt to hedge our cash flows. As a result of the discontinuation of LIBOR, on July 1, 2023, our interest rate caps automatically transitioned to one-month Compounded SOFR at a net level of 0.64%. We would not enter into derivatives for trading or speculative purposes.

Cash Flows

The table below shows our consolidated cash flows for each of the years ended December 31, 2024, 2023 and 2022:

	Year ended December 31,		
	2024	2023	2022
	(in millions of U.S. dollars)		
Cash flows from operating activities			
Net income	\$ 353.6	\$ 304.5	\$ 292.9
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	100.0	91.7	81.3
Impairment of vessels	-	18.8	3.0
Amounts reclassified to/(from) other comprehensive income	0.9	0.2	(1.1)
Amortization of derivative assets' premium	4.6	4.3	1.1
Amortization of deferred financing costs	6.8	5.5	11.2
Amortization of original issue premium on repurchase of notes	-	-	0.8
Amortization of intangible liabilities-charter agreements	(5.5)	(8.1)	(41.2)
Fair value adjustment on derivative asset	5.2	5.4	(9.7)
Prepayment fees on debt repayment	0.9	-	15.2
Share based compensation expense	8.7	10.2	10.1
Movement in working capital	(45.1)	(57.5)	(36.1)
Net cash provided by operating activities^(*)	430.1	375.0	327.5
Cash flows from investing activities			
Acquisition of vessels and intangibles	(205.5)	(123.3)	-
Net proceeds from sale of vessels	-	5.9	-
Cash paid for vessel expenditures	(12.8)	(19.6)	(5.5)
Advances for vessel acquisitions and other additions	(24.1)	(9.6)	(3.8)
Time deposits acquired	(12.2)	(5.4)	(0.6)
Net cash used in investing activities^(*)	(254.6)	(152.0)	(9.9)
Cash flows from financing activities			
Deferred financing costs paid	(3.1)	(1.2)	(9.7)
Repayment of refinanced debt, including prepayment fees	(292.0)	-	(276.7)
Proceeds from 2027 Secured Notes	-	-	350.0
Repurchase of 2024 Notes, including premium	-	-	(119.9)
Proceeds from drawdown of credit facilities and sale and leaseback	344.5	76.0	60.0
Repayment of credit facilities and sale and leaseback	(185.4)	(202.3)	(167.0)
Net proceeds from offering of Class A common shares, net of offering costs	0.3	-	-
Cancellation of Class A common shares	(5.0)	(22.0)	(20.0)
Class A common shares-dividend paid	(58.4)	(53.2)	(50.5)
Series B preferred shares – dividends paid	(9.5)	(9.5)	(9.5)
Net cash used in financing activities	(208.6)	(212.2)	(243.3)
Net (decrease)/increase in cash and cash equivalents and restricted cash	(33.1)	10.8	74.3
Cash and cash equivalents and restricted cash at beginning of the year	280.7	269.9	195.6
Cash and cash equivalents and restricted cash at end of the year	\$ 247.6	\$ 280.7	\$ 269.9

Year ended December 31, 2024 compared to Year ended December 31, 2023

(*) Net cash provided by operating activities was \$430.1 million for the year ended December 31, 2024 reflecting mainly net income of \$353.6 million, adjusted for depreciation and amortization of \$100.0 million, amounts reclassified to other comprehensive income of \$0.9 million, amortization of derivative assets premium of \$4.6 million, amortization of deferred financing costs of \$6.8 million, prepayment fees on debt repayment of \$0.9 million, amortization of intangible liabilities of \$5.5 million, stock-based compensation of \$8.7 million, fair value adjustment on derivative asset of \$5.2 million, amortization of derivative assets' premium of \$4.6 million, plus movements in working capital, including deferred revenue, of \$45.1 million.

Net cash provided by operating activities was \$375.0 million for the year ended December 31, 2023 reflecting mainly net income of \$304.5 million, adjusted for depreciation and amortization of \$91.7 million, impairment loss of \$18.8 million, amounts reclassified to other comprehensive income of \$0.2 million, amortization of derivative assets premium of \$4.3 million, amortization of deferred financing costs and original issue premium of \$9.8 million, amortization of intangible liabilities of \$8.1 million, stock-based compensation of \$10.2 million, fair value adjustment on derivative asset of \$5.4 million, plus movements in working capital, including deferred revenue, of \$57.5 million. As of December 31, 2023, we made reclassifications to the prior year statement of cash flows to correct and reclassify payments for drydocking and special survey costs from investing outflows to operating outflows which resulted in a decrease in investing outflows and increase in operating outflows of \$24.4 million for the year ended December 31, 2022. We evaluated the reclassifications from both a quantitative and qualitative perspective and determined the impacts were immaterial to the previously issued interim and annual financial statements.

Net cash used in investing activities for the year ended December 31, 2024 was \$254.6 million, including \$205.5 million for acquisition of vessels and intangibles, \$36.9 million vessel additions and other advances and \$12.2 million cash in time deposits acquired.

Net cash used in investing activities for the year ended December 31, 2023 was \$152.0 million, including \$123.3 million for acquisition of vessels and intangibles, \$29.2 million vessel additions and other advances, \$5.4 million cash in time deposits acquired and \$5.9 million net proceeds from sale of vessels.

Net cash used in financing activities for the year ended December 31, 2024 was \$208.6 million, including \$3.1 million deferred financing costs paid, \$292.0 million repayment of refinanced debt including prepayment fees, \$185.4 million repayment of credit facilities and sale and leaseback, \$5.0 million purchase and retirement of 251,772 Class A common shares, \$58.4 million dividends paid on our Class A common shares, \$9.5 million dividends paid on our Series B Preferred Shares offset by \$344.5 million drawdowns of a new credit facility and a new sale and leaseback agreement and \$0.3 million net proceeds from offering of Class A common shares, net of offering costs.

Net cash used in financing activities for the year ended December 31, 2023 was \$212.2 million, including \$1.2 million deferred financing costs paid, \$202.3 million repayment of credit facilities and sale and leaseback, \$22.0 million purchase and retirement of 1,242,663 Class A common shares, \$53.2 million dividends paid on our Class A common shares, \$9.5 million dividends paid on our Series B Preferred Shares, which was offset by \$76.0 million that we drew down under our Macquarie Credit Facility.

Overall, there was a net decrease in cash and cash equivalents and restricted cash of \$33.1 million in the year ended December 31, 2024, resulting in closing cash and cash equivalents and restricted cash of \$247.6 million compared to closing cash and cash equivalents and restricted cash of \$280.7 million at December 31, 2023.

Year ended December 31, 2023 compared to Year ended December 31, 2022

For a discussion of our cash flows for the year ended December 31, 2023 compared to the year ended December 31, 2022, please see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Year Ended December 31, 2023 Compared to Year Ended December 31, 2022" contained in our Annual Report on Form 20-F for the year ended December 31, 2023, filed with the SEC on March 20, 2024.

Our Borrowing Activities

During 2023, we amended and restated the interest rate terms in all of our loan agreements and finance leases for the transition to the SOFR and the relevant provisions on a replacement rate as a result of the discontinuation of LIBOR that occurred on June 30, 2023.

As of December 31, 2024, our indebtedness comprised:

Lender	(in million USD)	Collateral vessels	Interest Rate	Final maturity date
E.SUN, MICB, Cathay, Taishin Credit Facility	8.3	Dolphin II, Athena, Orca	SOFR plus 2.75% plus CAS 0.14%	October, 2025
2027 Secured Notes	231.9	20 vessels	Interpolated interest rate of 2.84% plus margin of 2.85%	July, 2027
Finance Lease with CMBFL	42.8	GSL Tripoli, GSL Syros, GSL Tinos, GSL Kithira	SOFR plus 2.75%	September, 2027
HCOB, CACIB, ESUN, CTBC, Taishin Credit Facility	52.1	Borealis vessels	SOFR plus 3.25% plus CAS 0.14%	July, 2026
Macquarie Facility	23.5	GSL Sofia, GSL Effie, GSL Alexandra, GSL Lydia	SOFR plus 3.5%	May, 2026
2024 Senior Secured Term Loan Facility CACIB, ABN, Bank of America, First Citizens Bank, CTBC	288.0	Costa Rica Express, Panama Express, Agios Dimitrios, Nicaragua Express, Mexico Express, Jamaica Express, Colombia Express, ZIM Xiamen, ZIM Norfolk, Anthea Y	SOFR plus 1.85%	August, 2030
Finance lease with Minsheng	44.5	Bremerhaven Express	SOFR plus 2.50%	December, 2034
	691.1			

Facilities

\$300.0 Million Senior Secured Term Loan Facility CACIB, ABN, Bank of America, First Citizens Bank, CTBC

On August 7, 2024, we entered into a \$300.0 million senior secured term loan facility (the “2024 Senior Secured Term Loan Facility”). As of December 31, 2024, the banks in this facility were: Credit Agricole Corporate and Investment Bank (“CACIB”), ABN AMRO Bank N.V. (“ABN”), Bank of America N.A., First Citizens Bank & Trust Company and CTBC Bank Co. Ltd. (“CTBC”) to refinance, or prepay, in full or in part, certain of our outstanding debt facilities.

All three tranches were drawdown in the third quarter of 2024 and the term loan facility has a maturity in the third quarter of 2030.

The term loan facility is repayable in 12 equal consecutive quarterly instalments of \$12.0 million, four equal consecutive quarterly instalments of \$10.0 million, four equal consecutive quarterly instalments of \$8.0 million and four equal consecutive quarterly instalments of \$6.0 million together with a final balloon payment of \$60.0 million on the term loan facility termination date.

This facility’s interest rate is SOFR plus a margin of 1.85% per annum payable quarterly in arrears.

We used the net proceeds from the 2024 Senior Secured Term Loan Facility to refinance or prepay, in full or in part, the following: (a) existing debt facilities (i) Sinopac Credit Facility, (ii) Deutsche Bank AG (“Deutsche”) Credit Facility, (iii) Hamburg Commercial Bank AG (“HCOB”) Credit Facility, (iv) CACIB, Bank Sinopac Co. Ltd. (“Bank Sinopac”), CTBC Credit Facility, (v) Chailease Credit Facility, (vi) Syndicated Senior Secured Credit Facility (CACIB, ABN, First-Citizens & Trust Company, Siemens Financial Services, Inc (“Siemens”), CTBC, Bank Sinopac, Banque Palatine (“Palatine”)), (vii) Macquarie Credit Facility and (viii) E.SUN Commercial Bank Ltd (“E.SUN”), Mega International Commercial Bank Co. Ltd (“MICB”), Cathay United Bank (“Cathay”), Taishin International Bank (“Taishin”) Credit Facility and (b) existing sale and lease back agreements: (i) \$54.0 Million Sale and Leaseback agreement – CMBFL and (ii) \$14.7 Million Sale and Leaseback agreement - Neptune Maritime Leasing (“Neptune”).

As of December 31, 2024, the aggregate principal amount outstanding under the 2024 Senior Secured Term Loan Facility was \$288.0 million.

Macquarie Credit Facility

On May 18, 2023, we entered into a \$76.0 million credit facility with Macquarie Bank Limited to finance part of the acquisition cost of four containerships, each with a carrying capacity of 8,544 TEU, for an aggregate purchase price of \$123.3 million. This credit facility is divided into four tranches (one tranche per vessel), has a maturity in May 2026 and was fully drawn in the second quarter of 2023.

The facility is repayable in two equal consecutive quarterly installments of \$5.0 million, six equal consecutive quarterly instalments of \$6.0 million, one quarterly installment of \$3.0 million and two equal consecutive quarterly installments of \$1.0 million, with a final balloon payment of \$25.0 million payable three years after the first utilization date.

The facility bears interest at SOFR plus a margin of 3.50% per annum, payable quarterly in arrears.

On September 10, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to partially prepay the amount of \$18.5 million under this facility (prepayment was deducted from the final balloon payment).

As of December 31, 2024, the outstanding balance of this facility was \$23.5 million.

5.69% Senior Secured Notes due 2027

On June 16, 2022, Knausen Holding LLC (the “Issuer”), an indirect wholly-owned subsidiary of ours, closed on the private placement of \$350.0 million of publicly rated/investment grade 5.69% Senior Secured Notes due 2027 (the “2027 Secured Notes”) to a limited number of accredited investors. The fixed interest rate was determined on June 1, 2022, based on the interpolated interest rate of 2.84% plus a margin 2.85%.

We used the net proceeds from the private placement for the repayment of the remaining outstanding balances on our New Hayfin Credit Facility and the Hellenic Bank Credit Facility (releasing five unencumbered vessels), and our 8.00% Senior Unsecured Notes due 2024 (“2024 Notes”). The remaining amount of net proceeds were allocated for general corporate purposes.

An amount equal to 15% per annum of the original principal balance of each Note is payable in equal quarterly installments on the 15th day of each of January, April, July, and October starting October 15, 2022, and the remaining unpaid principal balance shall be due and payable on the maturity date of July 15, 2027. Interest accrues on the unpaid balance of the Notes, payable quarterly on the 15th day of January, April, July, and October in each year, such interest commencing and accruing on and from June 14, 2022.

The 2027 Secured Notes are senior obligations of the Issuer, secured by first priority mortgages on 20 identified vessels owned by subsidiaries of the Issuer (the “Subsidiary Guarantors”) and certain other associated assets and contract rights, as well as share pledges over the Subsidiary Guarantors. In addition, the 2027 Secured Notes are fully and unconditionally guaranteed by us.

As of December 31, 2024, the outstanding balance on the 2027 Secured Notes was \$231.9 million.

\$60.0 Million E.SUN, Cathay, MICB, Taishin Credit Facility

On December 30, 2021, we entered into a syndicated senior secured debt facility with E.SUN, Cathay, MICB and Taishin. We used a portion of the net proceeds from this credit facility to fully prepay the outstanding balance on our Blue Ocean Junior Credit Facility at that time, amounting to \$26.2 million plus a prepayment fee of \$4.0 million. All three tranches were drawn down in January 2022.

The facility was repayable in eight equal consecutive quarterly instalments of \$4.5 million and ten equal consecutive quarterly instalments of \$2.4 million.

This facility bears interest at SOFR plus a margin of 2.75% per annum plus CAS payable quarterly in arrears.

On September 11, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to partially prepay the amount of \$8.5 million under this facility. Following the prepayment, the outstanding balance of the facility is repayable in four equal consecutive quarterly instalments of \$2.4 million and one quarterly instalment of \$1.1 million and new maturity will be in October 2025 from July 2026.

As of December 31, 2024, the outstanding balance of this facility was \$8.3 million.

\$12.0 Million Sinopac Capital International Credit Facility

On August 27, 2021, we entered into a secured credit facility for an amount of \$12.0 million with Sinopac Capital International (HK) Limited (“Sinopac Credit Facility”), which was partially used to fully refinance our Hayfin Credit Facility at that time. The full amount was drawn down in September 2021.

The new facility was repayable in 20 equal consecutive quarterly instalments of \$0.4 million with a final balloon of \$3.6 million payable together with the final instalment at maturity in September 2026.

The facility bore interest at SOFR plus a margin of 3.25% per annum payable quarterly in arrears.

On September 11, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$7.0 million under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

\$140.0 Million HCOB, CACIB, ESUN, CTBC, Taishin Credit Facility

On July 6, 2021, we entered into a facility with CACIB, HCOB, ESUN, CTBC and Taishin for a total of \$140.0 million to finance the acquisition of 12 containerships from Borealis Finance LLC. The full amount was drawdown in July 2021 and the credit facility has a maturity in July 2026.

The facility is repayable in six equal consecutive quarterly instalments of \$8.0 million, eight equal consecutive quarterly instalments of \$5.4 million and six equal consecutive quarterly instalments of \$2.2 million with a final balloon payment of \$35.6 million payable together with the final instalment. On March 23, 2023, due to the sale of the GSL Amstel, we repaid \$2.8 million on this facility, of which \$1.0 million was deducted from the final balloon payment, and the vessel was released as collateral.

The facility bears interest at SOFR plus a margin of 3.25% per annum plus CAS payable quarterly in arrears.
As of December 31, 2024, the outstanding balance of this facility was \$52.1 million.

\$51.7 million Deutsche Bank AG Credit Facility

On May 6, 2021, we entered into a secured facility for an amount of \$51.7 million with Deutsche in order to refinance one of the three previous tranches of the \$180.5 million Deutsche, CIT, HCOB, Blue Ocean Entrust Credit Facility, that had a maturity date on June 30, 2022, of an amount \$48.5 million.

The new facility was repayable in 20 equal consecutive quarterly instalments of \$1.2 million with a final balloon of \$28.4 million payable together with the final instalment.

The facility bore interest at SOFR plus a margin of 3.25% per annum payable quarterly in arrears.

On August 12, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$36.6 million under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

\$64.2 million Hamburg Commercial Bank AG Credit Facility

On April 15, 2021, we entered into a Senior Secured term loan facility with HCOB for an amount of up to \$64.2 million in order to finance the acquisition of six out of the Seven Vessels.

Tranche A, E and F amounting to \$32.1 million were drawn down in April 2021 and have a maturity date in April 2025, Tranche B and D amounting to \$21.4 million were drawn down in May 2021 and have a maturity date in May 2025, and Tranche C amounting to \$10.7 million was drawn down in July 2021 and has a maturity date in July 2025.

Each Tranche of the facility was repayable in 16 equal consecutive quarterly instalments of \$0.7 million.

The facility bore interest at SOFR plus a margin of 3.50% per annum payable quarterly in arrears.

On September 5, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$12.7 million under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

\$51.7 million CACIB, Bank Sinopac, CTBC Credit Facility

On April 13, 2021, we entered into a secured facility for an amount of \$51.7 million in order to refinance one of the three tranches of the \$180.5 million Deutsche, CIT, HCOB, Blue Ocean Entrust Credit Facility, that had a maturity date on June 30, 2022, of an amount \$48.6 million. The new secured credit facility has a maturity in April 2026.

The Lenders were CACIB, Bank Sinopac and CTBC. The facility was repayable in 20 equal consecutive quarterly instalments of \$1.3 million with a final balloon of \$26.2 million payable together with the final instalment.

The facility bore interest at SOFR plus a margin of 2.75% per annum plus CAS payable quarterly in arrears.

On August 9, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$35.1 million under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

\$9.0 million Chailease Credit Facility

On February 26, 2020, we entered into a secured term facility agreement with Chailease International Financial Services Pte., for an amount of \$9.0 million. The Chailease credit facility was used to refinance the credit facility with DVB Bank SE dated July 18, 2017.

The Facility was to be repaid in 36 consecutive monthly instalments of \$0.2 million and 24 monthly instalments of \$0.1 million with a final balloon of \$1.3 million payable together with the final instalment.

This facility bore interest at SOFR plus a margin of 4.20% per annum.

On September 12, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$1.8 million under this facility.

As of December 31, 2024, the outstanding balance of the Chailease Credit Facility was \$nil.

\$268.0 Million Syndicated Senior Secured Credit Facility (CACIB, ABN, First-Citizens & Trust Company, Siemens, CTBC, Bank Sinopac, Palatine)

On September 19, 2019, we entered into a Syndicated Senior Secured Credit Facility in order to refinance existing credit facilities that had a maturity date in December 2020, of an amount \$224.3 million.

The Senior Syndicated Secured Credit Facility was agreed to be borrowed in two tranches. The Lenders were CACIB, ABN, First-Citizens & Trust Company, Siemens, CTBC, Bank Sinopac and Palatine.

Tranche A amounting to \$230.0 million was drawn down in full on September 24, 2019 and was scheduled to be repaid in 20 consecutive quarterly instalments of \$5.2 million starting from December 12, 2019 and a balloon payment of \$126.0 million payable on September 24, 2024.

Tranche B amounting to \$38.0 million was drawn down in full on February 10, 2020 and was scheduled to be repaid in 20 consecutive quarterly instalments of \$1.0 million and a balloon payment of \$18.0 million payable in the termination date on the fifth anniversary from the utilization date of Tranche A, in September 24, 2024. In January 2022, we agreed a new senior secured debt facility to refinance its outstanding Syndicated Senior Secured Credit Facility, which extended the maturity date from September 2024 to December 2026, amended certain covenants in our favor at an unchanged rate of LIBOR + 3.00%. On July 1, 2022, the interest rate was SOFR plus a margin of 3.00% plus CAS and is payable at each quarter end date.

On August 9, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$133.2 million under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

Sale and leaseback agreements (finance leases)

Four Sale and Leaseback agreements (\$44.5 million each) – Minsheng Financial Leasing

In December 2024, we entered into two sale and leaseback agreements, for \$44.5 million each, with Minsheng Financial Leasing (“Minsheng”) to finance two of the Newly Acquired Vessels, Bremerhaven Express having closed in December 2024 and the other, Czech, in January 2025. In January 2025, we entered into two additional sale and leaseback agreements, for \$44.5 million each, with Minsheng to finance our purchase of the remaining two Newly Acquired Vessels.

Each sale and leaseback agreement is repayable in 40 equal consecutive quarterly instalments of \$0.9 million with a repurchase obligation of \$10.0 million on the final repayment date. The sale and leaseback agreements each have a term of ten years, and bear interest at SOFR plus a margin of 2.5% per annum payable quarterly in arrears.

As of December 31, 2024, only the sale and leaseback agreement for the Bremerhaven Express had closed, and the outstanding amount thereunder was \$44.5 million.

\$120.0 million Sale and Leaseback agreement-CMBFL Four vessels

On August 26, 2021, we entered into four \$30.0 million sale and leaseback agreements with CMBFL to finance the acquisition of the Four Vessels. As at September 30, 2021, we had drawdown a total of \$90.0 million. The drawdown for the fourth vessel, amounting to \$30.0 million, took place on October 13, 2021 together with the delivery of this vessel. We have a purchase obligation to acquire the Four Vessels at the end of their lease terms and under ASC 842-40, the transaction has been accounted for as a failed sale. In accordance with ASC 842-40, we did not derecognize the respective vessels from our balance sheet and accounted for the amounts received under the sale and leaseback agreement as financial liabilities.

Each sale and leaseback agreement is repayable in 12 equal consecutive quarterly instalments of \$1.6 million and 12 equal consecutive quarterly instalments of \$0.3 million with a repurchase obligation of \$7.0 million on the final repayment date.

The sale and leaseback agreement for the three vessels matures in September 2027 and for the fourth vessel in October 2027 and bear interest at SOFR plus a margin of 3.25% per annum plus CAS payable quarterly in arrears.

As of December 31, 2024, the outstanding balance of these sale and lease back agreements was \$42.8 million.

\$54.0 million Sale and Leaseback agreement-CMBFL

On May 20, 2021, we entered into a \$54.0 million sale and leaseback agreement with CMBFL to refinance one of the three previous tranches of the \$180.5 million Deutsche, CIT, HCOB, Blue Ocean Entrust Credit Facility, that had a maturity date on June 30, 2022, of an amount \$46.6 million. We had a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction had been accounted for as a failed sale. In accordance with ASC 842-40, we did not derecognize the respective vessel from our balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability.

The sale and leaseback agreement was repayable in eight equal consecutive quarterly instalments of \$2.0 million each and 20 equal consecutive quarterly instalments of \$0.9 million with a repurchase obligation of \$19.9 million on the final repayment date.

The sale and leaseback agreement matured in May 2028 and bore interest at SOFR plus a margin of 3.25% per annum plus CAS payable quarterly in arrears.

In May 2021, on delivery of the vessel, we drew \$54.0 million, which represented vessel purchase price \$75.0 million less advanced hire of \$21.0 million, which advanced hire neither bore any interest nor was refundable and was set off against payment of the purchase price payable to us by the unrelated third party under this agreement.

On August 27, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$33,345 under this facility.

As of December 31, 2024, the outstanding balance of this sale and leaseback agreement was \$nil.

\$14.7 million Sale and Leaseback agreement-Neptune Maritime Leasing

On May 12, 2021, we entered into a \$14.7 million sale and leaseback agreement with Neptune to finance the acquisition of GSL Violetta delivered in April 2021. We had a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction had been accounted for as a failed sale. In accordance with ASC 842-40, we did not derecognize the respective vessel from our balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. In May 2021, we drew \$14.7 million under this agreement.

The sale and leaseback agreement was repayable in 15 equal consecutive quarterly instalments of \$0.8 million each and four equal consecutive quarterly instalments of \$0.5 million with a repurchase obligation of \$1.0 million on the last repayment date.

The sale and leaseback agreement matured in February 2026 and bore interest at SOFR plus a margin of 4.64% per annum payable quarterly in arrears.

On September 12, 2024, we used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$4.4 million under this facility.

As of December 31, 2024, the outstanding balance of this sale and leaseback agreement was \$nil.

Covenants

Financial Covenants

The agreements governing our indebtedness contain certain financial covenants, which require us to maintain, among other things:

- minimum liquidity at the borrower (vessel-owner or finance lessor) level and minimum consolidated liquidity of at least \$20.0 million at the group level; and
- minimum market value of collateral for each debt obligation, such that the aggregate market value of the vessels collateralizing the particular debt obligation is between 120% and 154%, depending on the particular debt obligation, of the aggregate principal amount outstanding under such debt obligation, or, if we do not meet such threshold, to provide additional security to eliminate the shortfall.

Restrictive Covenants

The agreements governing our indebtedness also contain undertakings limiting or restricting us from, among other things:

- incurring additional indebtedness;
- making any substantial change to the nature of our business;
- paying dividends;
- redeeming or repurchasing capital stock;
- selling the collateral vessel, if applicable;
- entering into certain transactions other than arm's length transactions;
- acquiring a company, shares or securities or a business or undertaking;

- effecting a change of control of us, entering into any amalgamation, demerger, merger, consolidation or corporate reconstruction, or selling all or substantially all of our assets;
- changing the flag, class or technical or commercial management of the applicable collateral vessel or terminating or materially amending the management agreements relating to such vessel; and
- experiencing any change in the position and ownership of our Executive Chairman.

Security

Our secured credit facilities and 2027 Secured Notes are generally secured by, among other things:

- a first priority mortgage over the relevant collateralized vessels;
- first priority assignment of earnings and insurances from the mortgaged vessels;
- pledge of the earnings account of the mortgaged vessel;
- pledge of the equity interest of each of the vessel-owning subsidiaries; and
- corporate guarantees.

Leverage

As of December 31, 2024, we had \$691.1 million of debt outstanding of which \$231.9 million was for our 2027 Secured Notes which carry interest at the fixed rate 5.69% and \$459.2 million was floating rate debt across a number of facilities and sale and leaseback arrangements and bearing interest at SOFR based on interest rate cap agreements mentioned below plus an average margin of approximately 2.47%. In December 2021, we entered into a USD one-month LIBOR interest rate cap of 0.75% through fourth quarter of 2026, on \$484.1 million of our floating rate debt, which reduces over time and represented approximately half of our outstanding floating rate debt as of that date. In February 2022, we entered into USD one-month LIBOR interest rate caps of 0.75% through fourth quarter of 2026, on \$507.9 million of our floating rate debt, which reduces over time and represented approximately half of our outstanding floating rate debt as of that date. As a result of the discontinuation of LIBOR, on July 1, 2023, our interest rate caps automatically transitioned to one-month Compounded SOFR at a net level of 0.64%.

We believe that funds generated by the business and retained will be sufficient to meet our operating needs for the next 12 months following the issuance of this Form 20-F, including working capital requirements, drydocking costs, interest and debt repayment obligations.

As market conditions warrant, we may from time to time, depending upon market conditions and the provisions on our facilities/notes, seek to repay loans or repurchase debt securities, in privately-negotiated or open market transactions.

Working capital and dividends

Our net cash flows from operating activities depend on the number of vessels under charter, days on-hire, vessel charter rates, operating expenses, drydock and vessel upgrade costs, interest and other financing costs including amortization and general and administrative expenses. Pursuant to our ship management agreements, we have agreed to pay our ship managers an annual management fee per vessel and to reimburse them for operating costs they incur on our behalf. Charter hire is payable by our charterers 15 days or monthly in advance and estimated ship management costs are payable monthly in advance. Although we can provide no assurances (see “Item 3. Key Information—D. Risk Factors—Risks Relating to our Business— We are dependent on our charterers and other counterparties fulfilling their obligations under agreements with us, and their inability or unwillingness to honor these obligations could significantly reduce our revenues and cash flow.”), we expect that our cash flow from our chartering arrangements will be sufficient to cover our ship management costs and fees, interest payments under our borrowings, amortization, insurance premiums, vessel taxes, general and administrative expenses, dividends on our Series B Preferred Shares and other costs and any other working capital requirements for the short and medium term and planned drydocking expenses.

We estimate that the average cost of each of the 25 drydockings completed on vessels in the fleet between January 2023 and December 2024 was \$2.7 million, with an average loss of revenue of \$1.6 million from off-hire. We have included a schedule of the next anticipated drydocking date for each of our vessels in the section of this Annual Report entitled “Item 4. Information on the Company—B. Business Overview—Inspection by Classification Societies”.

Our other liquidity requirements include a requirement to pay a minimum of \$145.3 million of amortization in 2025 on our secured term loans and minimum amortization of \$157.1 million in 2026. Interest requirements are \$23.5 million and \$17.4 million, respectively. The dividend on the \$109.0 million Series B Preferred Shares outstanding as at December 31, 2024 amounts to \$9.5 million each year. Based on the number of Class A common shares outstanding as of the date of this annual report, this dividend, which is subject to approval by the Board of Directors, would amount to \$18.6 million per quarter, following the increase in dividend payable in June 2025. In addition to funds generated by the business, we may require new borrowings, issuances of equity or other securities, or a combination of the former and the latter to purchase additional vessels and will likely require such further funding to meet all of our repayment obligations under the 2027 Secured Notes and other borrowings.

C. Research and Development

None.

D. Trend Information

All of the information and data presented in this section, including the analysis of the container shipping industry, has been provided by MSI. MSI has advised that (i) some information in MSI’s database is derived from estimates derived from industry sources or subjective judgments, (ii) the information in the databases of other maritime data collection agencies may differ from the information in MSI’s database, (iii) whilst MSI has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures and may accordingly contain errors, (iv) MSI, its agents, officers and employees cannot accept liability for any loss suffered in consequence of reliance on such information or in any other manner, and (v) the provision of such information does not obviate any need to make appropriate further inquiries.

Container shipping is the most convenient low-carbon and cost-effective way to transport a wide range of cargoes, predominantly a diverse selection of consumer, manufactured, semi-manufactured, and perishable goods. It is estimated that around 90% of non-bulk cargoes traded by sea are carried by containership. Approximately 225 million TEU, equating to around 2.0 billion tonnes, of containerized cargo are estimated to have been carried in 2024. Global containerized cargo volumes have grown every year since the industry’s inception in 1956, with four exceptions: 2009, during the Global Financial Crisis, 2020, due to the initial impact of COVID-19, 2022, due to the geopolitical tensions and macro-economic headwinds caused in part by the continuing wars between Russia and Ukraine, and 2023, due to the normalization of spending patterns post-pandemic and, more recently, continuing wars between Russia and Ukraine and Israel and Hamas, ongoing disputes between China and Taiwan, deteriorating trade relations between the U.S. and China, and ongoing political unrest and conflicts in the Middle East and other regions throughout the world. Negative growth of 1.9% was seen in 2020, followed by a strong rebound, with positive growth of 5.8% in 2021. Containerized trade contracted by 1.9% in 2022, was flat-to-marginally-negative in 2023, and is currently estimated to have expanded by 5.8% in 2024. Containerized trade in 2025 may be affected by any economic downturn, as well as increased barriers to trade from protectionism and tariffs, and in particular, escalating trade tensions resulting from the imposition (or threat) of substantial tariffs by the U.S. on imports from other countries, which could lead to corresponding punitive actions by the countries with which the U.S. trades.

On the supply side: as at December 31, 2024, idle capacity of the global containership fleet was 0.6%, and the overall orderbook-to-fleet ratio stood at 27.4% - compared to 1.3% and 26.6%, respectively, at the end of 2023.

The containerized supply chain extends throughout the world. Mainlane trades are those linking the major manufacturing economies in Asia with the major consumer economies in North America (the Transpacific trades) and Europe (the Asia-Europe trades), and those linking Europe with the Americas (the Transatlantic trades). These trades tend to be served by the largest containerships on the water. In 2024, an estimated 74% of global containerized volumes were on the non-Mainlane trades, with intra-regional trades—of which the largest is Intra-Asia—representing 41%. These non-Mainlane and intra-regional trades are predominantly served by mid-sized and smaller containerships (10,000 TEU, or smaller).

Growth in containerized trade is linked to consumer-led demand for goods and thereby to regional economic growth. Historically, underlying growth was boosted by both the containerization of breakbulk goods, including refrigerated cargoes, and the relocation of manufacturing from developed economies, such as those in Europe and North America, to lower cost regions, most notably in Asia. Of these, the continued containerization of refrigerated (or ‘reefer’) cargoes is expected to continue to outpace overall container trade growth.

From 2000 through 2008, a period of super-cyclical growth largely catalyzed by China, the CAGR of global containerized trade was 9.9%. Having contracted by 8.0% in 2009, during the Global Financial Crisis, growth rebounded to 15.3% the following year. The CAGR from 2010 through 2019 was 3.8%. From 2010 through 2024, incorporating the impact of negative growth in 2020 (COVID-19), the rebound in 2021, further negative growth in 2022 and 2023 (geopolitical tensions driving inflationary macro-economic headwinds), and a rebound in 2024, CAGR was 3.0%. While economic growth is expected to remain the primary driver of containerized trade, trade conflicts and tariffs are emerging as potential disruptive factors

In November 2023, Houthi militias based in Yemen began to attack ships transiting the Gulf of Aden and the Red Sea, impacting vessels due to transit the Suez Canal. As the situation escalated, shipping lines and ship owners began to divert ships around the southern tip of Africa, the Cape of Good Hope (“COGH”). Under normal circumstances, approximately 20% of global containerized trade volumes transit the Suez Canal, primarily on long-haul trades served by around 34% of global containerized fleet capacity. Illustratively, for a voyage between Singapore and Rotterdam, diverting around COGH increases the sailing distance by 40.5%, and for a voyage between Singapore and Genova, a COGH diversion increases the sailing distance by 77.4%. All else equal, on a full-year basis diverting all Suez-related containerized trade around COGH would absorb around 10% of effective supply for the global containerized fleet. Over the course of 2024, the resulting reductions in effective supply of containerized capacity, in combination with a rebound in global containerized trade, reversed previous downward pressure on freight rates, charter market rates, and asset values. A ceasefire agreement reached between Israel and Hamas in January 2025, combined with declarations apparently made by Houthi militias, have raised the prospect of an increase in sailings through the Red Sea. However, the situation remains unstable and unpredictable and the majority of containership operators are currently expected to adopt a cautious approach to returning to Red Sea sailings at scale.

Expansion in containerized trade has also led to expansion in the global containership fleet, of which the vast majority of vessels are fully cellular containerships which are ships specialized for the transport of containers and fitted with cell guides throughout the ship to optimize container stowage and significantly enhance the efficiency of load and discharge operations. At the same time, liner shipping companies have sought to reduce slot costs (unit costs) through economies of scale achievable with ever larger ships.

Between 1995 and 2008, the nominal carrying capacity of the industry-wide fully cellular fleet grew by a compound annual rate of 11.4%; and from 2009 through 2020 at 5.7%, as the industry digested the legacy, pre-financial crisis orderbook. Net supply CAGR from 2021 through 2024, is estimated at 7.5% and, as of December 31, 2024, the containership fleet was estimated to be 6,215 ships, with an aggregate capacity estimated at 30.8 million TEU – around 42% of which is chartered in from containership owners like Global Ship Lease.

In December 2008, the orderbook was estimated to represent over 60% of existing global capacity. Since then, however, the industry has been adjusting to lower demand growth, capital constraints, and consolidation. By the end of 2024, the overall orderbook-to-fleet ratio stood at 27.4%, with scheduled deliveries divided over various years (2025 through 2029). For ships smaller than 10,000 TEU the orderbook-to-fleet ratio as of January 1, 2025 was 10.2%.

Vessel newbuilding prices, secondhand values, and charter rates have tended to be closely correlated and are all strongly influenced by the dynamics of supply and demand, combined with sentiment. From 2000 through 2024, the average newbuilding price for a theoretical 3,500 – 3,600 TEU containership was around \$45.2 million, with prices ranging between \$31.5 million (2002) and \$65.7 million (2008). During the same period, secondhand values for a 10 year old ship of similar size averaged around \$24.9 million and ranged between \$5.0 million (2016) and \$64.0 million (2022). Meantime, charter market rates for short term charters (under 12 months) for such tonnage averaged about \$21,637 per day and ranged between \$5,300 per day (2016) and \$102,600 per day (2022). In January 2025, rates prevailing in the market were around \$41,000 per day, with newbuilding prices at approximately \$58.8 million and secondhand values for a 10 year old ship at about \$31.3 million.

Containerization is a low-carbon form of transportation, with GHG emissions per ton-mile of cargo carried significantly lower than that for other common modes of freight transport such as air, road, and rail. As a key component of global supply chains, container shipping is also a contributor to the UN’s Sustainable Development Goals—particularly those associated with poverty alleviation, economic growth, and infrastructure.

The industry’s principal regulator, the IMO, has set targets for the reduction of GHG emissions from shipping. The key agreed target is to reduce annual GHG emissions in absolute terms by at least 50% by 2050, compared to benchmark 2008 levels. Further targets have also been set on carbon intensity: specifically, a reduction in CO2 emissions “per transport work” by at least 40% by 2030, with efforts towards 70% by 2050. Emissions-reducing regulations introduced from January 1, 2023 include EEXI (Energy Efficiency Existing Ship Index), Enhanced SEEMP (Ship Energy Efficiency Management Plan), and CII (Carbon Intensity Indicator). Among other things, these measures are intended to reduce emissions by limiting the power output from vessels’ main engines, which may have the effect of reducing the operating speed of the global fleet, tightening effective supply. Other national and pan-national regulators are also implementing regulations, with notable examples being the inclusion of shipping within the EU ETS from January 1, 2024, and the introduction of FEUM from January 1, 2025, for vessels trading in waters within the jurisdiction of the European Union. Regulation focused upon decarbonization and broader emissions reduction is expected to continue to evolve and tighten over time.

It is not yet clear which (net) zero emission fuels will become the standard fuels of the future, with potential candidates including, among others, ammonia, green methanol, hydrogen, and nuclear. Transition fuels are increasingly perceived to include Liquefied Natural Gas (LNG), and bio-fuel blends. The current consensus view is that 2030 will be the earliest inflection point at which next-generation green fuels (with the considerable infrastructure required to support them) will become commercially available, allowing industry adoption to begin to accelerate. In the interim, it is expected that the industry will continue to rely predominantly on existing, conventionally-fueled containerships that are optimized for lower emissions and, in some instances, are equipped to use both conventional and alternate fuels (Dual-Fuel). Although not without its own challenges, Carbon Capture and Storage (CCS) is receiving increasing attention as a potentially powerful tool to mitigate emissions and to support the synthesis and circularity of net zero fuels such as Green Methanol.

For conventionally-fueled containerships, there is considerable variation in vessel emissions per tonne of cargo carried, with the economies of scale yielded by larger vessels typically resulting in lower emissions per container carried. Other factors, such as vessel age and design, fuel saving and energy efficiency retrofits, sailing speed, time in port, weather routing and other operational differences, can also have a significant impact on the relative fuel efficiency of different classes of containership. Logically, there is a strong correlation between ships with low fuel costs per TEU slot and ships with low emissions per slot. There is a significant increase in efficiency in the transition from small feeder containerships (sub-3,000 TEU) to intermediate-sized vessels (4,000 – 10,000 TEU).

Whilst even larger vessels offer further efficiencies relative to intermediate vessels, the incremental improvement curve tends to flatten as vessel sizes increase beyond approximately 12,000 TEU.

While the emissions profile of a ship during its operating lifetime is comparatively well understood, insufficient work has been done on a full life-cycle basis: quantifying the material carbon footprints associated with building a new ship, and subsequently de-commissioning and re-cycling it at the end of its economic life.

E. Critical Accounting Estimates

The consolidated financial statements have been prepared in accordance with U.S. GAAP, which requires us to make estimates in the application of certain accounting policies based on our best assumptions, judgments and opinions. We base these estimates on the information available to us at the time and on various other assumptions we believe are reasonable under the circumstances. The following is a discussion of our principal accounting policies, some of which involve a high degree of judgment, and the methods of their application.

For a further description of our material accounting policies, please see note 2 to the consolidated financial statements included at “Item 18. Financial Statements”.

Revenue Recognition

Our revenue is generated from time charters for each vessel. The charters are regarded as operating leases and provide for a per vessel fixed daily charter rate. Revenue is recorded on a straight-line basis. Our charter revenues are fixed for the period of the current charters, subject to any off-hire, and, accordingly, little judgment is required to be applied to the amount of revenue recognition. Operating revenue is stated net of address commissions, which represent a discount provided directly to the charterer based on a fixed percentage of the agreed upon charter rate.

If a time charter contains one or more consecutive option periods, then subject to the options being exercisable solely by us, the time charter revenue will be recognized on a straight-line basis over the total remaining life of the time charter, including any options which are more likely than not to be exercised. If a time charter is modified, including the agreement of a direct continuation at a different rate, the time charter revenue will be recognized on a straight-line basis over the total remaining life of the time charter from the date of modification. During the years ended December 31, 2024, 2023 and 2022 amounts of (\$8.8) million, (\$4.0) million and \$10.9 million, respectively, were recorded in time charter-revenues for such modifications and revenues recognized on a straight-line basis. Any difference between the charter rate invoiced and the time charter revenue recognized is classified as, or released from, deferred revenue.

We elected the practical expedient which allows us to treat the lease and non-lease components as a single lease component for the leases where the timing and pattern of transfer for the non-lease component and the associated lease component to the lessees are the same and the lease component, if accounted for separately, would be classified as an operating lease. The combined component is therefore accounted for as an operating lease under ASC 842, as the lease components are the predominant characteristics.

Vessels in Operation

Vessels are generally recorded at their historical cost, which consists of the acquisition price and any material expenses incurred upon acquisition, adjusted for the fair value of intangible assets or liabilities associated with above or below market charters attached to the vessels at acquisition. Vessels acquired in a corporate transaction accounted for as an asset acquisition are stated at the acquisition price, which consists of consideration paid, plus transaction costs, considering pro rata allocation based on vessels fair value at the acquisition date. Vessels acquired in a corporate transaction accounted for as a business combination are recorded at fair value. Vessels acquired as part of the Marathon Merger in 2008 were accounted for under ASC 805, which required that the vessels be recorded at fair value, less the negative goodwill arising as a result of the accounting for the merger.

The Poseidon Transaction has been accounted for under ASU 2017-01 as an asset acquisition. The vessels acquired on November 15, 2018 were recorded at their fair value, based on valuations obtained from third party independent ship brokers, less negative goodwill arising as a result of the accounting for the overall Poseidon Transaction, allocated pro-rata.

Subsequent expenditures for major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capacity or improve the efficiency or safety of the vessels.

Borrowing costs incurred during the construction of vessels or as part of the prefinancing of the acquisition of vessels are capitalized. There was no capitalized interest for the years ended December 31, 2024 or 2023.

Vessels are stated less accumulated depreciation and impairment, if applicable. Vessels are depreciated to their estimated residual value using the straight-line method over their estimated useful lives which are reviewed on an ongoing basis to ensure they reflect current technology, service potential and vessel structure. The useful lives are estimated to be 30 years from original delivery by the shipyard.

Management estimates the residual values of our container vessels based on a scrap price of steel times the weight of the vessel noted in lightweight tons (LWT). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revision of residual values affect the depreciable amount of the vessels and affects depreciation expense in the period of the revision and future periods. Management estimated the residual values of its vessels based on scrap rate of \$400 per LWT.

For any vessel group which is impaired, the impairment charge is recorded against the cost of the vessel and the accumulated depreciation as at the date of impairment is removed from the accounts.

The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the Consolidated Statements of Income.

Deferred dry dock and special survey costs, net

Drydocking costs are reported in the Consolidated Balance Sheets within “Deferred dry dock and special survey costs, net”, and include planned major maintenance and overhaul activities for ongoing certification. We follow the deferral method of accounting for drydocking costs, whereby actual costs incurred are deferred and amortized on a straight-line basis over the period until the next scheduled drydocking, which is generally five years. Any remaining unamortized balance from the previous drydocking is written-off.

The amortization period reflects the estimated useful economic life of the deferred dry dock and special survey costs, net, which is the period between each drydocking. Costs incurred during the drydocking relating to routine repairs and maintenance are expensed. The unamortized portion of drydocking costs for vessels sold is included as part of the carrying amount of the vessel in determining the gain or (loss) on sale of the vessel.

Prior to the completion of the Poseidon Transaction on November 15, 2018, we allocated an element of the purchase price of a vessel to a drydocking component which was amortized on a straight-line basis to the next anticipated drydocking date.

Costs capitalized as part of the drydock include costs directly associated with the special survey of the ship, its hull and its machinery and for the defouling and repainting of the hull. Any cost of repair to hull or machinery that extends useful life is capitalized. Other repair costs are expensed. 12 drydockings were completed in 2024 for regulatory reasons and 49 vessel upgrades were completed, the total cost of which, excluding the effect of the associated 807 days of off-hire, was \$77.5 million. 13 drydockings were completed in 2023 for regulatory reasons and 35 vessel upgrades were completed, the total cost of which, excluding the effect of the associated 701 days of off-hire, was \$48.8 million. The duration of drydockings was adversely affected in by severe weather conditions and extensive works requested by our charterers. The duration of drydockings was adversely affected in 2022 by delays caused by COVID-19 and by continuing congestion at Chinese and other shipyards. 12 drydockings were completed in 2022 for regulatory reasons and 26 for vessel upgrades, the total cost of which, excluding the effect of the associated 581 days of off-hire, was \$34.7 million.

Derivative instruments

We are exposed to interest rate risk relating to our variable rate borrowings. In December 2021 we purchased interest rate caps with an aggregate notional amount of \$484.1 million (“December 2021 hedging”), which amount reduces over time as our outstanding debt balances amortize. The objective of the hedges is to reduce the variability of cash flows associated with the interest relating to its variable rate borrowings.

At the inception of the transaction, we documented the relationship between hedging instruments and hedged items, as well as our risk management objective and the strategy for undertaking various hedging transactions. We also documented our assessment, both at the hedge inception and on an ongoing basis, of whether the derivative financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

This transaction is designated as a cash flow hedge, and under ASU 2017-12, cash flow hedge accounting allows all changes in fair value to be recorded through Other Comprehensive Income once hedge effectiveness has been established. Under ASC 815-30-35-38, amounts in accumulated other comprehensive income shall be reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings (i.e., each quarter) and shall be presented in the same income statement line item as the earnings effect of the hedged item in accordance with paragraph 815-20-45-1A.

The premium paid related to this derivative was classified in the Consolidated Statements of Cash Flows as operating activities in the line item “Derivative asset”. The premium shall be amortized into earnings “on a systematic and rational basis over the period in which the hedged transaction affects earnings” (ASC 815-30-35-41A); that is, we will expense the premium over the life of the interest rate cap in accordance with the “caplet method,” as described in Derivatives Implementation Group (DIG) Issue G20. DIG Issue G20 dictates that the cost of the interest rate cap is recognized on earnings over time, based on the value of each periodic caplet. The cost per period will change as the caplet for that period changes in value. Given that the interest rate cap is forward-starting, expensing of the premium will not begin until the effective start date of the interest rate cap, in order to match potential cap revenue with the cap expenses in the period in which they are incurred.

In February 2022, we further purchased two interest rate caps with an aggregate notional amount of \$507.9 million. The first interest rate cap of \$253.9 million which has been designated as a cash flow hedge, has the same accounting treatment as described above for the December 2021 hedging. The second interest rate cap was not designated as a cash flow hedge and a negative fair value adjustment of \$5.2 million as at December 31, 2024, was recorded through Consolidated Statements of Income (\$5.4 million negative fair value adjustment and \$9.7 million positive fair value adjustment for December 31, 2023 and 2022, respectively). ASC 815-20-25-13a stipulates that an entity may designate either all or certain future interest payments on variable-rate debt as the hedged exposure in a cash flow hedge relationship. In this case, we designated only a portion of our outstanding debt (initially, \$253.9 million) as the hedged item, and any interest payments beyond the notional amount of the interest rate cap in any given period are not designated as being hedged. As of December 31, 2024, all our loan agreements have been amended and restated to take into effect the transition from LIBOR to the SOFR and the relevant provisions on a replacement rate. In addition, our interest rate caps automatically transited to one-month Compounded SOFR on July 1, 2023, at a level of 0.64%.

On April 4, 2024, we entered into the FX option to purchase €3.0 million, with monthly settlements, starting April 11, 2024, and ending March 13, 2025. The strike price is EURUSD 1.10. We entered to this option to hedge the downside foreign exchange risk associated with expenses denominated in EUR against fluctuations between the US Dollar and Euro. This FX option is designated as a cash flow hedge of anticipated expenses totaling €3.0 million, expected to occur each month. Changes in the fair value of the option other than “intrinsic value” are excluded from the assessment of effectiveness. The effectiveness of the hedging relationship will be periodically assessed during the life of the hedge by comparing the terms of the option and the forecasted expenses to ensure that they continue to coincide. Should the critical terms no longer match exactly, hedge effectiveness (both prospective and retrospective) will be assessed by evaluating the dollar-offset ratio of the spot intrinsic value of the actual option contract and a hypothetically perfect option contract.

The amounts included in accumulated other comprehensive income will be reclassified to interest expense should the hedge no longer be considered effective. We assess the effectiveness of the hedges on an ongoing basis. As of December 31, 2024, 2023 and 2022, following a quantitative assessment, part of the hedge was no longer considered effective and an amount of (\$0.9) million, (\$0.2) million and \$1.1 million, respectively, was reclassified (to)/from other comprehensive income to the Consolidated Statements of Income.

The objective of the hedges is to reduce the variability of cash flows associated with the interest rates relating to our variable rate borrowings. When derivatives are used, we are exposed to credit loss in the event of non-performance by the counterparties; however, non-performance is not anticipated. ASC 815, Derivatives and Hedging, requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the balance sheet. The fair values of the interest rate derivatives are based on quoted market prices for similar instruments from commercial banks (based on significant observable inputs – Level 2 inputs). As of December 31, 2024 and 2023, we recorded a derivative asset of \$6.0 million and \$41.5 million, respectively.

Intangible assets and liabilities-charter agreements

Our intangible assets and liabilities consist of unfavorable lease terms on charter agreements acquired in assets acquisitions. When intangible assets or liabilities associated with the acquisition of a vessel are identified, they are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an intangible asset is recorded, based on the difference between the acquired charter rate and the market charter rate for an equivalent vessel and equivalent duration of charter party at the date the vessel is delivered. Where charter rates are less than market charter rates, an intangible liability is recorded, based on the difference between the acquired charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and liabilities requires us to make significant assumptions and estimates of many variables including market charter rates (including duration), the level of utilization of its vessels and its weighted average cost-of capital (WACC). The estimated market charter rate (including duration) is considered a significant assumption. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on our financial position and results of operations. The amortizable value of favorable and unfavorable leases is amortized over the remaining life of the relevant lease term and the amortization expense or income respectively is included under the caption "Amortization of intangible liabilities-charter agreements" in the Consolidated Statements of Income. For any vessel group which is impaired, the impairment charge is recorded against the cost of the vessel and the accumulated depreciation as at the date of impairment is removed from the accounts.

Impairment of Long-lived Assets

Tangible fixed assets, such as vessels, that are held and used or to be disposed of by us are reviewed for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. In these circumstances, we perform step one of the impairment test by comparing the undiscounted projected net operating cash flows for each vessel group to its carrying value. A vessel group comprises the vessel, the unamortized portion of deferred drydocking related to the vessel and the related carrying value of the intangible asset or liability (if any) with respect to the time charter attached to the vessel at its purchase. If the undiscounted projected net operating cash flows of the vessel group are less than its carrying amount, management proceeds to step two of the impairment assessment by comparing the vessel group's carrying amount to its fair value, including any applicable charter, and an impairment loss is recorded equal to the difference between the vessel group's carrying value and fair value. Fair value is determined with the assistance from valuations obtained from third party independent ship brokers.

We use a number of assumptions in projecting our undiscounted net operating cash flows analysis including, among others, (i) revenue assumptions for charter rates on expiry of existing charters, which are based on forecast charter rates, where relevant, in the four years from the date of the impairment test and a reversion to the historical mean of time charter rates for each vessel thereafter (ii) off-hire days, which are based on actual off-hire statistics for our fleet (iii) operating costs, based on current levels escalated over time based on long term trends (iv) dry docking frequency, duration and cost (v) estimated useful life, which is assessed as a total of 30 years from original delivery by the shipyard and (vi) scrap values.

Revenue assumptions are based on contracted charter rates up to the end of the existing contract of each vessel, and thereafter, estimated time charter rates for the remaining life of the vessel. The estimated time charter rate used for non-contracted revenue days of each vessel is considered a significant assumption. Recognizing that the container shipping industry is cyclical and subject to significant volatility based on factors beyond our control, management believes that using forecast charter rates in the four years from the date of the impairment assessment and a reversion to the historical mean of time charter rates thereafter, represents a reasonable benchmark for the estimated time charter rates for the non-contracted revenue days, and takes into account the volatility and cyclicity of the market.

Through the latter part of 2022, we noted that charter rates in the spot market had come under pressure and accordingly determined that events occurred and circumstances had changed, which indicated that potential impairment of our long-lived assets could exist. These indicators included continued volatility in the spot market and the related impact of the current container sector on management's expectation for future revenues. As a result, step one of the impairment assessment of each of the vessel groups was performed as at December 31, 2022 and step two of the impairment analysis was required for one vessel group, as its undiscounted projected net operating cash flows did not exceed its carrying value. As a result, we recorded an impairment loss of \$3.0 million for one vessel asset group with a total aggregate carrying amount of \$9.0 million which was written down to its fair value of \$6.0 million.

Through the latter part of 2023, we noted that events and circumstances triggered the existence of potential impairment for some of our vessel groups. These indicators included volatility in the charter market and the vessels' market values, as well as the potential impact of the current container sector on management's expectation for future revenues. As a result, we performed step one of the impairment assessment of each of our vessel groups by comparing the undiscounted projected net operating cash flows for each vessel group to their carrying value and step two of the impairment analysis was required for two vessel groups, as their undiscounted projected net operating cash flows did not exceed their carrying value. As a result, we recorded an impairment loss of an aggregate of \$18.8 million for two vessel groups with a total aggregate carrying amount of \$43.8 million, which was written down to their fair value of \$25.0 million.

Through the latter part of 2024, we noted that events and circumstances triggered the existence of potential impairment for some of our vessel groups. These indicators included the potential impact of the current container sector on management's expectation for future revenues, as well as some volatility in the charter market and the vessels' market values. As a result, we performed step one of the impairment assessment of each of our vessel groups by comparing the undiscounted projected net operating cash flows for each vessel group to their carrying value and step two of the impairment analysis was not required for any vessel group as their undiscounted projected net operating cash flows exceeded their carrying value. Accordingly, no impairment loss was recorded for the year ended December 31, 2024.

Sensitivity analysis as at December 31, 2024 suggests that a reduction of 10.0% in the charter rates assumed after expiry of the existing charter contracts under the current methodology would trigger a theoretical impairment charge of approximately \$2.0 million. A reduction of 5.0% in the assumed charter rates would trigger a theoretical impairment charge of approximately \$2.0 million.

Although we currently intend to continue to hold and operate all of our vessels, the following table presents information with respect to the carrying value of our vessels, which are after the impairment charges noted above. The estimated market values, based on charter attached valuations as at December 31, 2024 with the assistance of an independent ship broking firm totaled \$3,207.2 million. The carrying value of each of the vessels does not necessarily represent its fair market value or the amount that could be obtained if the vessels were sold.

The amount, if any, and timing of any impairment charges we may recognize in the future will depend upon then current and expected future charter rates and vessel values, which may differ materially from those fair values as at December 31, 2024. In addition, vessel values are highly volatile; as such, the estimated market values may not be indicative of the current or future market value of our vessels or prices that we could achieve if we were to sell them, with or without charters attached.

The table below sets out the carrying value of each of the vessel group we owned as of December 31, 2023 and 2024:

Vessel Name	Capacity in TEUs	Year Built	Carrying Value as at December 31, 2023 ⁽¹⁾ (in millions of U.S. dollars)	Carrying Value as at December 31, 2024 ⁽¹⁾ (in millions of U.S. dollars)
CMA CGM Thalassa	11,040	2008	\$86.2	\$81.7
ZIM Norfolk	9,115	2015	60.5	58.0
Anthea Y	9,115	2015	60.7	58.3
ZIM Xiamen	9,115	2015	59.4	57.2
Sydney Express	9,019	2016	0.0	70.7
Istanbul Express	9,019	2016	0.0	70.6
Bremerhaven Express	9,019	2015	0.0	67.8
MSC Tianjin	8,603	2005	36.9	39.5
MSC Qingdao *	8,603	2004	38.9	44.4
GSL Ningbo	8,603	2004	36.9	38.0
GSL Alexandra	8,544	2004	33.8	32.0
GSL Sofia	8,544	2003	32.2	30.5
GSL Effie	8,544	2003	32.2	30.8
GSL Lydia	8,544	2003	31.4	30.0
GSL Eleni	7,847	2004	17.0	18.2
GSL Kalliopi	7,847	2004	14.8	14.5
GSL Grania	7,847	2004	14.9	14.7
Colombia Express (ex Mary)	7,072	2013	42.5	43.5
Panama Express (ex Kristina)	7,072	2013	41.7	45.1
Costa Rica Express (Ex Katherine)	7,072	2013	41.7	45.2
Nicaragua Express (ex Alexandra)	7,072	2013	41.7	44.9
CMA CGM Berlioz	7,023	2001	27.2	24.7
Mexico Express (ex Alexis)	6,910	2015	47.0	50.6
Jamaica Express (ex Olivia I)	6,910	2015	47.1	50.3
GSL Christen	6,858	2002	15.5	14.9
GSL Nicoletta	6,858	2002	15.4	14.8
Agios Dimitrios	6,572	2011	24.8	29.0
GSL Vinia	6,080	2004	12.2	12.1
GSL Christel Elisabeth	6,080	2004	12.2	12.4
GSL Arcadia	6,008	2000	14.7	14.6
GSL Violetta	6,008	2000	14.8	14.7
GSL Maria	6,008	2001	17.0	16.0
GSL MYNY	6,008	2000	17.7	16.9
GSL Melita *	6,008	2001	17.8	16.7
GSL Tegea	5,994	2001	17.7	16.7
GSL Dorothea	5,994	2001	16.2	15.2
Tasman	5,936	2000	11.8	12.5
Dimitris Y	5,936	2000	11.9	12.8
Ian H	5,936	2000	11.7	15.0
GSL Tripoli *	5,470	2009	39.8	38.9
GSL Kithira *	5,470	2009	39.7	39.0
GSL Tinos *	5,470	2010	40.6	39.9
GSL Syros *	5,470	2010	41.0	39.9
Dolphin II	5,095	2007	13.1	12.5
Orea I	5,095	2006	12.1	11.7
CMA CGM Alcazar	5,089	2007	30.1	28.1
GSL Château d'If	5,089	2007	28.0	26.2
GSL Susan	4,363	2008	32.5	30.5
CMA CGM Jamaica	4,298	2006	25.1	23.5
CMA CGM Sambhar	4,045	2006	23.8	22.2
CMA CGM America	4,045	2006	24.1	22.5
GSL Rossi	3,421	2012	25.0	24.6
GSL Alice (G)	3,421	2014	28.8	27.6
GSL Eleftheria (G)	3,421	2013	26.3	25.7
GSL Melina (G)	3,404	2013	26.5	25.9
Athena	2,980	2003	9.7	9.1
GSL Valerie	2,824	2005	10.3	9.8
GSL Mamitsa (ex Matson Molokai)	2,824	2007	24.2	23.0
GSL Lalo	2,824	2006	12.5	12.3
GSL Mercer	2,824	2007	24.5	23.0
GSL Elizabeth	2,741	2006	12.5	12.0
GSL Chloe (ex Beethoven) (G)	2,546	2012	23.3	24.1
GSL Maren (G) *	2,546	2014	24.8	25.5
Maira (G)	2,506	2000	6.1	5.8
Nikolas (G)	2,506	2000	6.4	6.2
Newyorker (G)	2,506	2001	6.6	6.2
Manet	2,288	2001	9.7	8.9
Kumasi	2,220	2002	8.3	7.6
Akiteta	2,220	2002	8.0	7.5
Keta (G)	2,207	2003	5.2	4.9
Julie (G)	2,207	2002	7.5	7.0
			\$1,732.2	\$1,927.1

- (I) Carrying value includes vessel cost, the unamortized portion of deferred drydocking related to the vessel and the related carrying value of the intangible asset or liability (if any) with respect to the time charter attached to the vessel at its purchase.
- (G) Indicates geared vessel.
- (*) Indicates vessels for which the market value based on charter attached valuations was lower than the carrying value as at December 31, 2024. The aggregate carrying value of these vessels at December 31, 2024 exceeded their aggregate market value based on charter attached valuations as at December 31, 2024 by approximately \$32.2 million.

Stock-Based Compensation

We have awarded restricted stock units to certain of our employees. The accounting fair value of restricted stock unit grants is determined by reference to the quoted stock price on the date of grant, as adjusted for estimated dividends forgone until the restricted stock units vest. Compensation expense is recognized based on a graded expense model over the expected vesting period.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Taxes Disclosures, which requires greater disaggregation of income tax disclosures. The new standard requires additional information to be disclosed with respect to the income tax rate reconciliation and income taxes paid disaggregated by jurisdiction. This ASU should be applied prospectively for fiscal years beginning after December 15, 2024, with retrospective application permitted. We are currently evaluating the impacts of this guidance on our Consolidated Financial Statements and disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The standard is intended to enhance transparency of income statement disclosures primarily through additional disaggregation of relevant expense captions. The standard is effective for annual reporting periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with prospective or retrospective application permitted. We are currently evaluating the potential impact of adopting this standard on our consolidated financial statements and disclosures.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Our directors and executive officers as of the date of this Annual Report and their ages as of December 31, 2024 are listed below:

Name	Age	Position
George Giouroukos	59	Executive Chairman
Michael S. Gross	63	Director
Alain Wils	81	Director
Ulrike Helfer	65	Director
Michael Chalkias	54	Director
Yoram (Rami) Neugeborn	63	Director
Alain Pitner	76	Director
Menno van Lacum	54	Director
Ian J. Webber*	67	Director
Thomas A. Lister**	55	Chief Executive Officer
Anastasios Psaropoulos	45	Chief Financial Officer
George Giannopoulos***	42	Chief Compliance Officer

* Effective as of March 31, 2024, Mr. Ian J. Webber retired from the position of Chief Executive Officer. Effective as of the same date, Mr. Webber joined the Board of Directors as a Term II Director, thereby increasing the size of the Board of Directors from eight to nine members.

** Effective as of March 31, 2024, Mr. Thomas A. Lister became Chief Executive Officer to succeed Mr. Webber.

*** Effective as of May 2024, Mr. George Giannopoulos became Chief Compliance Officer.

Biographical information concerning the directors and executive officers listed above is set forth below.

George Giouroukos: Mr. Giouroukos has been our Executive Chairman since November 2018 when the strategic combination with Poseidon Containers was completed. He has been involved in Shipping since 1993, when he joined a major Greek shipowning company and worked in various departments. He founded Technomar, an internationally recognized ship management company, in 1994, where he has served as Managing Director. With over 30 years of experience in the sector, he has negotiated and executed over 385 secondhand and newbuilding ship transactions, creating partnerships with a number of leading shipping banks and Private Equity firms to jointly invest in container and dry bulk ships. These collaborations have yielded a substantial equity co-investment of well over a billion USD, particularly in workout transactions. Mr. Giouroukos serves as the Chairman of the Hellenic Advisory Committee of International classification society, RINA and holds a Bachelor in Mechanical Engineering from University College London and a Master in Engineering from Brunel University.

Michael S. Gross: Mr. Gross has been a director since inception and was Chairman from September 2008 to November 2018 when the strategic combination with Poseidon Containers closed. Mr. Gross is the Chairman of the board of directors and Co-Chief Executive Officer of SLR Investment, a publicly traded BDC focused on private direct lending and is a co-managing partner of SLR Capital Partners since 2006. From 1990 to 2006 Mr. Gross was a senior partner of Apollo Management, a leading alternative asset management firm, which he co-founded in 1990.

Alain Wils: Mr. Wils has been a director since May 2014. He is a consultant in the shipping and logistics industries, after more than 40 years of experience in the sector. Mr. Wils joined the CMA CGM group in 1996 as managing director of the previously state-owned shipping company, CGM, on its acquisition by CMA. He was appointed an executive board member of CMA CGM in 2001 on the merger of CMA and CGM until his retirement in 2008. From 1992 to 1996, he was chairman and CEO of Sceta International, later renamed Geodis International, a leading European logistics and freight forwarding company. He was the managing director of the shipping group Delmas Vieljeux, which he joined in 1971, from 1982 to 1992. Mr. Wils, who is a graduate of HEC Paris and of Paris University, was appointed Chevalier de la Légion d'Honneur in 1995 and chaired the French Shipowners' Association from 1998 to 2000.

Ulrike Helfer: Ms. Helfer was appointed a director in 2022 and has more than 40 years of experience in the finance industry and more than 20 years of shipping experience. She commenced her career in international ship financing in 2000 in Vereins- und Westbank AG (merged into UniCredit). In 2005, Ms. Helfer joined DVB Bank SE in Hamburg, where she became Deputy Head of the Global Container, Car Carrier, Intermodal & Ferry Group. In 2011, Ms. Helfer became the Chief Representative of DVB Bank in Greece. She spent the preceding five years in Athens managing DVB's local office by reporting directly to the CEO of the bank. From 2016 to 2023, Ms. Helfer was a member of the board of managing directors of portfoliomanagement AöR, a company newly established by the Federal State of Schleswig-Holstein and the City of Hamburg. In this role, Ms. Helfer and her team had the responsibility of winding down a portfolio of non-performing shipping loans with an amount of EUR 4.7 billion transferred from HSH Nordbank AG to portfoliomanagement AöR. Ms. Helfer was also a member of the advisory board of Deutsche Bundesbank in Hamburg, Schleswig-Holstein and Mecklenburg-Vorpommern from 2020 to 2023.

Michael Chalkias: Mr. Chalkias has been a director since November 2018 when the strategic combination with Poseidon Containers was completed. He is the Co-founder and Co-Chief Executive Officer of the Prime Marine group, a leading global operator and manager in the seaborne oil and gas transportation space, which has managed more than 100 ships since its inception. Since March 2018, Mr. Chalkias has also served as non-executive, non-independent director of First Ship Lease Trust, a Singapore-based business trust listed on the Mainboard of the Singapore Exchange Securities Trading Limited. Mr. Chalkias counts more than 25 years in the shipping industry, during which he has accumulated extensive in-depth knowledge in all aspects of the business and established strong relationships in the sector. Through Prime Marine, he has invested in many ships, primarily product tankers and gas carriers and has partnered with a number of international banks and US private equity firms. Prior to co-founding Prime Marine's predecessor in 1999, he was employed by Tufton Oceanic Limited, a specialized shipping finance and investment firm in London, where he was actively involved with debt and equity instruments as well as structured financing. Mr. Chalkias holds an MSc with Distinction in Shipping, Trade & Finance from the Cass Business School at the City University of London and a BSc with Honors in Maritime Business and Maritime Law from the University of Plymouth.

Captain Yoram (Rami) Neugeborn: Mr. Neugeborn was appointed a director in 2022 and is a Master Mariner with more than 40 years of experience in the shipping industry. He currently serves as the Chief Executive Officer of Aquarii Shipping Solutions Ltd., a private shipping consultant company. Prior to joining our Board of Directors, from 2010 to 2022 he served as Manager of the Chartering and Sale and Purchase Division at ZIM Integrated Shipping Services Ltd. and from 2008 to 2010 he served as the Manager of the Shipping Commercial Division at XT Shipping Ltd. (formerly, Ofer Brothers Shipping, Haifa). Between 2002 – 2007 he served as a Managing Director of Zim-Ofer Shipbrokers. Further, from 1994 to 1998 he served as Commanding Captain onboard ocean-going vessels. Mr. Neugeborn graduated from the Israeli Maritime Institute in Acre, Israel (Haifa University) and has a Certificate of Competency, Master Mariner F.G.

Alain Pitner: Mr. Pitner, who has 30 years of shipping experience, was appointed a director in November 2018. Mr. Pitner commenced his career in 1974 in the Risk Department of Banque Indosuez, absorbed later by the Credit Agricole Group. He held various operational commercial responsibilities within the Bank's French Export Credit Department. In 1987, Mr. Pitner joined the Shipping Division of the Bank's Structured Finance Department, where he financed newbuildings, second hand vessels and also special projects. He then was entrusted with increasingly senior roles. In September 2017, after 42 years, Mr. Pitner retired from the bank. He graduated from Reims business school and holds a MSIA from Krannert Business School—Purdue University, USA in 1974.

Menno van Lacum: Mr. van Lacum was appointed a director in November 2018. He commenced his career in 1997 by joining the Transportation Group at MeesPierson where he was responsible, in different capacities, for arranging and structuring debt capital markets and leasing products predominantly for the Transportation Equipment Leasing sector. In 2005, Mr. van Lacum became Director of the Fortis Principal Finance Group in the USA, responsible for holding equity investments and structuring debt instruments within the Transportation Sector. In 2009, Mr. van Lacum joined the Transportation Capital Group as a Partner in the Netherlands focusing primarily on holding investments in the maritime industry. In 2019, Mr. van Lacum became CEO of Prow Capital, a private debt fund manager focusing on ESG investments in the shipping industry. Mr. van Lacum holds a Master's Degree in Economics from the University of Amsterdam, Netherlands.

Ian J. Webber: Effective March 31, 2024, Mr. Webber retired from the position of Chief Executive Officer (which he held since August 2008), and joined our Board of Directors. From 1979 to 1996, Mr. Webber worked for PriceWaterhouse, the last five years of which he was a partner. From 1996 to 2006, Mr. Webber served as the Chief Financial Officer and a director of CP Ships Limited, a subsidiary of Canadian Pacific Limited until 2001 and thereafter a public company listed on the New York and Toronto stock exchanges until its acquisition by TUI A.G. in 2005. Mr. Webber is a graduate of Cambridge University.

Thomas A. Lister: Mr. Lister has been our Chief Executive Officer as of March 31, 2024. Mr. Lister had been our Chief Commercial Officer from August 2008 to March 31, 2024, and, from April 2017 until the Poseidon Transaction in November 2018, was also our Chief Financial Officer. Since 2019, Mr. Lister has led our ESG initiatives to ensure close alignment of our commercial and ESG strategies. From 2005 until 2007, Mr. Lister was a Senior Vice President at DVB Bank. Before that, from 2004 to 2005, he worked for the German KG financier and ship owning group, Nordcapital & E.R.Schiffahrt, as Director of Business Development. From 1991 to 2002, Mr. Lister worked in a number of managerial, strategic and operational roles for liner shipping companies and their agents. Mr. Lister graduated from Durham University and holds an MBA from INSEAD.

Anastasios Psaropoulos: Mr. Psaropoulos became our Chief Financial Officer in November 2018. He has over 15 years of experience in finance in the shipping sector. He has served as Chief Financial Officer of Poseidon Containers and Technomar, which he joined in 2011, participating in more than 200 successful S&P transactions including distressed deals, and from January, 2024, provides limited advisory services to Technomar when requested. Prior to Poseidon, he was financial controller in Dolphin Capital, an AIM listed real estate development fund. He has also worked as an external auditor with PricewaterhouseCoopers, covering shipping and oil & gas industries. Mr. Psaropoulos holds a Master in Economics with specialization in Finance and Investments, from the Athens University of Economics and Business. He has also participated in the Program for Leadership Development (PLDA), in the program preparing to be a Corporate Director (PCD), and in the program Private Equity and Venture Capital (PEVC) of Harvard Business School.

George Giannopoulos: Mr. Giannopoulos became our Chief Compliance Officer in May 2024 and has been our Head of Internal Audit since the Poseidon Transaction in November 2018. From 2015 until 2018, Mr. Giannopoulos was Financial Controller at our technical manager, Technomar. Prior to joining Technomar, from 2010 until 2015, Mr. Giannopoulos was Financial Controller in charge of the South American logistics arm of Navios—a group of shipping companies listed on the New York Stock Exchange. From 2006 to 2010, Mr. Giannopoulos worked for PricewaterhouseCoopers as a senior external auditor covering the shipping and oil & gas industries. Mr. Giannopoulos is a graduate of Maritime Studies from the University of Piraeus.

B. Compensation

Compensation of Executive Officers

For the year ended December 31, 2024, we have expensed an aggregate of \$2.2 million in compensation to our executive officers, which includes the remuneration of our Executive Chairman.

Compensation of Directors

Our directors (other than our Executive Chairman) receive an annual fee of \$105,000. The Chairman of the audit committee receives an additional fee of \$15,000 and each member of the audit committee receives an additional \$7,500. The Chairman of the nominating and corporate governance committee and the compensation committee each receive an additional \$5,000 and each member of those committees receives an additional \$2,500. In addition, each director is reimbursed for out-of-pocket expenses in connection with attending meetings of our Board of Directors or committees. Our Executive Chairman receives remuneration as an executive officer and does not receive director fees.

2019 Omnibus Incentive Plan

On February 4, 2019, our Board of Directors adopted the Global Ship Lease, Inc. 2019 Omnibus Incentive Plan (the “2019 Plan”).

The purpose of the 2019 Plan is to provide directors, officers and employees, whose initiative and efforts are deemed to be important to the successful conduct of our business, with incentives to (a) enter into and remain in the service of our company or our subsidiaries and affiliates, (b) acquire a proprietary interest in the success of our company, (c) maximize their performance and (d) enhance the long-term performance of our company. The 2019 Plan is administered by the compensation committee of our Board of Directors or such other committee of our Board of Directors as may be designated by them.

Under the terms of the 2019 Plan stock options and appreciation rights granted under the 2019 Plan will have an exercise price equal to the fair market value of a common share on the date of grant, provided that in no event may the exercise price be less than the fair market value of a common share on the date of grant. Options and stock appreciation rights will be exercisable at times and under conditions as determined by the plan administrator, but in no event will they be exercisable later than 10 years from the date of grant.

The plan administrator may grant restricted stock and awards of restricted stock units subject to vesting and forfeiture provisions and other terms and conditions as determined by the administrator of the 2019 Plan. Upon the vesting of a restricted stock unit, the award recipient will be paid an amount equal to the number of restricted stock units that then vest multiplied by the fair market value of a common share on the date of vesting, which payment may be paid in the form of cash or common shares or a combination of both, as determined by the administrator of the 2019 Plan. The 2019 Plan administrator may grant dividend equivalents with respect to grants of restricted stock units.

Adjustments may be made to outstanding awards in the event of a corporate transaction or change in capitalization or other extraordinary event. In the event of a “change in control” (as defined in the 2019 Plan), unless otherwise provided by the 2019 Plan administrator in an award agreement, awards then outstanding shall become fully vested and exercisable in full.

Our Board of Directors may amend or terminate the 2019 Plan and may amend outstanding awards, provided that no such amendment or termination may be made that would materially impair the rights or materially increase any obligations, of a grantee under an outstanding award. Shareholders’ approval of 2019 Plan amendments may be required in certain circumstances if required by applicable rules of a national securities exchange or the SEC. Unless terminated earlier by our Board of Directors, the 2019 Plan will expire 10 years from the date on which the 2019 Plan was adopted by the Board of Directors.

Following the adoption of the 2019 Plan, our previous plans adopted in 2015 and 2008 were terminated.

In 2019, our Board of Directors approved awards to our executive officers under the 2019 Plan, providing those executive officers with the opportunity to receive up to 1,359,375 Class A common shares in aggregate, in four tranches, subject to certain vesting criteria. On March 11, 2021, our Board of Directors approved additional awards of 61,625 of Class A common shares, in four tranches, subject to certain vesting criteria, to two other employees resulting in a total amount of awards of up to 1,421,000 shares.

In July 2021, Mr. Giouroukos received an additional 17,720 Class A common shares pursuant to the 2019 Plan as a special bonus.

As at December 31, 2021, all of the above awards had vested as the criteria had been met. 931,874 shares were settled and issued and 506,846 remained to be issued.

On September 29, 2021, the compensation committee and the Board of Directors approved an increase in the aggregate number of Class A common shares available for issuance as awards under the 2019 Plan by 1,600,000 to 3,412,500, and approved new awards to senior management, totaling 1,500,000 shares of incentive stock, in three tranches, subject to certain vesting criteria, with a grant date October 1, 2021. The compensation committee and Board of Directors also approved an increase the maximum number of Class A common shares that each non-employee director may be granted in any one year to 25,000 and subsequently approved stock-based awards to the then seven non-executive directors totaling 105,000 shares of incentive stock, or 15,000 each, to vest in a similar manner to those awarded to senior management.

During the year ended December 31, 2022, 28,528 unvested share awards were cancelled on the resignation of two directors and an award of 13,780 was made to one new director to vest in a similar manner to the other awards, with the first tranche adjusted for the date of appointment of the director.

In March 2023, the Compensation Committee and the Board of Directors, approved an amendment to the stock-based awards agreed in September 2021 for senior management and non-employee directors such that 10% of the second tranche would be forfeit with the remaining 90% vesting from April 2023 and quarterly thereafter with the last such vesting to be October 2025. The price at which the third tranche is to vest was amended to \$21.00, over a 60-day period. All other terms of the awards remain unchanged.

During the years ended December 31, 2024, 2023 and 2022, 535,912, 399,727 and 218,366 incentive shares vested, respectively, under the amended September 2021 awards. A total of 2,647,900 incentive shares under both plans had vested as at December 31, 2024. Of the total incentive shares which vested under both plans up to December 31, 2024, 204,797 had not been issued.

On January 2, 2024, we approved awards to a non-employee director amounting to 4,884 shares of incentive stock which vested and were issued immediately, and 8,311 shares, to vest in a similar manner to the awards to other non-employee directors, adjusted for the date of appointment of the director, up to September 30, 2025.

As a result of the Chief Executive Officer transition in March 2024, the Board of Directors approved a new award of 6,465 shares of incentive stock to the new non-employee director and 51,750 a new award to the new Chief Executive Officer, both structured in the same way as existing equivalent awards, adjusted for the dates of appointment. 155,250 shares were forfeited, due to retirement of the then Chief Executive Officer.

We filed a registration statement on Form S-8 under the Securities Act registering the Class A common shares under our 2019 Plan. The shares included in such registration statement are available for sale in the public market, subject to applicable vesting provisions.

C. Board Practices

Our Board of Directors is divided into three classes with one class of directors being elected in each year and each class serving a three-year term. The current term of office of the Term I class of directors consisting of Ms. Helfer, Mr. Neugeborn and Mr. Pitner, expires at the annual meeting of shareholders to be held in 2027. The current term of office of the Term II class of directors, consisting of Mr. Chalkias, Mr. Giouroukos and Mr. Webber, expires at the annual meeting of shareholders to be held in 2025. The current term of office of the Term III class of directors, consisting of Mr. Gross, Mr. van Lacum and Mr. Wils, expires at the annual meeting of shareholders to be held in 2026.

Other than our Executive Chairman, none of our directors have service contracts with us or any of our subsidiaries providing for benefits upon the termination of their employment.

For information about the period during which each director and executive officer has served in such position at our company, see “Item 6. Directors, Senior Management and Employees – A. Directors and Senior Management.”

Director Independence

Our Board of Directors has determined that all of our directors in office as of the date hereof, other than Mr. George Giouroukos and Mr. Ian Webber, are “independent directors” as such term is defined in Rule 10A-3 under the Exchange Act, and the NYSE rules.

Board Committees

Our Board of Directors has formed an audit committee, a compensation committee, a nominating and corporate governance committee, a conflicts committee and an environmental, social and governance committee. Our committee charters are available on our website (www.globalshipline.com) and in print to any investor upon request. The information included on our website is not incorporated herein by reference.

Audit Committee

We have established an audit committee, comprised of three members of our Board of Directors, which, as directed by our written audit committee charter, is responsible for overseeing the management’s conduct of our systems of internal accounting and financial controls, reviewing our financial statements, recommending to the Board of Directors the engagement of our independent auditors, and pre-approving audit and audit-related services and fees.

The audit committee will at all times be composed exclusively of “independent directors” who, as may be required by the NYSE listing standards, are able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement. Our audit committee currently consists of Messrs. Chalkias, van Lacum, Wils and Ms. Helfer, each of whom is “independent” as defined in Rule 10A-3 under the Exchange Act and the NYSE rules.

In addition, the audit committee has at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual’s financial sophistication. Our Board of Directors has determined that Mr. van Lacum has such financial sophistication and also qualifies as an “audit committee financial expert” (please refer to Item 16A. Audit Committee Financial Expert).

Compensation Committee

We have established a compensation committee, consisting of Messrs. Gross, Chalkias and Pitner, that is responsible for and reports to our Board of Directors on the evaluation and compensation of executives, oversees the administration of compensation plans, reviews and makes recommendations to the Board of Directors on director and executive compensation and prepares any report on executive compensation required by the rules and regulations of the SEC.

Nominating and Corporate Governance Committee

We have established a nominating and corporate governance committee, consisting of Messrs. Chalkias, Pitner and Wils, that reports to our Board of Directors on and is responsible for succession planning and the appointment, development and performance evaluation of our board members and senior executives. It also assesses the adequacy and effectiveness of our corporate governance guidelines, reviewing and recommending changes to the Board of Directors whenever necessary.

Conflicts Committee

We have established a Conflicts Committee to review, evaluate, and approve any transaction or other matter referred or disclosed to it where a conflict of interest or potential conflict of interest exists or arises, whether real or perceived. Such matters may include transactions between us on the one hand, and Technomar, or Conchart, or any of our officers or directors or affiliates of our officers or directors, on the other hand. Our Conflicts Committee consists of Messrs. Chalkias, van Lacum, and Wils.

Environment, Social, and Governance (“ESG”) Committee

We have established an ESG Committee to (i) guide, support, and supervise management in developing, articulating, and continuing to evolve, our ESG strategy, (ii) evaluate and recommend ESG initiatives for adoption by us, (iii) assess ESG risks and opportunities, and (iv) promote ESG practices within our business culture and processes. Our ESG committee consists of Messrs. Neugeborn, van Lacum, Wils, and Giouroukos.

D. Employees

As of December 31, 2024, we had seven employees.

E. Share Ownership

See “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders” for information regarding beneficial ownership by our directors and executive officers.

See “Item 6. Directors, Senior Management and Employees—B. Compensation—2019 Omnibus Incentive Plan” for information regarding our equity incentive plan.

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

Not Applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information regarding the beneficial ownership of our Class A common shares as of the date of this annual report by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding common shares;
- each of our officers and directors; and
- all of our officers and directors as a group.

Except as otherwise indicated, each person or entity named in the table below has sole voting and investment power with respect to all of our Class A common shares, shown as beneficially owned, subject to applicable community property laws. As of the date of this annual report, an aggregate of 35,736,123 Class A common shares were issued and outstanding.

The Class A common shares each have one vote and vote together as a single class except that any amendment to the articles of incorporation, including those made pursuant to the terms of any merger, consolidation or similar transaction, that would increase or decrease the aggregate number of authorized common shares of a class, increase or decrease the par value of common shares of a class, or alter or change the powers, preferences or rights of the class of common shares so as to affect them adversely, must be approved by the holders of not less than a majority of the votes entitled to be cast by the holders of such class of common shares then outstanding, voting separately as a class.

Name of Beneficial Owner	Class A Common Shares Beneficially Owned	Approximate Percentage of Outstanding Class A Common Shares ⁽¹⁾
5% Shareholders:		
Donald Smith & Co., Inc. (2)	3,139,470	8.8%
George Gioroukos (3)	2,480,423	6.9%
Other Directors and Executive Officers:		
Michael Gross	34,917	0.1%
Alain Wils	7,146	0.0%
Menno van Lacum	20,625	0.1%
Alain Pitner	12,834	0.0%
Michael Chalkias	12,834	0.0%
Rami Neugeborn	11,608	0.0%
Ulrike Helfer	11,366	0.0%
Ian Webber	125,408	0.4%
Thomas Lister	64,351	0.2%
Anastasios Psaropoulos	156,582	0.4%
George Giannopoulos	917	0.0%
All directors and executive officers as a group (12 individuals) (4)	2,939,011	8.2%

(1) Calculated based on 35,736,123 Class A common shares outstanding as of the date of this annual report.

(2) This information is derived from a Schedule 13G filed with the SEC on February 13, 2025.

(3) Mr. Giouroukos, who serves as our Executive Chairman, owns and controls Shipping Participations Inc. which is the record holder of 2,075,490 Class A common shares. As a result, Mr. Giouroukos may be deemed to beneficially own the shares held by Shipping Participations Inc.

(4) The number of shares of Class A common shares beneficially owned by a person and the percentage ownership of that person, includes Class A common shares under stock-based awards held by that person that are exercisable, vested or convertible as of March 10, 2025 or that will become exercisable, vested or convertible within 60 days after March 10, 2025 and which are described above under the heading “Item 6. Directors, Senior Management and Employees-B. Compensation-2019 Omnibus Incentive Plan”.

As of March 10, 2025, we had 15 registered shareholders of record, two of which were located in the United States holding an aggregate of 34,830,869 of our Class A common shares, representing 97.5% 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 34,830,582 of our Class A common shares as of March 10, 2025, representing 97.5% of our outstanding shares. 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

Registration Rights Agreement

At the time of the Marathon Merger, we entered into a registration rights agreement with CMA CGM, Marathon Investors, LLC, Marathon Founders, LLC and the other initial shareholders of Marathon common stock (including Michael S. Gross), pursuant to which we agreed to register for resale on a registration statement under the Securities Act and applicable state securities laws, the common shares issued to such shareholders pursuant to the Marathon Merger or upon exercise of warrants (the “Marathon Registration Rights Agreement”).

On October 29, 2018, we entered into an Amended and Restated Registration Rights Agreement (the “Amended and Restated Registration Rights Agreement”), which amended and restated the Marathon Registration Rights Agreement, with KEP VI, KIA VIII, CMA CGM, Management Investor Co., Anmani Consulting Inc., Marathon Founders, LLC, Michael S. Gross and Maas Capital Investments B.V. with respect to all Class A common shares (and the Series C Preferred Shares at that time) held by such shareholders on the closing date of the Poseidon Transaction, including any Class A common shares issued on conversion of the Series C Preferred Shares (the “Registrable Securities”). The Amended and Restated Registration Rights Agreement became effective on the closing of the Poseidon Transaction. Pursuant to the Amended and Restated Registration Rights Agreement, we filed with the SEC a shelf registration statement to register the offer and resale of all of the Registrable Securities. The Amended and Restated Registration Rights Agreement also provides certain piggyback and demand registration rights to the holders of Registrable Securities and contains customary indemnification and other provisions. Based on information provided to us by Kelso, KEP VI and KIA VIII no longer hold Registrable Securities. Based on a Schedule 13D/A filed by CMA CGM with the SEC on September 7, 2022, CMA CGM no longer holds any Registrable Securities.

Non-Compete Agreement

On October 29, 2018, we entered into a Non-Compete Agreement (the “Original Non-Compete Agreement”) with Mr. George Giouroukos and Conchart reflecting, among others, the provisions described below. The Non-Compete Agreement became effective on the closing of the Poseidon Transaction. On March 12, 2025, we entered into a First Amended and Restated Non-Compete Agreement with Mr. George Giouroukos and Conchart amending the Original Non-Compete Agreement.

Restricted Business

For so long as Mr. Giouroukos is our Executive Chairman, Mr. Giouroukos and any entity which he controls will agree not to acquire, own or operate containerships. However, under certain exceptions, Mr. Giouroukos, and any entity which he controls, may compete with us, which could affect our business. Specifically, Mr. Giouroukos, and any entity which he controls, will not be prevented from:

1. Acquiring, owning, operating or chartering vessels other than containerships;
2. Acquiring or owning one or more containerships (or an interest in one or more containerships) if we decide not to exercise our right of first refusal to acquire such containership (or interest in such containership), in accordance with the terms of the Non-Compete Agreement described below under “Right of First Refusal”;
3. Acquiring, owning, operating or chartering one or more containerships as part of the acquisition of a controlling interest in a business or package of assets that owns, operates or charters such containerships; provided, however, that Mr. Giouroukos, and any entity which he controls must offer to sell such containership(s) to us at their fair market value plus any additional tax or other similar costs that Mr. Giouroukos, and any entity which he controls, incurs in connection with the acquisition and the transfer of such containership to us separate from the acquired business, if a majority of the value of the business or the package of assets acquired is attributable to containerships, unless the acquisition of such controlling interest was otherwise permitted;
4. Providing vessel management services relating to containerships, or other vessel types, including technical and commercial management, warehouse transactions for financial institutions and pool management;
5. Acquiring, owning, operating or chartering any containership that Mr. Giouroukos, and any entity which he controls, owned or operated or had a contractual arrangement with respect to as of the closing date of the Plan of Merger by and among Poseidon Containers Holdings LLC, K&T Marine LLC, us and other parties;
6. Transferring to Mr. Giouroukos or any entity which he controls, title to a vessel that Mr. Giouroukos or such entity that he controls or any third party is entitled to acquire, own and operate under the Non-Compete Agreement, pursuant to or in connection with the termination of a financing arrangement, including by way of a sale and leaseback or similar transaction, which is accounted for under United States generally accepted accounting principles as a financial lease;
7. Acquiring, owning, operating or chartering any containership that is subject to an offer to purchase as described in paragraphs (2) and (3) above, in each case pending the offer of such containership to us and our determination whether to purchase the containership and, if so, pending the closing of such purchase; and
8. Increasing ownership interest of Mr. Giouroukos in a containership that was previously subject to an offer to purchase by us as described in paragraphs (2) or (3) above, that, in each case, our Board of Directors previously elected not to cause us to purchase.

Further to the above, notwithstanding this agreement, Mr. Giouroukos, and any entity which he controls, may claim business opportunities that would benefit us, and this could have an adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Right of First Refusal

Mr. Giouroukos, and any entity he controls, will also agree to grant us a right of first refusal to acquire any containership, after Mr. Giouroukos, or an entity controlled by him, enters into an agreement that sets forth terms upon which he or it would acquire such containership. Mr. Giouroukos, or such entity controlled by him, shall notify us within 30 days of any agreement that he, or his controlled entity, has entered into to purchase a containership and will provide a period of seven calendar days in respect of a single vessel transaction, or a period of 14 calendar days in respect of a multi-vessel transaction, from the date that he delivers such notice to us of said opportunity, within which to decide whether or not to accept the opportunity and nominate a subsidiary of ours to become the purchaser of such containership, before Mr. Giouroukos, or any entity he controls, will accept the opportunity or offer it to any of his other affiliates or entities controlled by him. The opportunity offered to us will be on no less favorable terms than those offered to Mr. Giouroukos, or entity controlled by him. The approval of our conflicts committee which is comprised of independent directors will be required to accept or reject this offer.

Upon a change of control of us, these rights of first refusal will terminate immediately. In addition, at such time that Mr. Giouroukos ceases to serve as our Executive Chairman, these rights of first refusal as applicable to Mr. Giouroukos will terminate immediately.

Right of First Offer on Containerships

Mr. Giouroukos will also agree to grant a right of first offer to us for any containership he, or any entity controlled by him, owns or acquires, upon any proposed sale, transfer, or other disposition.

Prior to entering into any transaction regarding any containership’s disposition with a non-affiliated third party, Mr. Giouroukos, or such entity controlled by him, will deliver a written notice to us setting forth the material terms and conditions of the proposed transaction. During the 14-day period after the delivery of such notice, and at our election we (through our conflicts committee) and Mr. Giouroukos, or such entity controlled by him, will negotiate in good faith to reach an agreement on the transaction, which shall be approved by our conflicts committee which is comprised of independent directors. If we do not reach an agreement within such 14-day period, Mr. Giouroukos, or such entity controlled by him, as the case may be, will be able within the next 180 calendar days to sell, transfer, dispose or re-contract the containership to a third party (or to agree in writing to undertake such transaction with a third party) on terms generally no less favorable than those offered pursuant to the written notice. If, however, after receipt of the notice, we elect not to exercise our right of first offer with respect to the transfer of a containership, then the procedures shall not be required with respect any future proposed transfer of such containership occurring on substantially similar terms and conditions as set forth in such notice.

Upon a change of control of us, these rights of first offer will terminate immediately. In addition, at such time that Mr. Giouroukos ceases to serve as our Executive Chairman, these rights of first offer as applicable to Mr. Giouroukos will terminate immediately.

Chartering Opportunities

If Conchart, or any entity it controls, acquires knowledge of a potential opportunity to enter into a potential charter with or without profit sharing for a particular containership that it believes in good faith would be suitable for our vessels, which we refer to as a “Potential Charter Opportunity”, then Conchart, or such entity that it controls, would be obliged to offer such Potential Charter Opportunity to us and, for a period of up to two business days, we shall have the right to elect to pursue such Potential Charter Opportunity for ourselves or allow Conchart to direct such Potential Charter Opportunity to itself or another person or entity. In determining suitability of a Potential Charter Opportunity, Conchart shall take into consideration certain factors, such as the availability, suitability and positioning of the relevant vessel, the potential charterer’s demands for the vessel’s specifications and costs. In the event we do not elect to accept the Potential Charter Opportunity, Conchart shall be free to pursue such Potential Charter Opportunity or direct it to another person or entity for a period of 15 calendar days on the same terms and conditions as presented to us.

Ship Management Agreements

Technomar provides us with all day-to-day technical ship management services, pursuant to the TTMA for all of the vessels in our fleet. Each TTMA was amended in March 2024 (with effect from January 1, 2024) to expand Technomar's responsibilities in view of EU ETS requirements, and again amended in March 2025 to expand Technomar's responsibilities in view of FEUM requirements, as detailed below.

Mr. George Giouroukos, our Executive Chairman, is the Founder, Managing Director, and majority beneficial owner of Technomar. Technical management services provided under each TTMA include crewing, purchasing stores, lubricating oils and spare parts, paying wages, pensions and insurance for the crew, and organizing other vessel operating necessities, including monitoring and reporting with respect to EU ETS requirements (including related Emission Trading Scheme Allowances) and FEUM compliance, and the arrangement and management of drydocking. We pay Technomar a daily management fee of Euro 820 from January 1, 2025, compared to Euro 785 for 2024, per vessel, payable in U.S. dollars, which, in addition to covering the technical ship management services being provided, includes administrative support services, including accounting and financial reporting, treasury management services and legal services also being provided pursuant to the TTMAs. We also reimburse the Technomar for the costs it incurs on our behalf, and provide customary indemnification to Technomar and its employees, agents and sub-contractors. Commencing January 1, 2024, we also pay Technomar a fee of EUR 7,500, per annum per vessel, pro rata, for the provision of additional services relating to our compliance with EU ETS requirements, such services including, among others, gathering and monitoring emissions data, calculating emissions allowances, reporting verified emissions data to the relevant authorities, and managing and monitoring EU ETS trading accounts on our behalf. The EU ETS Fee is subject to a good faith re-appraisal as market standards evolve.

Each TTMA has a minimum term of twenty-four months after the later to occur of the expiry of the charter for the applicable vessel or the credit facility (or other debt agreement) for which the applicable vessel serves as collateral, unless terminated earlier in accordance with the provisions of the TTMA. Each TTMA may be terminated (a) by either party by giving six months' written notice, in which case, if such notice is given at or prior to the termination of the minimum term, a termination payment of fifty percent of the annual fee is payable by us if the TTMA is terminated by Technomar and a termination payment of six times the annual fee is payable by us if the TTMA is terminated by us, or (b) following the expiry of the minimum term, by either party by giving six months' written notice to the other party, in which case, a termination payment of fifty percent of the annual fee is payable by us if the TTMA is terminated by Technomar and a termination payment of five times the annual fee is payable by us if the TTMA is terminated by us. In the event of the sale or total loss of the applicable vessel, a payment equal to one quarter of the annual management fee will apply, provided that the sale is not part of a change in control. If the TTMA is terminated as a result of a change of control in us, as provided in the TTMA, then a termination payment of six times the annual fee will apply. The TTMA may also be terminated (i) by us, upon a change of control of Technomar, (ii) automatically on the insolvency of either party, (iii) by one party upon the breach by the other party of the TTMA, among other reasons, and may result in a termination payment as provided therein. We expect that additional vessels that we may acquire in the future will also be managed under a TTMA on substantially similar terms.

The management fees paid by us to Technomar for the year ended December 31, 2024 amounted to \$21.8 million. The management fees paid by us to Technomar for the year ended December 31, 2023 amounted to \$19.1 million. For the year ended December 31, 2022 management fees paid by us to Technomar amounted to \$16.6 million. GSL has guaranteed certain of the financial obligations of its subsidiaries under each applicable TMA.

Six vessels, which were purchased by us in July 2021, were previously managed by another third-party ship manager with those management agreements having been terminated between May and July 2023 (the "Third-Party Managed Vessels"). Each of our vessel-owning subsidiaries for the Third-Party Managed Vessels entered into a Supervision Agreement with Technomar, pursuant to which Technomar supervised the third-party manager. Technomar also undertook the provision of Technical, Drydock, Insurance, Freight and Claims Handling Services as well as accounting, administrative & support services. Pursuant to the Supervision Agreements, we paid a supervision fee of \$157.50 per day (effective from January 1, 2023) per vessel (\$150.00 prior to January 1, 2023). The Supervision Agreements terminated when the underlying management agreement terminated between May and July 2023.

Conchart provides commercial management services to us on all of our vessels pursuant to the CCMA. Mr. George Giouroukos, our Executive Chairman, is the sole beneficial owner of Conchart. Under the commercial management agreements, Conchart is responsible for (i) marketing of our vessels, (ii) seeking and negotiating employment of our vessels, (iii) advising us on market developments, and on the development of new rules and regulations with respect to trading and cargo restrictions, (iv) assisting in the calculation of hires, and the collection of any sums related to the operation of vessels, (v) communicating with agents, and (vi), negotiating memoranda of agreement for the sale of the vessels. No commission is payable on any charter of a vessel in our fleet to CMA CGM in place as of November 15, 2018, if applicable. However, commission is payable to the managers for any extension of such charters after March 31, 2021. We have agreed to pay Conchart a commission of 1.25% on all monies earned under each charter fixture. Further, we have agreed to pay to the commercial manager, who shall be named broker in each memorandum of agreement (or equivalent agreement) providing for the sale of all vessels and purchase of some vessels, a commission of 1.00% based on the sale and purchase price for any sale and purchase of a vessel, which shall be payable upon request of the commercial manager.

The CCMA, with respect to a vessel, has a minimum term of twenty-four months after the later to occur of the expiry of the charter for the vessel or the credit facility (or other debt agreement) for which the vessel serves as collateral, unless terminated earlier in accordance with the provisions of the CCMA. The CCMA, with respect to a vessel, may be terminated (a) by either party by giving six months' written notice, in which case, if such notice is given at or prior to the termination of the minimum term, a termination payment is payable by us of six times the average monthly commission paid by us to Conchart (or which has accrued) in the previous six month period if the agreement is terminated by Conchart, and a termination payment is payable by us equal to thirty-six times the average monthly commission paid by us (or which has accrued) to Conchart in the previous twelve months if the CCMA is terminated by us, or (b) following the expiry of the minimum term, by either party giving six months' written notice to the other party, in which case a termination payment is payable by us of six times the average monthly commission paid by us to Conchart (or which has accrued) in the previous six month period if the CCMA is terminated by Conchart, and a termination payment is payable by us of twelve times the average monthly commission paid by us (or which has accrued) to Conchart in the previous twelve months if the CCMA is terminated by us.

If the CCMA is terminated as a result of a change of control in us, as provided in each CCMA, then a termination payment of thirty-six times the average monthly commission paid by us with respect to such vessel (or which has accrued) to Conchart in the previous twelve months period will apply. The CCMA may also be terminated (i) by us, upon a change of control of Conchart, (ii) automatically on the insolvency of either party, (iii) by one party upon the breach by the other party of the CCMA, among other reasons as set forth in the CCMA, and may result in a termination payment as provided therein. We expect that additional vessels that we may acquire in the future will also be managed under a CCMA on substantially similar terms.

The fees paid by us to Conchart for the year ended December 31, 2024 amounted to \$8.6 million. For the year ended December 31, 2023, fees paid to Conchart amounted to \$8.0 million.

For additional information on our related party transactions, please see the notes to our consolidated financial statements included herein.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Please see "Item 18. Financial Statements" below.

Legal Proceedings

We have not been involved in any legal proceedings that may have, or have had a significant effect on our business, financial position, results of operations or liquidity, and we are not aware of any proceedings that are pending or threatened that may have a material adverse effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims associated with operating containerships. We expect that these claims would be covered by insurance, subject to customary deductibles. Claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Dividend Policy

On January 12, 2021, we announced that our Board of Directors had initiated a dividend policy under which we intended to pay shareholders a regular quarterly cash dividend of \$0.12 per Class A common share with effect from the first quarter of 2021. We paid dividends of \$0.25 per Class A common share for the first, second, third and fourth quarter of 2021 and we announced on November 22, 2021 that from first quarter of 2022 the dividend will increase by 50% to \$0.375 per Class A common share per quarter. We paid dividends of \$0.375 per Class A common share for the first, second, third and fourth quarters of 2022 and 2023 and first quarter of 2024. On August 5, 2024, we announced an increase in quarterly dividend by 20% to \$0.45 per common share. We paid dividends of \$0.45 per Class A common share for the second, third and fourth quarter of 2024.

On March 5, 2025, we announced an increase in our supplemental quarterly dividend by \$0.075 per Class A common share (subject to declaration by our Board of Directors), representing an 16.7% increase on our quarterly dividend of \$0.45 per Class A common share (taking into account regular and supplemental quarterly dividend). Following the increase, our total quarterly dividend is expected to be \$0.525 per Class A common share, effective with the regular quarterly dividend that is declared on our Class A common shares in connection with the first quarter of 2025 and paid in June 2025.

Dividends, if any, will be based on available cash flow, rather than net income, after all relevant cash expenditures, including cash interest expense on borrowings that finance operating assets, cash income taxes and after an allowance for the cash cost of future drydockings but not including deductions for non-cash items including depreciation and amortization and changes in the fair values of financial instruments, if any.

The declaration and payment of any dividend is always subject at all times to the discretion of our Board of Directors which reviews our dividend policy quarterly, taking into consideration capital structure, growth opportunities, industry fundamentals, asset value trends and financial performance including cash flow, restrictions under our current and future agreements governing our indebtedness, including our credit facilities, the provisions of Marshall Islands law affecting the payment of distributions to shareholders, required capital and drydocking expenditures, reserves established by our Board of Directors, increased or unanticipated expenses, additional borrowings or future issuances of securities and other factors, many of which will be beyond our control.

There were 4,359,190 Depositary Shares outstanding at December 31, 2024, each of which represents 1/100th of one share of our Series B Preferred Shares. Dividends on the Series B Preferred Shares are payable at 8.75% per annum in arrears on a quarterly basis, when and if declared by the Board of Directors. Following the issuance of the Series B Preferred Shares, no dividend may be declared or paid or set apart for payment on our common shares and other junior securities, unless full cumulative dividends have been or contemporaneously are being paid or declared and set aside for payment on all outstanding Series B Preferred Shares, subject to certain exceptions. See “Item 10. Additional Information—B. Memorandum and Articles of Association”. Dividends have been declared as scheduled with respect to our Series B Preferred Shares.

Our ability to pay dividends is also limited by the amount of cash we can generate from operations following the payment of fees and expenses and the establishment of any reserves as well as additional factors unrelated to our profitability. We are a holding company, and we will depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to pay dividend payments. Further, our Board of Directors may elect to not distribute any dividends or may significantly reduce the dividends. As a result, the amount of dividends actually paid, if any, may vary from the amount previously paid and such variations may be material. See “Item 3. Key Information—D. Risk Factors” for a discussion of the risks associated with our ability to pay dividends.

Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

We believe that, under current U.S. federal income tax law, some portion of the distributions you receive from us will constitute dividends and, if you are an individual that is a citizen or resident of the United States and that meets certain holding period and other requirements, such dividends will be treated as “qualified dividend income” subject to tax at preferential rates. See “Item. 10. Additional Information—E. Taxation—Tax consequences of holding class A common shares — Taxation of distributions paid on Class A common shares” for information regarding the eligibility requirements for “qualified dividend income.”

B. Significant Changes

None.

Item 9. The Offer and Listing

A. Offer and Listing Details

Please see “Item 9. Offer and the Listing—C. Markets”.

B. Plan of Distribution

Not applicable.

C. Markets

On August 15, 2008, our Class A common shares began trading on the NYSE under the symbol “GSL”. On August 20, 2014, our Depositary Shares, each of which represents a 1/100th interest in a share of our Series B Preferred Shares, began trading on the NYSE under the symbol “GSL-B”.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Our Amended and Restated Articles of Incorporation have previously been filed as Exhibit 3.1 to Amendment No. 1 to our Registration Statement on Form 8-A (File No. 001-34153) filed with the SEC on March 26, 2019 and are hereby incorporated by reference into this Annual Report. Articles of Amendment to the Amended and Restated Articles of Incorporation have previously been filed as Exhibit 3.3 to our Report on Form 6-K, filed with the SEC on March 25, 2019 and are hereby incorporated by reference into this Annual Report. Our Fourth Amended and Restated Bylaws are filed as Exhibit 1.3 to this Annual Report.

A description of the material terms of our Amended and Restated Articles of Incorporation and Fourth Amended and Restated Bylaws is included in “Description of Securities,” attached hereto as Exhibit 2.3 and incorporated by reference herein.

Registration Rights Agreement

We have a registration rights agreement with certain of our shareholders that was amended and restated in October 2018 upon closing of the Poseidon Transaction. For a description of the Amended and Restated Registration Rights Agreement, please see “Item 7. Major Shareholders and Related Party Transactions— B. Related Party Transactions.”

C. Material Contracts

We refer you to “Item 4. Information on the Company—B. Business Overview,” “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Liquidity, Working Capital and Dividends—Indebtedness,” “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions” for a discussion of the contracts that we consider to be both material and outside the ordinary course of business during the two-year period immediately preceding the date of this Annual Report. Certain of these material agreements that are to be performed in whole or in part after the date of this annual report are attached as exhibits to this Annual Report.

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

We are not aware of any governmental laws, decrees or regulations in the Republic of the Marshall Islands that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities.

E. Taxation

The following represents the opinion of our United States and Marshall Islands tax counsel, Watson Farley & Williams LLP, and is a summary of the material U.S. federal income tax and Marshall Islands tax consequences of the ownership and disposition of our Class A common shares and Series B Preferred Shares.

This section is based on current provisions of the Code, current and proposed Treasury regulations promulgated thereunder, and administrative and judicial decisions as of the date hereof, all of which are subject to change or differing interpretation, possibly on a retroactive basis. Changes in these authorities may cause the tax consequences of share ownership to vary substantially from the consequences described below.

This section does not purport to be a comprehensive description of all of the tax considerations that may be relevant to us or each investor. This section does not address all aspects of U.S. federal income taxation that may be relevant to any particular investor based on such investor’s individual circumstances. In particular, this section considers only investors that will own Class A common shares or Series B Preferred Shares as capital assets and does not address the potential application of the alternative minimum tax or the U.S. federal income tax consequences to investors that are subject to special treatment, including:

- broker-dealers;
- insurance companies;
- taxpayers who have elected mark-to-market accounting;
- tax-exempt organizations;
- regulated investment companies;
- real estate investment trusts;
- financial institutions or “financial services entities”;
- taxpayers who hold our shares as part of a straddle, hedge, conversion transaction or other integrated transaction;
- taxpayers required to recognize income for U.S. federal income tax purposes no later than when such income is reported on an “applicable financial statement”;
- taxpayers that are subject to the “base-erosion and anti-avoidance” tax;
- taxpayers that own 10% or more (by vote or value), directly or constructively, of our shares;
- certain expatriates or former long-term residents of the United States; and
- U.S. holders (as defined herein) whose functional currency is not the U.S. dollar.

No ruling has been or will be requested from the IRS regarding any matter affecting us or our shareholders. The statements made herein may be challenged by the IRS and, if so challenged, may not be sustained upon review in a court.

The following does not address any aspect of U.S. federal gift or estate tax laws, or state or local tax laws. Additionally, the section does not consider the tax treatment of partnerships or other pass-through entities or persons who hold our shares through such entities. Shareholders should consult their tax advisors regarding the specific tax consequences to them of the acquisition, holding or disposition of our shares, in light of their particular circumstances.

Taxation of Global Ship Lease

Taxation of operating income

Unless exempt from U.S. federal income taxation under the rules described below in “The Section 883 exemption,” a foreign corporation that earns only transportation income is generally subject to U.S. federal income taxation under one of two alternative tax regimes: (1) the 4% gross basis tax or (2) the net basis tax and branch profits tax.

The 4% gross basis tax

For foreign corporations not engaged in a U.S. trade or business, the United States imposes a 4% U.S. federal income tax (without allowance of any deductions) on the corporation’s U.S. source gross transportation income. For this purpose, transportation income includes income from the use, hiring or leasing of a vessel, or the performance of services directly related to the use of a vessel (and thus generally includes time charter and bareboat charter income). The U.S. source portion of transportation income includes 50% of the income attributable to voyages that begin or end (but not both) in the United States. Generally, no amount of the income from voyages that begin and end outside the United States is treated as U.S. source, and consequently none of the transportation income attributable to such voyages is subject to this 4% tax. Although the entire amount of transportation income from voyages that begin and end in the United States would be U.S. source, we do not expect to have any transportation income from voyages that begin and end in the United States.

The net basis tax and branch profits tax

We do not expect to engage in any activities in the United States or otherwise have a fixed place of business in the United States. Nonetheless, if this situation were to change or were we to be treated as engaged in a U.S. trade or business, all or a portion of our taxable income, including gains from the sale of vessels, could be treated as effectively connected with the conduct of this U.S. trade or business, or effectively connected income. Any effectively connected income would be subject to U.S. federal corporate income tax, currently imposed at a rate of 21%. In addition, an additional 30% branch profits tax would be imposed on us at such time as our after-tax effectively connected income is viewed as having been repatriated to our offshore office. The 4% gross basis tax described above is inapplicable to income that is treated as effectively connected income.

The Section 883 exemption

Both the 4% gross basis tax and the net basis and branch profits taxes described above are inapplicable to U.S. source transportation income that qualifies for exemption under Section 883 of the Code.

To qualify for the Section 883 exemption, a foreign corporation must, among other things:

- be organized in a jurisdiction outside the United States that grants an equivalent exemption from tax to corporations organized in the United States, which we call an Equivalent Exemption;
- satisfy one of the following three ownership tests (discussed in more detail below): (1) the more than 50% ownership test, or 50% Ownership Test, (2) the controlled foreign corporation test, or CFC Test or (3) the “Publicly Traded Test”; and
- meet certain substantiation, reporting and other requirements (that include the filing of U.S. income tax returns).

We are organized under the laws of the Marshall Islands. Each of the vessels in the fleet is owned by a separate wholly owned subsidiary that has elected to be disregarded as separate from us for U.S. federal income tax purposes (or in the case of one subsidiary, that is organized in the Marshall Islands). The U.S. Treasury Department recognizes the Marshall Islands as a jurisdiction that grants an Equivalent Exemption; therefore, we should meet the first requirement for the Section 883 exemption. Additionally, we intend to comply with the substantiation, reporting and other requirements that are applicable under Section 883 of the Code. As a result, qualification for the Section 883 exemption will turn primarily on our ability to satisfy one of the three ownership tests.

(1) The 50% Ownership Test

In order to satisfy the 50% Ownership Test, a non-U.S. corporation must be able to substantiate that more than 50% of the value of its stock is owned, directly or indirectly, by “qualified shareholders.” For this purpose, qualified shareholders include: (1) individuals who are residents (as defined in the regulations promulgated under Section 883 of the Code, or Section 883 Regulations) of countries, other than the United States, that grant an Equivalent Exemption, (2) non-U.S. corporations that meet the Publicly Traded Test of the Section 883 Regulations and are organized in countries that grant an Equivalent Exemption, or (3) certain foreign governments, non-profit organizations, and certain beneficiaries of foreign pension funds. A corporation claiming the Section 883 exemption based on the 50% Ownership Test must obtain all the facts necessary to satisfy the IRS that the 50% Ownership Test has been satisfied (as detailed in the Section 883 Regulations). Given the widely held nature of our Class A common shares, we do not currently anticipate circumstances under which we would be able to satisfy the 50% Ownership Test.

(2) The CFC Test

The CFC Test requires that the non-U.S. corporation be treated as a controlled foreign corporation, or CFC, for U.S. federal income tax purposes. We believe that we are not a CFC but cannot predict whether we will become a CFC, and satisfaction of the CFC definitional test is outside of our control.

(3) The Publicly Traded Test

The Publicly Traded Test requires that one or more classes of equity representing more than 50% of the voting power and value in a non-U.S. corporation be “primarily and regularly traded” on an established securities market either in the United States or in a foreign country that grants an Equivalent Exemption.

The Section 883 Regulations provide, in pertinent part, that stock of a non-U.S. corporation will be considered to be “primarily traded” on an established securities market in a given country if the number of shares of each class of stock that are traded during any taxable year on all established securities markets in that country exceeds the number of shares in each such class that are traded during that year on established securities markets in any other single country. Our Class A common shares are listed on the NYSE and are not listed on any other securities exchange. Therefore, our Class A common shares should be treated as primarily traded on an established securities market in the United States.

The Section 883 Regulations also generally provide that stock will be considered to be “regularly traded” on an established securities market if one or more classes of stock in the corporation representing in the aggregate more than 50% of the total combined voting power and value of all classes of stock of the corporation are listed on an established securities market during the taxable year. During 2024, the Class A common shares represented more than 50% of the total combined voting power and value of all classes of our stock. However, even if a class of shares is so listed, it is not treated as regularly traded under the Section 883 Regulations unless (1) trades are made in the shares on the established securities market, other than in minimal quantities, on at least 60 days during the taxable year (or 1/6 of the days in a short taxable year); and (2) the aggregate number of shares traded on the established securities market during the taxable year is at least 10% of the average number of outstanding shares of that class during that year (as appropriately adjusted in the case of a short taxable year). Even if these trading frequency and trading volume tests are not satisfied with respect to the Class A common shares, however, the Section 883 Regulations provide that such tests will be deemed satisfied if the Class A common shares are regularly quoted by dealers making a market in such Class A common shares. While we anticipate that these trading frequency and trading volume tests will be satisfied each year, satisfaction of these requirements is outside of our control and, hence, no assurances can be provided that we will satisfy the Publicly Traded Test each year. Furthermore, the Class A common shares may not represent more than half of the voting power or value of all classes of our stock.

In addition, even if the “primarily and regularly traded” tests described above are satisfied, a class of stock will not be treated as primarily and regularly traded on an established securities market if, during more than half the number of days during the taxable year, one or more shareholders holding, directly or indirectly, at least 5% of the vote and value of that class of stock, or 5% Shareholders, own, in the aggregate, 50% or more of the vote and value of that class of stock. This is referred to as the 5% Override Rule. In performing the analysis, we are entitled to rely on current Schedule 13D and 13G filings with the SEC to identify our 5% Shareholders, without having to make any independent investigation to determine the identity of the 5% Shareholder. In the event the 5% Override Rule is triggered, the Section 883 Regulations provide that the 5% Override Rule will nevertheless not apply if the company can establish that among the closely-held group of 5% Shareholders, sufficient shares are owned by 5% Shareholders that are considered to be “qualified shareholders,” as defined above, to preclude non-qualified 5% Shareholders in the closely-held group from owning 50% or more of the total value of the relevant class of stock held by 5% Shareholders for more than half the number of days during the taxable year.

Based on information that we have as to our shareholders and other matters, we believe that we qualified for the Section 883 exemption for 2022, 2023 and 2024. Whether we may satisfy the “publicly-traded” test for 2025 and future taxable years depends on factors that are outside of our control, and we cannot provide any assurances that we will or will not satisfy the “publicly-traded” test to claim exemption from U.S. taxation for 2025 or future taxable years.

If we were not to qualify for the Section 883 exemption in any year, the U.S. income taxes that become payable could have a negative effect on our business, and could result in decreased earnings available for distribution to our shareholders. However, under our charter agreements, our charterers are generally responsible for the payment of any such taxes, as the charterer determines where each vessel trades.

United States taxation of gain on sale of vessels

If we qualify for the Section 883 exemption, then gain from the sale of any vessel may be exempt from tax under Section 883. Even if such gain is not exempt from tax under Section 883, we will not be subject to U.S. federal income taxation with respect to such gain, assuming that we are not, and have never been, engaged in a U.S. trade or business. Under certain circumstances, if we are so engaged, gain on sale of vessels could be subject to U.S. federal income tax.

Tax consequences of holding Class A common shares

U.S. holders

For purposes of this discussion, a U.S. holder is a beneficial owner of our Class A common shares that owns (actually or constructively) less than 10% of our equity (by vote and value) and that is:

- an individual who is a citizen or resident of the United States (as determined for U.S. federal income tax purposes);
- a corporation (or other entity taxed as a corporation for U.S. federal income tax purposes) created or organized 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 court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) it has in effect a valid election to be treated as a U.S. person.

Taxation of distributions paid on Class A common shares

When we make a distribution with respect to our Class A common shares, subject to the discussions of the passive foreign investment company, or PFIC rules below, a U.S. holder will be required to include in gross income as foreign source dividend income the amount of the distribution to the extent paid out of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Distributions in excess of such earnings and profits will be applied against and will reduce the U.S. holder’s tax basis in the Class A common shares and, to the extent in excess of such basis, will be treated as gain from the sale or exchange of the Class A common shares.

Subject to the discussions of the PFIC rules below, in the case of a U.S. holder that is a corporation, dividends that we pay will generally be taxable at regular corporate rates and generally will not qualify for a dividends-received deduction available for dividends received from U.S. corporations. In the case of certain non-corporate U.S. holders, dividends that we pay generally will be treated as “qualified dividend income” subject to tax at preferential rates, provided that the Class A common shares are listed on an established securities market in the United States (such as the NYSE), the U.S. holder meets certain holding period and other requirements and we are not a PFIC in the taxable year in which the dividends are paid or in the immediately preceding taxable year.

Special rules may apply to any “extraordinary dividend” paid by us. An extraordinary dividend is, generally, a dividend with respect to a share if the amount of the dividend is equal to or in excess of 10% of a shareholder’s adjusted basis (or fair market value in certain circumstances) in such share. In addition, extraordinary dividends include dividends received within a one-year period that, in the aggregate, equal or exceed 20% of a U.S. holder’s tax basis (or fair market value). If we pay an “extraordinary dividend” on our Class A common shares that is treated as “qualified dividend income,” then any loss derived by certain non-corporate U.S. holders from the sale or exchange of such shares will be treated as long-term capital loss to the extent of the amount of such dividend.

Taxation of the disposition of Class A common shares

Subject to the discussions of the PFIC rules below, upon the sale, exchange or other disposition of Class A common shares, a U.S. holder will recognize capital gain or loss in an amount equal to the difference between the amount realized on the disposition and such U.S. holder’s tax basis in our Class A common shares. The U.S. holder’s initial tax basis in its Class A common shares generally will be the U.S. holder’s purchase price for the Class A common shares and that tax basis will be reduced (but not below zero) by the amount of any distributions on the units that are treated as non-taxable returns of capital, as discussed above under “—Taxation of distributions paid on Class A common shares”.

Subject to the discussions of the PFIC rules below, capital gain from the sale, exchange or other disposition of Class A common shares held more than one year is long-term capital gain, and is eligible for a reduced rate of taxation for individuals. Gain recognized by a U.S. holder on a sale, exchange or other disposition of Class A common shares generally will be treated as U.S. source income. A loss recognized by a U.S. holder on the sale, exchange or other disposition of Class A common shares generally will be allocated to U.S. source income. The deductibility of a capital loss recognized on the sale, exchange or other disposition of Class A common shares may be subject to limitations, and U.S. holders should consult their own tax advisors regarding their ability to deduct any such capital loss in light of their particular circumstances.

3.8% tax on net investment income

A U.S. holder that is an individual, estate, or, in certain cases, a trust, will generally be subject to a 3.8% tax on the lesser of (1) the U.S. holder's net investment income (or undistributed net investment income in the case of an estate or trust) for the taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between \$125,000 and \$250,000). A U.S. holder's net investment income will generally include distributions made by us that constitute dividends and gain upon a sale, exchange or other disposition of our Class A common shares. This tax is in addition to any income taxes due on such investment income. Net investment income generally will not include a U.S. holder's pro rata share of our income and gain if we are a PFIC and that U.S. holder makes a QEF election, as described below in "—Consequences of possible passive foreign investment company classification". 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 encouraged to consult your tax advisors regarding the applicability of the 3.8% tax on net investment income to the ownership of our Class A common shares.

Consequences of possible passive foreign investment company classification

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to a "look through" rule, either: (1) 75% or more of its gross income is "passive" income or (2) 50% or more of the average value of its assets is attributable to assets that produce passive income or are held for the production of passive income. For purposes of these tests, "passive income" includes dividends, interest and 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; income derived from the performance of services does not, however, constitute "passive income." The determination of whether a corporation is a PFIC is made annually. If a corporation is a PFIC in any taxable year that a person holds stock in the corporation (and was not a qualified electing fund with respect to such year, as discussed below), the stock held by such person will be treated as stock in a PFIC for all future years (absent an election which, if made, may require the electing person to pay taxes in the year of the election).

Based on the projected composition of our income and valuation of our assets, we do not expect that we will constitute a PFIC with respect to the current or any future taxable year, although there can be no assurance in this regard. Our expectation is based principally on the position that, for purposes of determining whether we are a PFIC, the majority, if not all, of the gross income we derive from our chartering activities should constitute services income rather than rental income.

In this regard, we have been advised by our tax advisor that the income from our time and voyage chartering activities should be services income. There is, however, no direct legal authority under the PFIC rules addressing our current and projected future operations or supporting our position. Accordingly, no assurance can be given that the IRS will not assert that we are a PFIC with respect to any taxable year, nor that a court would not uphold any such assertion.

If we were to be classified as a PFIC in any year, each U.S. holder of our Class A common shares that does not make a timely qualified electing fund or mark-to-market election (as discussed below) will be subject (in that year and all subsequent years) to special rules with respect to: (1) any "excess distribution" (generally defined as any distribution received by a U.S. holder in a taxable year that is greater than 125% of the average annual distributions received by the U.S. holder in the three preceding taxable years or, if shorter, the U.S. holder's holding period for the Class A common shares), and (2) any gain realized upon the sale or other disposition of the Class A common shares. Under these rules:

- the excess distribution or gain will be allocated ratably over the U.S. holder's holding period for our Class A common shares;
- the amount allocated to the current taxable year and any year prior to the first year in which we were a PFIC will be taxed as ordinary income in the current year; and
- the amount allocated to each of the other taxable years in the U.S. holder's holding period for our Class A common shares will be subject to U.S. federal income tax at the highest rate in effect for the applicable class of taxpayer for that year, and an interest charge will be added as though the amount of the taxes computed with respect to these other taxable years were overdue.

In addition, each U.S. holder of our Class A common shares will generally be required to file an IRS Form 8621 if such U.S. holder holds its shares in any year in which we were classified as a PFIC.

In order to avoid the application of the PFIC rules discussed above with respect to excess distributions and realized gains, U.S. holders of our Class A common shares may make a qualified electing fund, or a QEF, election provided in Section 1295 of the Code. In lieu of the PFIC rules discussed above, a U.S. holder that makes a valid QEF election will, in very general terms, be required to include its pro rata share of our ordinary income and net capital gains, unreduced by any prior year losses, in income for each taxable year (as ordinary income and long-term capital gain, respectively) and to pay tax thereon, even if the amount of that income is not the same as the distributions paid on the Class A common shares during the year. If we later distribute the income or gain on which the U.S. holder has already paid taxes under the QEF rules, the amounts so distributed will not again be subject to tax in the hands of the U.S. holder. A U.S. holder's tax basis in any Class A common shares as to which a QEF election has been validly made will be increased by the amount included in such U.S. holder's income as a result of the QEF election and decreased by the amount of nontaxable distributions received by the U.S. holder. On the disposition of a common share, a U.S. holder making the QEF election generally will recognize capital gain or loss equal to the difference, if any, between the amount realized upon such disposition and its adjusted tax basis in the common share. In general, a QEF election should be made on or before the due date for filing a U.S. holder's federal income tax return for the first taxable year for which we are a PFIC or, if later, the first taxable year for which the U.S. holder held common stock. In this regard, a QEF election is effective only if certain required information is made available by the PFIC. Subsequent to the date that we first determine that we are a PFIC, we will use commercially reasonable efforts to provide any U.S. holder of Class A common shares, upon request, with the information necessary for such U.S. holder to make the QEF election. If we do not believe that we are a PFIC for a particular year but it is ultimately determined that we were a PFIC, it may not be possible for a holder to make a QEF election for such year.

In addition to the QEF election, Section 1296 of the Code permits U.S. persons to make a “mark-to-market” election with respect to marketable stock in a PFIC. If a U.S. holder of our Class A common shares makes a mark-to-market election, such U.S. holder generally would, in each taxable year that we are a PFIC: (1) include as ordinary income the excess, if any, of the fair market value of the Class A common shares at the end of the taxable year over such U.S. holder’s adjusted tax basis in the Class A common shares, and (2) be permitted an ordinary loss in respect of the excess, if any, of such U.S. holder’s adjusted tax basis in the Class A common shares over their 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 (with the U.S. holder’s basis in the Class A common shares being increased and decreased, respectively, by the amount of such ordinary income or ordinary loss). If a U.S. holder makes an effective mark-to-market election, any gain such U.S. holder recognizes upon the sale or other disposition of our Class A common shares in a year that we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The consequences of this election are generally less favorable than those of a QEF election for U.S. holders that are sensitive to the distinction between ordinary income and capital gain, although this is not necessarily the case. U.S. holders should consult their tax advisors as to the consequences to them of making a mark-to-market or QEF election, as well as other U.S. federal income tax consequences of holding stock in a PFIC in light of their particular circumstances.

As previously indicated, if we were to be classified as a PFIC for a taxable year in which we pay a dividend or the immediately preceding taxable year, dividends paid by us would not constitute “qualified dividend income” and, hence, would not be eligible for the preferential rates of U.S. federal income tax that apply to certain non-corporate U.S. holders.

If we are classified as a PFIC for any taxable year during which a U.S. holder holds our Class A common shares and any of our non-U.S. subsidiaries that is classified as a corporation for U.S. federal income tax purposes is also classified as a PFIC, such U.S. holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of the PFIC rules. U.S. holders are urged to consult their tax advisors about the application of the PFIC rules to any of our subsidiaries.

Non-U.S. holders

For purposes of this discussion, a non-U.S. holder is a beneficial owner of our Class A common shares that is neither a U.S. holder nor a partnership (or any other entity taxed as a partnership for U.S. federal income tax purposes).

A non-U.S. holder will generally not be subject to U.S. federal income tax on dividends paid in respect of the Class A common shares or on gains recognized in connection with the sale or other disposition of the Class A common shares, provided, in each case, that such dividends or gains are not effectively connected with the non-U.S. holder's conduct of a U.S. trade or business. However, even if not engaged in a U.S. trade or business, individual non-U.S. holders may be subject to tax on gain resulting from the disposition of our Class A common shares if they are present in the U.S. for 183 days or more during the taxable year in which those Class A common shares are disposed and meet certain other requirements.

Dividends or gains that are effectively connected with a non-U.S. holder's conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment) are subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a U.S. holder, and may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Information reporting and back-up withholding

U.S. holders generally are subject to information reporting requirements with respect to dividends paid on Class A common shares, and on the proceeds from the sale, exchange or disposition of Class A common shares. In addition, a holder may be subject to back-up withholding (currently at a rate of 24%) on dividends paid on Class A common shares, and on the proceeds from the sale, exchange or other disposition of Class A common shares, unless the holder provides certain identifying information, such as a duly executed IRS Form W-9, W-8BEN or W-8BEN-E, or otherwise establishes an exemption. Back-up withholding is not an additional tax and the amount of any back-up withholding will be allowable as a credit against a 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 Class A 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.

Tax consequences of holding 8.75% Series B Cumulative Redeemable Perpetual Preferred Shares

Our Series B Preferred Shares are treated as equity rather than debt for U.S. federal income tax purposes. Similar considerations apply as those described above in "—Tax Consequences of holding class A common shares." Holders of Series B Preferred Shares should consult their tax advisors regarding the specific tax consequences to them of the acquisition, holding or disposition of our Series B Preferred Shares, in light of their particular circumstances.

Marshall Islands taxation

In the opinion of our Marshall Islands tax counsel, Watson Farley & Williams LLP, because we do not (and do not expect in the future that we will) conduct business or operations in the Republic of The Marshall Islands, we are not subject to income, capital gains, profits or other taxation under current Marshall Islands law. Distributions on our Class A common shares or on our Series B Preferred Shares will not be subject to Marshall Islands withholding tax.

Other taxation

We may be subject to taxation in certain non-U.S. jurisdictions because we are either organized, or conduct business or operations, in such jurisdictions. We intend that our business and the business of our subsidiaries will be conducted and operated in a manner that minimizes taxes imposed upon us and our subsidiaries. However, we cannot assure this result as tax laws in these or other jurisdictions may change or we may enter into new business transactions relating to such jurisdictions, which could affect our tax liability.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

We filed reports and other information with the SEC. These materials, including this annual report and the accompanying exhibits, are available from www.sec.gov. Shareholders may also request a copy of our filings by writing to us at the following address: c/o GSL Enterprises Ltd., 9 Irodou Attikou Street, Kifisia, Athens 14561, Greece or telephoning us at +30 2106233670.

I. Subsidiaries

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to the impact of interest rate changes primarily through our floating-rate borrowings under our credit facilities. Significant increases in interest rates could adversely affect our results of operations and our ability to service our own debt.

Sensitivity Analysis

In December 2021 and February 2022, we entered into interest rate cap agreements with respect to an aggregate of \$992.0 million of our floating rate debt, effective through the fourth quarter of 2026, for a USD one-month LIBOR cap of 0.75%. As a result of the discontinuation of LIBOR, on July 1, 2023, our interest rate caps automatically transitioned to one-month Compounded SOFR at a net level of 0.64%. For additional information, please see “Item 5. Management’s Discussion and Analysis of Financial Condition and Results of Operations—B. Liquidity and Capital Resources—Liquidity, Working Capital and Dividends—Overview.”

Our analysis of the potential effects of variations in market interest rates is based on a sensitivity analysis, which models the effects of potential market interest rate changes on our financial condition and results of operations. The following sensitivity analysis may have limited use as a benchmark and should not be viewed as a forecast as it does not include a variety of other potential factors that could affect our business as a result of changes in interest rates.

Currently we are fully hedged on our floating rate debt of \$459.2 million.

Foreign Currency Exchange Risk

The shipping industry’s functional currency is the U.S. dollar. All of our revenues and the majority of our operating costs are in U.S. dollars. On April 4, 2024, we entered into the FX option to purchase €3.0 million, with monthly settlements, starting April 11, 2024, and ending March 13, 2025. The strike price is EURUSD 1.10. We entered to this option to hedge the downside foreign exchange risk associated with expenses denominated in EUR against fluctuations between the US Dollar and Euro. This FX option is designated as a cash flow hedge of anticipated expenses.

Inflation

Historically, with the exception of rising costs associated with the employment of international crews for our ships and the impact of global oil prices on the cost of lubricating oil, we had not experienced a significant impact on ship operating expenses, drydocking expenses and general and administrative expenses. Currently, due to the continuing wars between Russia and Ukraine and Israel and Hamas, ongoing disputes between China and Taiwan, deteriorating trade relations between the U.S. and China, and ongoing political unrest and conflicts in the Middle East and other regions throughout the world, and changes in tariffs, trade barriers, and embargos, including recently imposed or announced tariffs by the U.S. and the effects of retaliatory tariffs and countermeasures from affected countries and the new macroeconomic environment, among other factors, there is inflationary pressure which may, in turn, increase certain of our other operating expenses, such as the cost of spares and supplies, transportation costs and other expenses, in addition to drydocking expenses and general and administrative 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

Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report.

Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding our required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply its judgment in evaluating and implementing possible controls and procedures.

Based on the foregoing, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2024, the end of the period covered by this annual report, our disclosure controls and procedures were effective at the reasonable assurance level.

Management’s Annual Report on Internal Control Over Financial Reporting

Management acknowledges its responsibility for establishing and maintaining adequate internal controls over financial reporting. Internal control over financial reporting refers to a process designed by, or under the supervision of, our Chief Executive Officer and 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 financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- relate to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of our Board of Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management evaluated the effectiveness of our internal control over financial reporting as of December 31, 2024 using the framework established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the foregoing, management has concluded that internal control over financial reporting was effective as of December 31, 2024.

Changes in Internal Control over Financial Reporting

In accordance with Rule 13a-15(d), management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During the period covered by this Annual Report on Form 20-F, there have been no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Attestation Report of the Registered Public Accounting Firm

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers S.A., an independent registered public accounting firm, as stated in their report which appears herein.

Item 16A. Audit Committee Financial Expert

The Board of Directors has determined that our director and chairman of the audit committee, Mr. van Lacum, qualifies as an audit committee financial expert and is independent under applicable NYSE and SEC standards.

Item 16B. Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our directors, officers and employees. This document is available in the Corporate Governance section of our website (www.globalshiplease.com). The information included on our website is not incorporate herein by reference. We also intend to disclose on our website any waivers to or amendments of our Code of Business Conduct and Ethics for the benefit of our executive officers that we may be required to disclose under applicable rules.

Item 16C. Principal Accountant Fees and Services

Our principal accountant for 2024 and 2023 was PricewaterhouseCoopers S.A., an independent registered public accounting firm.

Fees Incurred by Global Ship Lease for PricewaterhouseCoopers S.A.’s Services

The fees for services rendered by the principal accountant in 2024 and 2023 were as follows:

	2024	2023
Audit Fees	\$ 660,100	\$ 578,200
Audit related fees	26,100	26,367
Tax Fees	39,765	84,855
All other fees	2,094	26,000
Total	\$ 728,059	\$ 715,422

Audit Fees

Audit fees represent professional services rendered for the audit of our consolidated annual financial statements, the quarterly reviews and services provided by our principal accountant in connection with statutory and regulatory filings or engagements.

Audit-Related Fees

Audit-related fees consist of assurance and related services rendered by the principal accountant related to the performance of the audit or review of our consolidated financial statements or other filings which have not been reported under Audit Fees above.

Tax Fees

Tax fees for 2024 and 2023 are primarily for tax compliance and consultation services.

The audit committee has the authority to pre-approve audit-related and non-audit services not prohibited by law to be performed by our independent auditors and associated fees. Engagements for proposed services either may be separately pre-approved by the audit committee or entered into pursuant to detailed pre-approval policies and procedures established by the audit committee, as long as the audit committee is informed on a timely basis of any engagement entered into on that basis. The audit committee has pre-approved all non-audit services, subject to a detailed pre-approval policy and procedure established by them.

All other fees

All other fees relate to services not included in the first three categories.

Item 16D. Exemptions from the Listing Standards for Audit Committees

None.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In March 2022, our Board of Directors authorized our repurchase of up to \$40.0 million of Class A common shares, to be utilized on an opportunistic basis. In July 2023, our Board of Directors authorized our repurchase of an additional \$40.0 million of Class A common shares on the same basis (our “Share Repurchase Program”). The specific timing and amounts of the repurchases will be in the sole discretion of management and may vary based on market conditions and other factors. We are not obligated under the terms of the Share Repurchase Program to repurchase any of our common shares.

The following table sets forth our share repurchase activity during 2024, including the number of shares repurchased, the average price paid per share, the number of shares repurchased as part of publicly announced Share Repurchase Program and the amount yet to be used on share repurchases under the Share Repurchase Program.

Period	Total Number of Common Shares Repurchased	Average Price Paid per Common Share (\$)	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Maximum Amount that May Yet Be Expected on Share Repurchases Under the Plan or Program (\$ in millions)
Up to December 31,2023	2,303,303	\$18.23	2,303,303	38.0
February 2024	121,252	20.60	2,424,555	35.5
March 2024	130,520	19.13	2,555,075	33.0
Total	2,555,075	18.38	2,555,075	33.0

Item 16F. Change in Registrant’s Certifying Accountant

None.

Item 16G. Corporate Governance

As a foreign private issuer, we are exempt from certain corporate governance rules that apply to domestic companies under NYSE listing standards. Even though we are not required to do so, we follow certain corporate governance practices applicable to domestic companies under NYSE listing standards, such as:

- we have a compensation committee that consists of four directors, all of whom satisfy NYSE standards for independence;
- we have a nominating and corporate governance committee that consists of three directors, all of whom satisfy NYSE standards for independence; and
- we hold annual meetings of shareholders under the Business Corporations Act of the Republic of the Marshall Islands, similar to NYSE requirements. The significant differences between our corporate governance practices and the NYSE standards are set forth below.

Shareholder Approval of Equity Compensation Plans

The NYSE requires listed companies to obtain prior shareholder approval to adopt or materially revise any equity compensation plan. As permitted under Marshall Islands law and our Fourth Amended and Restated Bylaws, we do not need prior shareholder approval to adopt or revise equity compensation plans, including our equity incentive plan.

Share Issuances

In lieu of obtaining shareholder approval prior to the issuance of designated securities, we will comply with provisions of the Marshall Islands Business Corporations Act, which allows the Board of Directors to approve share issuances. However, pursuant to 313.00 of Section 3 of the NYSE Listed Company Manual, the NYSE will accept any action or issuance relating to the voting rights structure of a non-U.S. company that is in compliance with the NYSE’s requirements for domestic companies or that is not prohibited by the company’s home country law. We are not subject to such restrictions under our home country, Marshall Islands, law.

Executive Sessions

The NYSE requires that non-management directors meet regularly in executive sessions without management. Marshall Islands law and our Fourth Amended and Restated Bylaws do not require our non-management directors to regularly hold executive sessions without management.

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 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

Risk Assessment and Management

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, audit committee and senior management team ensure that significant resources are devoted to cybersecurity risk management and the technologies, processes and people that support it. We implement through our manager and other third parties, risk-based controls based on ISO 27001 framework, to protect our information, the information of our customers, suppliers, and other third parties, our information systems, our business operations, and our vessels. Our cybersecurity risk management also includes a Security Operations Center (“SOC”) that is provided by a third-party vendor that conducts ongoing monitoring of networks and systems for potential signs of suspicious activity. The SOC monitors security alerts to initiate defensive action, verification, and remediation activities. Additionally, our cybersecurity program provides mechanisms for employees to report any unusual or potentially malicious activity they observe.

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

- (i) Continuous monitoring of cybersecurity threats, both internal and external, using 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) Training and Awareness – We 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.

Incident Response

As part of our cybersecurity risk management system and through our manager we have a dedicated cybersecurity incident response team consisting of internal employees and third-party consultants who are responsible for managing and coordinating our cybersecurity incident response efforts. This team also collaborates closely with other internal teams in identifying, protecting from, detecting, responding to, and recovering from cybersecurity incidents. Cybersecurity incidents that meet certain thresholds are escalated to the senior management and cross-functional teams on an as-needed basis for support and guidance. Additionally, this team tracks cybersecurity incidents to help identify and analyze them. We maintain a cybersecurity incident response plan to prepare for and respond to cybersecurity incidents. The incident response plan includes standard processes for reporting and escalating cybersecurity incidents to senior management who then consult with our audit committee and ultimately the Board of Directors if deemed necessary.

Cybersecurity Governance

Our audit committee along with our senior management have 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 findings and recommendations, as appropriate, to our Board of Directors for consideration. Senior management regularly discusses cyber risks and trends and, should they arise, any material incidents with our audit committee.

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, but we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information about risks associated with cybersecurity, see “Item 3. Key Information. - D. Risk Factors—Company-Specific Risk Factors—A cyber-attack could materially disrupt our business”.

PART III**Item 17. Financial Statements**

Not applicable.

Item 18. Financial Statements

The following financial statements, together with the report of PricewaterhouseCoopers S.A. thereon, beginning on page F-1, are filed as part of this Annual Report.

Item 19. Exhibits

The agreements and other documents filed as exhibits to this Annual Report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by the registrant in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

The following exhibits are filed as part of this Annual Report:

Exhibit Number	Description
1.1	Amended and Restated Articles of Incorporation of GSL Holdings, Inc. (incorporated by reference to Exhibit 3.1 to Global Ship Lease, Inc.'s Registration Statement on Form 8-A (File No. 001-34153) filed with the SEC on March 26, 2019).
1.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of Global Ship Lease, Inc. (incorporated by reference to Exhibit 3.3 to the Company's Report on Form 6-K, filed with the SEC on March 25, 2019).
1.3*	Fourth Amended and Restated Bylaws of Global Ship Lease, Inc.
1.4	Certificate of Designation of the 8.75% Series B Cumulative Redeemable Perpetual Preferred Shares of Global Ship Lease, Inc., filed with the Registrar of Corporations of the Republic of the Marshall Islands and effective August 19, 2014 (incorporated by reference to Exhibit 3.1 of the Company's Report on Form 6-K filed on August 20, 2014).
1.5	Certificate of Amendment to Certificate of Designation of the 8.75% Series B Cumulative Redeemable Perpetual Preferred Shares of Global Ship Lease, Inc., filed with the Registrar of Corporations of the Republic of the Marshall Islands and effective December 9, 2019 (incorporated by reference to Exhibit 3.1 of the Company's Report on Form 6-K filed on December 10, 2019).
1.6	Certificate of Amendment to Certificate of Designation of the 8.75% Series B Cumulative Redeemable Perpetual Preferred Shares of Global Ship Lease, Inc., filed with the Registrar of Corporations of the Republic of the Marshall Islands and effective (incorporated by reference to Exhibit 3.1 of the Company's Report on Form 6-K filed on December 29, 2022).
1.7	Certificate of Designation of the Series C Perpetual Preferred Shares of Global Ship Lease, Inc. filed with the Registrar or Deputy Registrar of Corporations of the Republic of the Marshall Islands and effective November 12, 2018 (incorporated by reference to Exhibit 1.5 of the Company's Annual Report on Form 20-F filed on March 29, 2019).

2.1	Form of Common Share Certificate of the Company, (incorporated by reference to Exhibit 4.1 of the Company's Form 6-K (File No. 001-34153) filed on March 25, 2019).
2.2	Deposit Agreement, dated as of August 20, 2014, by and among Global Ship Lease, Inc., Computershare Inc. and Computershare Trust Company, N.A., as applicable, as depositary, registrar and transfer agent, and the holders from time to time of the depositary receipts described therein (incorporated by reference to Exhibit 4.1 of the Company's Report on Form 6-K filed on August 20, 2014).
2.3	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 2.3 of the Company's Annual Report on Form 20-F filed on March 20, 2024).
4.1	Term Loan Facility, dated May 23, 2019, by and among Global Ship Lease 30 LLC, Global Ship Lease 31 LLC and Global Ship Lease 32 LLC, as joint and several borrowers, Global Ship Lease, Inc., as parent guarantor, and Hellenic Bank Public Company Limited, as arranger, facility agent and security agent (incorporated by reference to Exhibit 10.35 of the Company's Registration Statement on Form F-1 (File No. 333-233198) filed on August 9, 2019).
4.2	Deed of Accession, Amendment and Restatement, dated December 10, 2019, by and among Global Ship Lease 30 LLC, Global Ship Lease 31 LLC and Global Ship Lease 32 LLC, as original borrowers, Global Ship Lease 33 LLC and Global Ship Lease 34 LLC, as additional borrowers, Global Ship Lease, Inc., as parent guarantor, and Hellenic Bank Public Company Limited, as arranger, facility agent and security agent, relating to the facility agreement dated May 23, 2019 (incorporated by reference to Exhibit 4.19 of the Company's Annual Report on Form 20-F filed on April 2, 2020).
4.3	Term Loan Facility, dated February 26, 2020, by and among Athena Marine LLC, Aphrodite Marine LLC and Aris Marine LLC, as joint and several borrowers, Global Ship Lease, Inc., as parent guarantor and Chailease International Financial Services Pte. Ltd., as lender, (incorporated by reference to Exhibit 4.23 of the Company's Annual Report on Form 20-F filed on April 2, 2020).
4.4	\$51.7 Million Credit Facility, dated April 13, 2021, by and among Penelope Marine LLC as borrower, the Company and Poseidon Containers Holdings LLC, as guarantors and the banks and financial institutions listed in Part B of Schedule 1 as lenders, Cr�dit Agricole Corporate and Investment Bank as bookrunner and arranger, Cr�dit Agricole Corporate and Investment Bank, CTBC Bank Co., LTD and Bank Sinopac Co., LTD as mandated lead arrangers and Cr�dit Agricole Corporate and Investment Bank, as facility agent and security agent (incorporated by reference to Exhibit 4.9 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.5	\$64.2 Million Credit Facility, dated April 15, 2021, by and among GSL Arcadia LLC, GSL Tegea LLC, GSL Myny LLC, GSL Melita LLC, GSL Maria LLC and GSL Dorothea LLC as joint and several borrowers, the bank and financial institutions listed in Schedule 1 as lenders and Hamburg Commercial Bank AG as agent, mandated lead arranger and security trustee (incorporated by reference to Exhibit 4.10 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.6	\$51.7 Million Credit Facility, dated May 6, 2021, by and among Laertis Marine LLC as borrower, Poseidon Containers Holdings LLC, Odyssea Containers Holdings LLC, K&T Marine LLC and the Company as guarantors and Deutsche Bank AG Filiale Deutschlandsgeschaft as arranger, facility agent and security agent (incorporated by reference to Exhibit 4.11 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.7	\$140.0 Million Credit Facility, dated July 6, 2021, by and among Global Ship Lease 55 LLC, Global Ship Lease 57 LLC, Global Ship Lease 58 LLC, Global Ship Lease 59 LLC, Global Ship Lease 60 LLC, Global Ship Lease 61 LLC, Global Ship Lease 62 LLC, Global Ship Lease 63 LLC, Global Ship Lease 64 LLC, Global Ship Lease 65 LLC, Global Ship Lease 66 LLC and Global Ship Lease 67 LLC as joint and several borrowers, the Company as guarantor and the banks and financial institutions listed in Part B of Schedule 1 as lenders, Cr�dit Agricole Corporate and Investment Bank and Hamburg Commercial Bank AG as mandated lead arrangers, Cr�dit Agricole Corporate and Investment Bank as facility agent and security agent (incorporated by reference to Exhibit 4.12 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.8	\$12.0 Million Credit Facility, dated August 27, 2021, by and among Global Ship Lease 42 LLC as borrower, the Company as guarantor and Sinopac Capital International (HK) Limited as lender (incorporated by reference to Exhibit 4.13 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.9	\$14.7 Million Sale and Leaseback Agreement, dated May 12, 2021, by and among NML Violetta Inc. as Lessor and GSL Violetta LLC as Lessee (incorporated by reference to Exhibit 4.14 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.10	\$54.0 Million Sale and Leaseback Agreement, dated May 20, 2021, by and among SEA 156 Leasing Co. Limited as Lessor and Telemachus Marine LLC as Lessee (incorporated by reference to Exhibit 4.15 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.11	\$30.0 Million Sale and Leaseback Agreement, dated August 26, 2021, by and among SEA 253 Leasing Co. Limited as Lessor and Global Ship Lease 70 LLC as Lessee (incorporated by reference to Exhibit 4.16 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.12	\$30.0 Million Sale and Leaseback Agreement, dated August 26, 2021, by and among SEA 254 Leasing Co. Limited as Lessor and Global Ship Lease 71 LLC as Lessee (incorporated by reference to Exhibit 4.17 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.13	\$30.0 Million Sale and Leaseback Agreement, dated August 26, 2021, by and among SEA 251 Leasing Co. Limited as Lessor and Global Ship Lease 68 LLC as Lessee (incorporated by reference to Exhibit 4.18 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.14	\$30.0 Million Sale and Leaseback Agreement, dated August 26, 2021, by and among SEA 252 Leasing Co. Limited as Lessor and Global Ship Lease 69 LLC as Lessee (incorporated by reference to Exhibit 4.19 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.15	Note Purchase Agreement, dated June 14, 2022, by and among Knausen Holding LLC and the purchasers named therein, relating to the 5.69% Senior Secured Notes due 2027 (incorporated by reference to Exhibit 99.4 of the Company's Report on Form 6-K filed on June 21, 2022).
4.16	Form of Indemnification Agreement entered into between Global Ship Lease, Inc. and each of its directors and officers (incorporated by reference to Exhibit 10.17 of the Company's Registration Statement on Form F-1 (File No. 333-147070) filed on November 1, 2007).
4.17	2019 Omnibus Incentive Plan (as amended and restated on September 29, 2021) (incorporated by reference to Exhibit 4.21 of the Company's Annual Report on Form 20-F filed on March 24, 2022).
4.18*	Amended and Restated Non-Compete Agreement, dated as of March 12, 2025, by and among Global Ship Lease, Inc., Georgios Giouroukos and Conchart Commercial, Inc.
4.19	Amended and Restated Registration Rights Agreement, dated as of October 29, 2018, by and among Global Ship Lease, Inc., KEP VI (Newco Marine), Ltd., KIA VIII (Newco Marine), Ltd., CMA CGM S.A., Management Investor Co., Anmani Consulting Inc., Marathon Founders, LLC, Michael S. Gross and Maas Capital Investments B.V. (incorporated by reference to Exhibit 10.1 of the Company's Report on Form 6-K filed on October 30, 2018).
4.20	Agreement and Plan of Merger, dated as of October 29, 2018, by and among Poseidon Containers Holdings LLC, K&T Marine LLC, Global Ship Lease, Inc., GSL Sub One LLC, GSL Sub Two LLC and, solely for purposes of Article III, Article XI and Sections 5.2, 6.2 and 6.9 therein, KEP VI (Newco Marine), Ltd., KIA VIII (Newco Marine), Ltd., Maas Capital Investments B.V., Management Investor Co. and Anmani Consulting Inc. (incorporated by reference to Exhibit 2.1 of the Company's Report on Form 6-K filed on October 30, 2018).
4.21*	Form of Technical Management Agreement by and between Technomar Shipping Inc., on the one hand, and vessel-owning subsidiaries of Global Ship Lease, Inc.
4.22	Form of Commercial Management Agreement by and between Conchart Commercial Inc., and vessel-owning subsidiaries of Global Ship Lease, Inc. (incorporated by reference to Exhibit 4.24 of the Company's Annual Report on Form 20-F filed on March 23, 2023).
4.23	\$60.0 Million Credit Facility, dated December 30, 2021, by and among Zeus One Marine LLC, Hephaestus Marine LLC and Pericles Marine LLC as joint and several borrowers, the Company as guarantor and the banks and financial institutions listed in Part B of Schedule 1 as lenders, E.SUN Commercial Bank, LTD, CATHAY United Bank, Mega International Commercial Bank CO., LTD, Offshore Banking Branch and Taishin International Bank as mandated lead arrangers, E.SUN Commercial Bank, LTD as facility agent and security agent, (incorporated by reference to Exhibit 4.30 of the Company's Annual Report on Form 20-F filed on March 23, 2023).
4.24	At Market Issuance Sales Agreement, dated December 29, 2022, by and between the Company and B. Riley Securities, Inc. (incorporated by reference to Exhibit 1.1 of the Company's Report on Form 6-K filed on January 4, 2023).
4.25	\$76.0 Million Credit Facility, dated May 18, 2023, by and among Global Ship Lease 72 LLC, Global Ship Lease 73 LLC, Global Ship Lease 74 LLC and Global Ship Lease 75 LLC and Macquarie Bank Limited (incorporated by reference to Exhibit 4.31 of the Company's Annual Report on Form 20-F filed on March 20, 2024).
4.26*	\$300.0 Million Credit Facility, dated August 7, 2024, by and among Ikaros Marine LLC, Leonidas Marine LLC, Hector Marine LLC, Aristoteles Marine LLC, Menelaos Marine LLC, Philippos Marine LLC, Alexander Marine LLC, Penelope Marine LLC, Laertis Marine LLC, Telemachus Marine LLC, as joint and several borrowers, the Company as guarantor and the banks and financial institutions listed in Part B of Schedule 1 as lenders, Cr�dit Agricole Corporate and Investment Bank, ABN AMRO BANK N.V. and Bank of America N.A., as mandated lead arrangers, Cr�dit Agricole Corporate and Investment Bank as facility agent and security agent.
4.27*	\$44.5 Million Sale and Leaseback Agreement, dated December 23, 2024, by and among Ocean Jing Shipping Limited as Lessor and Global Ship Lease 77 LLC as Lessee.
4.28*	\$44.5 Million Sale and Leaseback Agreement, dated December 24, 2024, by and among Ocean Dance Shipping Limited as Lessor and Global Ship Lease 76 LLC as Lessee.
4.29	Equity Distribution Agreement, dated August 16, 2024, by and between the Company and Evercore Group L.L.C. (incorporated by reference to Exhibit 1.1 of the Company's Report on Form 6-K filed on August 20, 2024).
8.1*	List of Subsidiaries of Global Ship Lease, Inc.
11.1	Policies and Procedures to Detect and Prevent Insider Trading (incorporated by reference to Exhibit 11.1 of the Company's Annual Report on Form 20-F filed on March 20, 2024).

<u>12.1*</u>	<u>Rule 13a-14(a)/15d-14(a) Certification of Global Ship Lease, Inc.'s Chief Executive Officer.</u>
<u>12.2*</u>	<u>Rule 13a-14(a)/15d-14(a) Certification of Global Ship Lease, Inc.'s Chief Financial Officer.</u>
<u>13.1*</u>	<u>Global Ship Lease, Inc. Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>13.2*</u>	<u>Global Ship Lease, Inc. Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>15.1*</u>	<u>Consent of PricewaterhouseCoopers S.A.</u>
<u>15.2*</u>	<u>Consent of Maritime Strategies International Ltd.</u>
<u>15.3*</u>	<u>Consent of Watson Farley & Williams LLP</u>
<u>97.1</u>	<u>Policy for the Recovery of Erroneously Awarded Incentive Compensation (incorporated by reference to Exhibit 97.1 of the Company's Annual Report on Form 20-F filed on March 20, 2024).</u>
101*	Interactive Data Files (formatted as Inline XBRL).
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.

GLOBAL SHIP LEASE, INC.

By: /s/Thomas A. Lister
Thomas A. Lister
Chief Executive Officer

Date: March 18, 2025

GLOSSARY OF SHIPPING TERMS

Unless otherwise stated, references to the following terms have the following meaning as used in this Annual Report:

Address commission. A discount provided directly to a charterer based on a fixed percentage of the agreed upon charter rate

Annual survey. The inspection of a ship pursuant to international conventions, by a classification society surveyor, on behalf of the flag state, that takes place every year.

Backhaul. The weaker leg of a round trip voyage with less volume than the stronger headhaul leg or the return movement of a container-often empty-from a destination of unloading to a point of reloading of cargo.

Ballast. Weight in solid or liquid form, such as seawater, taken on a ship to increase draught, to change trim, or to improve stability or a voyage in which a ship is not laden with cargo.

Bareboat charter. A charter of a ship under which the ship-owner is usually paid a fixed amount of charter hire for a certain period of time during which the charterer is responsible for all ship operating expenses, including expenses for crewing, lubricating oil, insurance, maintenance and drydockings, and for all voyage expenses such as bunker fuel. A bareboat charter is also known as a “demise charter” or a “time charter by demise.”

Bunkers. Heavy fuel and diesel oil used to power a ship’s engines and generators.

Capacity. The nominal carrying capacity of the ship, measured in TEU.

Charter. The hire of a ship for a specified period of time or a particular voyage to carry a cargo from a loading port to a discharging port.

Charterer. The party that hires a ship for a period of time or for a voyage.

Charter hire. A sum of money paid to the ship-owner by a charterer for the use of a ship.

Charter owner. A company that owns containerships and charters out its ships to container shipping companies rather than operating the ships for liner services; also known as ship-owner or lessor.

Charter rate. The rate charged by a Charter owner normally as a daily rate for the use of its containerships by a charterer. Charter rates can be on a time charter or bareboat charter basis.

Classification society. An independent organization that certifies that a ship has been built and maintained according to the organization’s rules for that type of ship and complies with the applicable rules and regulations of the country of the ship’s registry and the international conventions of which that country is a member. A ship that receives its certification is referred to as being “in-class.”

Container shipping company. A shipping company operating liner services using owned or chartered ships with fixed port of call schedules. Also known as a carrier, liner company or an operator.

Drydocking. Placing the ship in a drydock in order to check and repair areas and parts below the water line. During drydockings, which are required to be carried out periodically, certain mandatory classification society inspections are carried out and relevant certifications are issued. Under Classification Society rules, drydockings for containerships are generally required once every three to five years or after an accident resulting in under-water damage.

Freight rate. The amount charged by container shipping companies for transporting cargo, normally as a rate per 20-foot or 40-foot container.

<i>Gross tonnage.</i>	A unit of measurement of the entire internal cubic capacity of the ship expressed in tons at 100 cubic feet to the ton.
<i>Headhaul.</i>	The stronger leg of a round trip voyage with greater volume than the weaker backhaul or the outgoing goods to be delivered from a point of origin.
<i>Hull.</i>	The main body of the ship without engines, buildings and cranes.
<i>Liner company or liner.</i>	A container shipping company (also referred to as lines or operators).
<i>KG.</i>	Kommanditgesellschaft, a closed end fund construct broadly analogous to a limited partnership. It has been employed as an investment vehicle for high net worth individuals (primarily German) in various types of assets, including shipping assets.
<i>IMO.</i>	International Maritime Organization, a United Nations agency that issues international standards for shipping.
<i>Intermediate survey.</i>	The inspection of a ship by a classification society surveyor that takes place 24 to 36 months after each special survey.
<i>Newbuilding.</i>	A ship on order, under construction or just delivered.
<i>Off-hire.</i>	The period in which a ship is not available for service under a charter and, accordingly, the charterer generally is not required to pay the hire. Off-hire periods can include days spent on repairs, drydocking and surveys, whether or not scheduled.
<i>Orderbook-to-fleet ratio.</i>	The ratio of the orderbook for new vessels yet to be delivered to the existing on-the-water fleet determined on the basis of TEU capacity and expressed as a percentage.
<i>Scrapping.</i>	The sale of a ship for conversion into scrap metal.
<i>Ship management.</i>	The provision of shore-based ship management services related to crewing, technical and safety management and the compliance with all government, flag state, class certification and international rules and regulations.
<i>Shipper.</i>	Someone who prepares goods for shipment or arranges seaborne transportation; essentially a customer of a container shipping company.
<i>Sister ships.</i>	Ships of the same class and specification typically built at the same shipyard.
<i>Special survey.</i>	The inspection of a ship by a classification society surveyor that takes place every five years, as part of the recertification of the ship by a classification society.
<i>Spot market.</i>	The market for immediate chartering of a ship, usually for single voyages or for short periods of time, up to 12 months.
<i>TEU.</i>	A 20-foot equivalent unit, the international standard measure for containers and containership capacity.
<i>Time charter.</i>	A charter under which the ship-owner hires out a ship for a specified period of time. The ship-owner is responsible for providing the crew and paying vessel operating expenses while the charterer is responsible for paying the voyage expenses such as fuel and additional voyage insurance. The ship-owner is paid charter hire, which accrues on a daily basis.
<i>Time charter and voyage expenses.</i>	Expenses incurred including brokerage commission and those for owner’s account attributable to a ship’s voyage, such as bunkers costs when the vessel is idle or off-hire and expenses incurred due to a ship’s voyage from a loading port to a discharging port, such as bunkers costs, port expenses, stevedoring costs, agents’ fees, canal dues, extra war risk insurance and commissions.
<i>Utilization.</i>	The percentage of days for which owner receives charter hire. The difference to 100% or full utilization will be off-hire, both planned for, say, regulatory drydocking, and unplanned for, say, breakdown, and idle time between charters.
<i>Vessel operating expenses.</i>	The costs of operating a ship, primarily consisting of crew wages and associated costs, insurance premiums, ship management fees, costs of lubricants and spare parts, and repair and maintenance costs. Vessel operating expenses exclude bunker costs, port expenses, stevedoring costs, agents’ fees, canal dues, extra war risk insurance and commissions, which are included in “voyage expenses.”
<i>Voyage expenses.</i>	Expenses incurred due to a ship’s voyage from a loading port to a discharging port, such as bunkers costs, port expenses, stevedoring costs, agents’ fees, canal dues, extra war risk insurance and commissions.

Global Ship Lease, Inc.
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Global Ship Lease, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Global Ship Lease, Inc. and its subsidiaries (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders’ equity and cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s 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 the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 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 financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment Assessment – Long-lived assets

As disclosed in Notes 2 and 4 to the consolidated financial statements, as of December 31, 2024 the Company’s fleet consisted of vessels with a total carrying value of \$1.9 billion. Management reviews vessels held and used or to be disposed of by the Company for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In these circumstances, the Company performs step one of the impairment test by comparing the undiscounted projected net operating cash flows for each vessel group to its carrying value. A vessel group comprises the vessel, the unamortized portion of deferred drydocking related to the vessel and the related carrying value of the intangible asset or liability (if any) with respect to the time charter attached to the vessel at its purchase. If the undiscounted projected net operating cash flows of the vessel group are less than its carrying amount, management proceeds to step two of the impairment assessment by comparing the vessel group’s carrying amount to its fair value, including any applicable charter, and an impairment loss is recorded equal to the difference between the vessel group’s carrying value and fair value. Fair value is determined with the assistance from valuations obtained from third party independent ship brokers. The Company uses a number of assumptions in projecting its undiscounted net operating cash flows analysis including, among others, (i) revenue assumptions for charter rates on expiry of existing charters, which are based on forecast charter rates, where relevant, in the four years from the date of the impairment test and a reversion to the historical mean of time charter rates for each vessel thereafter, (ii) off-hire days, which are based on actual off-hire statistics for the Company’s fleet, (iii) operating costs, based on current levels escalated over time based on long term trends (iv) dry docking frequency, duration and cost, (v) estimated useful life, which is assessed as a total of 30 years from original delivery by the shipyard and (vi) scrap values. Revenue assumptions are based on contracted time charter rates up to the end of the existing contract of each vessel and thereafter, estimated time charter rates for the remaining life of the vessel. The estimated time charter rate used for non-contracted revenue days of each vessel is considered a significant assumption. Recognizing that the container shipping industry is cyclical and subject to significant volatility based on factors beyond the Company’s control, management believes that using forecast charter rates in the four years from the date of the impairment assessment and a reversion to the historical mean of time charter rates thereafter, represents a reasonable benchmark for the estimated time charter rates for the non-contracted revenue days, and takes into account the volatility and cyclicity of the market.

The principal considerations for our determination that performing procedures relating to impairment assessment – long lived assets is a critical audit matter, is the significant judgement by management in the selection of the forecast charter rates in the four years from the date of the impairment test and a reversion to the historical mean of time charter rates for each vessel group thereafter, as a benchmark for the estimated time charter rates for the non-contracted revenue days. A high degree of auditor judgement, subjectivity and significant effort was also required in performing procedures and evaluating audit evidence obtained related to the estimated time charter rates for the non-contracted revenue days, which involved the use of professionals with the specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management’s vessel impairment assessment. These procedures also included, among others, assessing the step one analysis of the impairment assessments with the relevant accounting framework; testing completeness, accuracy and relevance of underlying data used in the analysis; evaluating the appropriateness of the undiscounted cash flow model and the reasonableness of the significant assumption used by management relating to estimated time charter rates for non-contracted revenue days. The reasonableness of the estimated time charter rates was assessed by (i) comparing them to actual historical average time charter rates of the vessels and (ii) ensuring consistency with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of management’s undiscounted cash flow model and the reasonableness of the estimated time charter rates used in the model.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece
March 18, 2025

We have served as the Company’s auditor since 2018.

Global Ship Lease, Inc.

Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars except share data)

		As of	
	Note	December 31, 2024	December 31, 2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 141,375	\$ 138,640
Time deposits		26,150	14,000
Restricted cash	3	55,583	56,803
Accounts receivable, net		12,501	4,741
Inventories	8	18,905	15,764
Prepaid expenses and other current assets	7	31,949	40,464
Derivative assets	9	14,437	24,639
Due from related parties	14	342	626
Total current assets		\$ 301,242	\$ 295,677
NON - CURRENT ASSETS			
Vessels in operation	4	\$ 1,884,640	\$ 1,664,101
Advances for vessels acquisitions and other additions	4	18,634	12,210
Deferred dry dock and special survey costs, net	5	91,939	73,720
Other non-current assets	2q	20,155	23,935
Derivative assets, net of current portion	9	5,969	16,867
Restricted cash, net of current portion	3	50,666	85,270
Total non - current assets		2,072,003	1,876,103
TOTAL ASSETS		\$ 2,373,245	\$ 2,171,780
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	10	\$ 26,334	\$ 17,601
Accrued liabilities	11	46,926	28,538
Current portion of long - term debt	12	145,276	193,253
Current portion of deferred revenue	3	44,742	40,331
Due to related parties	14	723	717
Total current liabilities		\$ 264,001	\$ 280,440
LONG - TERM LIABILITIES			
Long - term debt, net of current portion and deferred financing costs	12	\$ 538,781	\$ 619,175
Intangible liabilities - charter agreements	6	49,431	5,662
Deferred revenue, net of current portion	3	57,551	82,115
Total non - current liabilities		645,763	706,952
Total liabilities		\$ 909,764	\$ 987,392
Commitments and Contingencies	15	—	—
SHAREHOLDERS' EQUITY			
Class A common shares - authorized			
214,000,000 shares with a \$0.01 par value	16	\$ 355	\$ 351
35,447,370 shares issued and outstanding (2023 - 35,188,323 shares)			
Series B Preferred Shares - authorized			
104,000 shares with a \$0.01 par value	16	—	—
43,592 shares issued and outstanding (2023 - 43,592 shares)			
Additional paid in capital		680,743	676,592
Retained Earnings		773,759	488,105
Accumulated other comprehensive income		8,624	19,340
Total shareholders' equity		1,463,481	1,184,388
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 2,373,245	\$ 2,171,780

See accompanying notes to Consolidated Financial Statements

Global Ship Lease, Inc.
Consolidated Statements of Income

(Expressed in thousands of U.S. dollars except share and per share data)

OPERATING REVENUES
Time charter revenue (include related party revenues of \$nil, \$nil and \$66,929 for each of the years ended December 31, 2024, 2023 and 2022, respectively)
Amortization of intangible liabilities-charter agreements (includes related party amortization of intangible liabilities-charter agreements of \$nil, \$nil and \$5,385 for each of the years ended December 31, 2024, 2023 and 2022, respectively)
Total operating revenues
OPERATING EXPENSES:
Vessel operating expenses (include related party vessels operating expenses of \$21,804, \$19,086 and \$16,642 for each of the years ended December 31, 2024, 2023 and 2022, respectively)
Time charter and voyages expenses (include related party time charter and voyage expenses of \$8,610, \$7,995 and \$6,289 for each of the years ended December 31, 2024, 2023 and 2022, respectively)
Depreciation and amortization
Impairment of vessels
General and administrative expenses
Operating Income
NON-OPERATING INCOME/(EXPENSES)
Interest income
Interest and other finance expenses (include \$3,627 expenses relating to prepayment fees and acceleration of deferred financing costs, \$108 expenses relating to acceleration of deferred financing costs and \$21,511 expenses relating to premium and acceleration of premium amortization for each of the years ended December 31, 2024, 2023 and 2022, respectively)
Other income, net
Fair value adjustment on derivative asset
Total non-operating expenses
Income before income taxes
Income taxes
Net Income
Earnings allocated to Series B Preferred Shares
Net Income available to Common Shareholders
Earnings per Share
Weighted average number of Class A common shares outstanding
Basic
Diluted
Net Earnings per Class A common share
Basic
Diluted

See accompanying notes to Consolidated Financial Statements

Global Ship Lease, Inc.

Consolidated Statements of Comprehensive Income

(Expressed in thousands of U.S. dollars)

	Note	Year ended December 31,		
		2024	2023	2022
Net Income available to Common Shareholders		\$ 344,092	\$ 294,964	\$ 283,389
Other comprehensive income:				
Cash Flow Hedge:				
Unrealized (loss)/gain on derivative assets/FX option	9	(16,179)	(16,625)	31,221
Amortization of interest rate cap premium		4,586	4,271	1,123
Amounts reclassified to/(from) earnings	9	877	214	(1,091)
Total Other Comprehensive (Loss)/Income		(10,716)	(12,140)	31,253
Total Comprehensive Income		\$ 333,376	\$ 282,824	\$ 314,642

See accompanying notes to Consolidated Financial Statements

Global Ship Lease, Inc.

Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Note	Year ended December 31,		
		2024	2023	2022
Cash flows from operating activities:				
Net income		\$ 353,628	\$ 304,500	\$ 292,925
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		99,991	91,727	81,303
Impairment of vessels	4	—	18,830	3,033
Amounts reclassified to/(from) other comprehensive income	9	877	214	(1,091)
Amortization of derivative assets' premium		4,586	4,271	1,123
Amortization of deferred financing costs	12	6,828	5,526	11,233
Amortization of original issue premium of notes		—	—	762
Amortization of intangible liabilities - charter agreements	6	(5,526)	(8,080)	(41,158)
Fair value adjustment on derivative asset	9	5,170	5,372	(9,685)
Prepayment fees on debt repayment	12	870	—	15,197
Stock based compensation expense	17	8,704	10,189	10,104
Changes in operating assets and liabilities:				
Decrease/(increase) in accounts receivable and other assets		4,535	(669)	(26,017)
Increase in inventories		(3,141)	(3,527)	(827)
Increase in derivative assets	9	(249)	—	(15,370)
Increase/(decrease) in accounts payable and other liabilities		16,244	(5,890)	11,835
Decrease in related parties' balances, net		290	192	2,253
(Decrease)/increase in deferred revenue	3	(20,153)	(9,306)	21,968
Payments for drydocking and special survey costs		(42,506)	(38,341)	(30,105)
Unrealized foreign exchange (gain)/loss		(2)	—	1
Net cash provided by operating activities		\$ 430,146	\$ 375,008	\$ 327,484
Cash flows from investing activities:				
Acquisition of vessels		(205,500)	(123,300)	—
Cash paid for vessel expenditures		(12,840)	(19,586)	(5,460)
Net proceeds from sale of vessels		—	5,940	—
Advances for vessel acquisitions and other additions		(24,154)	(9,587)	(3,772)
Time deposits acquired		(12,150)	(5,450)	(650)
Net cash used in investing activities		\$ (254,644)	\$ (151,983)	\$ (9,882)
Cash flows from financing activities:				
Repurchase of 2024 Notes, including premium	12	—	—	(119,871)
Proceeds from drawdown of credit facilities and sale and leaseback	12	344,500	76,000	60,000
Proceeds from 2027 Secured Notes	12	—	—	350,000
Repayment of credit facilities and sale and leaseback	12	(185,438)	(202,348)	(167,056)
Repayment of refinanced debt, including prepayment fees	12	(292,010)	—	(276,671)
Deferred financing costs paid	12	(3,120)	(1,140)	(9,655)
Net proceeds from offering of Class A common shares, net of offering costs	16	445	—	—
Cancellation of Class A common shares	16	(4,994)	(21,969)	(20,011)
Proceeds from offering of Series B preferred shares, net of offering costs	16	—	—	(17)
Class A common shares - dividend paid	16	(58,438)	(53,249)	(50,497)
Series B Preferred Shares - dividend paid	16	(9,536)	(9,536)	(9,536)
Net cash used in financing activities		\$ (208,591)	\$ (212,242)	\$ (243,314)
Net (decrease)/increase in cash and cash equivalents and restricted cash		(33,089)	10,783	74,288
Cash and cash equivalents and restricted cash at beginning of the year		280,713	269,930	195,642
Cash and cash equivalents and restricted cash at end of the year		\$ 247,624	\$ 280,713	\$ 269,930
Supplementary Cash Flow Information:				
Cash paid for interest		\$ 55,421	\$ 67,997	\$ 51,490
Cash received from interest rate caps	9	27,027	32,549	9,245
Non-cash investing activities:				
Acquisition of intangibles	6	49,295	—	—
Non-cash financing activities:				
Unpaid offering costs		—	—	283
Unrealized (loss)/gain on derivative assets/FX option	9	(16,179)	(16,625)	31,221

See accompanying notes to Consolidated Financial Statements

Global Ship Lease, Inc.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in thousands of U.S. dollars except share data)

	Number of Common Shares at par value \$0.01	Number of Series B Preferred Shares at par value \$0.01	Number of Series C Preferred Shares at par value \$0.01	Common Shares	Series B Preferred Shares	Series C Preferred Shares	Additional paid-in capital	Retained Earnings	Accumulated Comprehensive Income
Balance at January 1, 2022	36,464,109	43,592	—	\$ 365	\$ —	\$ —	\$698,463	\$ 13,498	\$ —
Stock-based compensation expense (Note 17)	586,819	—	—	5	—	—	10,099	—	—
Cancellation of Class A common shares (Note 16)	(1,060,640)	—	—	(11)	—	—	(20,000)	—	—
Other comprehensive income	—	—	—	—	—	—	—	—	31
Net Income for the year	—	—	—	—	—	—	—	292,925	—
Series B Preferred Shares dividend (Note 16)	—	—	—	—	—	—	—	(9,536)	—
Issuance of Series B Preferred shares, net of offering costs (Note 16)	—	—	—	—	—	—	(300)	—	—
Class A common shares dividend (Note 16)	—	—	—	—	—	—	—	(50,497)	—
Balance at December 31, 2022	35,990,288	43,592	—	\$ 359	\$ —	\$ —	\$ 688,262	\$ 246,390	\$ 31
Stock-based compensation expense (Note 17)	440,698	—	—	5	—	—	10,184	—	—
Cancellation of Class A common shares (Note 16)	(1,242,663)	—	—	(13)	—	—	(21,956)	—	—
Other comprehensive loss	—	—	—	—	—	—	—	—	(12)
Net Income for the year	—	—	—	—	—	—	—	304,500	—
Series B Preferred Shares dividend (Note 16)	—	—	—	—	—	—	—	(9,536)	—
Issuance of Series B Preferred shares, net of offering costs (Note 16)	—	—	—	—	—	—	102	—	—
Class A common shares dividend (Note 16)	—	—	—	—	—	—	—	(53,249)	—
Balance at December 31, 2023	35,188,323	43,592	—	\$ 351	\$ —	\$ —	\$ 676,592	\$ 488,105	\$ 19
Stock-based compensation expense (Note 17)	483,713	—	—	6	—	—	8,698	—	—
Issuance of Class A common shares, net of offering costs (Note 17)	27,106	—	—	—	—	—	445	—	—
Cancellation of Class A common shares (Note 16)	(251,772)	—	—	(2)	—	—	(4,992)	—	—
Other comprehensive loss	—	—	—	—	—	—	—	—	(10)
Net Income for the year	—	—	—	—	—	—	—	353,628	—
Series B Preferred Shares dividend (Note 16)	—	—	—	—	—	—	—	(9,536)	—
Class A common shares dividend (Note 16)	—	—	—	—	—	—	—	(58,438)	—
Balance at December 31, 2024	35,447,370	43,592	—	\$ 355	\$ —	\$ —	\$ 680,743	\$ 773,759	\$ 8

See accompanying notes to Consolidated Financial Statements

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements

(Expressed in thousands of U.S. dollars)

1. Description of Business

The Company’s business is to own and charter out containerships to leading liner companies.

On August 14, 2008, Global Ship Lease, Inc. (the “Company”) merged indirectly with Marathon Acquisition Corp., a company then listed on The American Stock Exchange, and with the pre-existing Global Ship Lease, Inc. GSL Holdings, Inc. was the surviving entity (the “Marathon Merger”), changed its name to Global Ship Lease, Inc. and became listed on The New York Stock Exchange (the “NYSE”).

On November 15, 2018, the Company completed a transformative transaction and acquired Poseidon Containers’ 20 containerships, one of which, the Argos, was contracted to be sold, which sale was completed in December 2018, (the “Poseidon Transaction”).

In 2021, the Company purchased 23 vessels. The Company purchased seven containerships of approximately 6,000 TEU each (the “Seven Vessels”), 12 containerships from Borealis Finance LLC (the “Twelve Vessels”) and four 5,470 TEU Panamax containerships (the “Four Vessels”). Also on June 30, 2021, vessel La Tour was sold.

During the second quarter of 2023, the Company purchased four 8,544 TEU vessels for an aggregate purchase price of \$123,300, which were delivered on various dates in May and June 2023. Also on March 23, 2023, GSL Amstel was sold.

During the fourth quarter of 2024, the Company agreed to purchase four high-reefer ECO 9,019 TEU vessels for an aggregate price of \$274,000, of which three were delivered on various dates in December 2024. The fourth vessel was delivered in January 2025.

With these additions and following the sale of two vessels in 2021 and 2023, the Company’s fleet comprises 71 containerships with average age as at December 31, 2024, weighted by TEU capacity, of 17.6 years.

The following table provides information about the 71 vessels owned as at December 31, 2024.

Company Name ⁽¹⁾	Country of Incorporation	Vessel Name	Capacity in TEUs ⁽²⁾	Year Built	Earliest Charter Expiry Date
Global Ship Lease 54 LLC	Liberia	CMA CGM Thalassa	11,040	2008	4Q25
Laertis Marine LLC	Marshall Islands	Zim Norfolk	9,115	2015	2Q27
Penelope Marine LLC	Marshall Islands	Zim Xiamen	9,115	2015	3Q27
Telemachus Marine LLC	Marshall Islands	Anthea Y	9,115	2015	3Q25
Global Ship Lease 78 LLC	Liberia	Sydney Express	9,019	2016	1Q26 ⁽⁴⁾
Global Ship Lease 79 LLC	Liberia	Istanbul Express	9,019	2016	3Q26 ⁽⁴⁾
Global Ship Lease 77 LLC ⁽³⁾	Liberia	Bremerhaven Express	9,019	2015	1Q26 ⁽⁴⁾
Global Ship Lease 53 LLC	Liberia	MSC Tianjin	8,603	2005	3Q27
Global Ship Lease 52 LLC	Liberia	MSC Qingdao ⁽⁵⁾	8,603	2004	3Q27
Global Ship Lease 43 LLC	Liberia	GSL Ningbo	8,603	2004	3Q27
Global Ship Lease 72 LLC	Liberia	GSL Alexandra	8,544	2004	3Q25 ⁽⁶⁾
Global Ship Lease 73 LLC	Liberia	GSL Sofia	8,544	2003	3Q25 ⁽⁶⁾
Global Ship Lease 74 LLC	Liberia	GSL Effie	8,544	2003	3Q25 ⁽⁶⁾
Global Ship Lease 75 LLC	Liberia	GSL Lydia	8,544	2003	2Q25 ⁽⁶⁾
Global Ship Lease 30 Limited	Marshall Islands	GSL Eleni	7,847	2004	4Q27 ⁽⁷⁾
Global Ship Lease 31 Limited	Marshall Islands	GSL Kalliopi	7,847	2004	1Q28 ⁽⁷⁾
Global Ship Lease 32 Limited	Marshall Islands	GSL Grania	7,847	2004	1Q28 ⁽⁷⁾
Alexander Marine LLC	Marshall Islands	Colombia Express (ex Mary)	7,072	2013	4Q28 ⁽⁸⁾
Hector Marine LLC	Marshall Islands	Panama Express (ex Kristina)	7,072	2013	4Q29 ⁽⁸⁾
Ikaros Marine LLC	Marshall Islands	Costa Rica Express (ex Katherine)	7,072	2013	2Q29 ⁽⁸⁾
Philippos Marine LLC	Marshall Islands	Nicaragua Express (ex Alexandra)	7,072	2013	3Q29 ⁽⁸⁾
Aristoteles Marine LLC	Marshall Islands	Mexico Express (ex Alexis)	6,910	2015	3Q29 ⁽⁸⁾
Menelaos Marine LLC	Marshall Islands	Jamaica Express (ex Olivia I)	6,910	2015	3Q29 ⁽⁸⁾

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

1. Description of Business (continued)

Company Name ⁽¹⁾	Country of Incorporation	Vessel Name	Capacity in TEUs ⁽²⁾	Year Built	Earliest Charter Expiry Date
Global Ship Lease 35 LLC	Liberia	GSL Nicoletta	6,858	2002	1Q28
Global Ship Lease 36 LLC	Liberia	GSL Christen	6,858	2002	4Q27
Global Ship Lease 48 LLC	Liberia	CMA CGM Berlioz	7,023	2001	4Q25
Leonidas Marine LLC	Marshall Islands	Agios Dimitrios ⁽⁵⁾	6,572	2011	2Q27
Global Ship Lease 33 LLC	Liberia	GSL Vinia	6,080	2004	1Q28 ⁽⁹⁾
Global Ship Lease 34 LLC	Liberia	GSL Christel Elisabeth	6,080	2004	1Q28 ⁽⁹⁾
GSL Arcadia LLC	Liberia	GSL Arcadia	6,008	2000	1Q25 ⁽¹⁰⁾
GSL Melita LLC	Liberia	GSL Melita	6,008	2001	3Q25 ⁽¹⁰⁾
GSL Maria LLC	Liberia	GSL Maria	6,008	2001	4Q25 ⁽¹⁰⁾
GSL Violetta LLC	Liberia	GSL Violetta	6,008	2000	2Q25 ⁽¹⁰⁾
GSL Tegea LLC	Liberia	GSL Tegea	5,994	2001	3Q25 ⁽¹⁰⁾
GSL Dorothea LLC	Liberia	GSL Dorothea	5,992	2001	2Q25 ⁽¹⁰⁾
GSL MYNY LLC	Liberia	GSL MYNY	6,008	2000	2Q25 ⁽¹⁰⁾
Tasman Marine LLC	Marshall Islands	Tasman ⁽¹²⁾	5,936	2000	1Q25
Hudson Marine LLC	Marshall Islands	Dimitris Y (ex Zim Europe)	5,936	2000	2Q25
Drake Marine LLC	Marshall Islands	Ian H	5,936	2000	4Q27
Global Ship Lease 68 LLC ⁽³⁾	Liberia	GSL Kithira	5,470	2009	4Q27
Global Ship Lease 69 LLC ⁽³⁾	Liberia	GSL Tripoli	5,470	2009	3Q27
Global Ship Lease 70 LLC ⁽³⁾	Liberia	GSL Syros	5,470	2010	4Q27
Global Ship Lease 71 LLC ⁽³⁾	Liberia	GSL Tinos	5,470	2010	3Q27
Hephaestus Marine LLC	Marshall Islands	Dolphin II	5,095	2007	1Q25
Zeus One Marine LLC	Marshall Islands	Orca I	5,095	2006	2Q25
Global Ship Lease 47 LLC	Liberia	GSL Château d'If	5,089	2007	4Q26
GSL Alcazar Inc.	Marshall Islands	CMA CGM Alcazar	5,089	2007	3Q26
Global Ship Lease 55 LLC	Liberia	GSL Susan	4,363	2008	3Q27
Global Ship Lease 50 LLC	Liberia	CMA CGM Jamaica	4,298	2006	1Q28
Global Ship Lease 49 LLC	Liberia	CMA CGM Sambhar	4,045	2006	1Q28
Global Ship Lease 51 LLC	Liberia	CMA CGM America	4,045	2006	1Q28
Global Ship Lease 57 LLC	Liberia	GSL Rossi	3,421	2012	1Q26
Global Ship Lease 58 LLC	Liberia	GSL Alice	3,421	2014	2Q25
Global Ship Lease 59 LLC	Liberia	GSL Melina	3,404	2013	4Q26
Global Ship Lease 60 LLC	Liberia	GSL Eleftheria	3,421	2013	3Q25
Global Ship Lease 61 LLC	Liberia	GSL Mercer	2,824	2007	1Q27 ⁽¹¹⁾
Global Ship Lease 62 LLC	Liberia	GSL Mamitsa (ex Matson Molokai)	2,824	2007	2Q25
Global Ship Lease 63 LLC	Liberia	GSL Lalo	2,824	2006	2Q25
Global Ship Lease 42 LLC	Liberia	GSL Valerie	2,824	2005	1Q25
Pericles Marine LLC	Marshall Islands	Athena	2,980	2003	2Q25
Global Ship Lease 64 LLC	Liberia	GSL Elizabeth	2,741	2006	2Q26
Global Ship Lease 65 LLC	Liberia	GSL Chloe (ex Beethoven)	2,546	2012	1Q27 ⁽¹¹⁾
Global Ship Lease 66 LLC	Liberia	GSL Maren	2,546	2014	1Q26
Aris Marine LLC	Marshall Islands	Maira	2,506	2000	4Q26
Aphrodite Marine LLC	Marshall Islands	Nikolas	2,506	2000	4Q26
Athena Marine LLC	Marshall Islands	Newyorker	2,506	2001	1Q25
Global Ship Lease 38 LLC	Liberia	Manet	2,288	2001	1Q25
Global Ship Lease 40 LLC	Liberia	Keta ⁽¹²⁾	2,207	2003	1Q25
Global Ship Lease 41 LLC	Liberia	Julie	2,207	2002	2Q25
Global Ship Lease 45 LLC	Liberia	Kumasi	2,220	2002	1Q25
Global Ship Lease 44 LLC	Liberia	Akiteta ⁽¹²⁾	2,220	2002	1Q25

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements

(Expressed in thousands of U.S. dollars)

1. Description of Business (continued)

- (1) All subsidiaries are 100% owned, either directly or indirectly;
- (2) Twenty-foot Equivalent Units;
- (3) Currently, under a sale and leaseback transaction (see note 2g);
- (4) Sydney Express, Istanbul Express and Bremerhaven Express delivered in 4Q 2024. Firm charters are followed by three 12 month extension periods at charterer's option. Czech, the fourth vessel was delivered on January 9, 2025;
- (5) MSC Qingdao & Agios Dimitrios are fitted with Exhaust Gas Cleaning Systems ("scrubbers");
- (6) GSL Alexandra, GSL Sofia, GSL Lydia and GSL Effie. Firm charters are followed by one year extension period at charterer's option;
- (7) GSL Eleni, GSL Kalliopi and GSL Grania were forward fixed for 35 – 38 months to commence after drydocking, after which the charterer has the option to extend each charter for a further 12 – 16 months. GSL Eleni, GSL Kalliopi and GSL Grania are all scheduled to commence in 1Q 2025, upon completion of drydocking
- (8) Colombia Express (ex Mary), Panama Express (ex Kristina), Costa Rica Express (ex Katherine), Nicaragua Express (ex Alexandra), Mexico Express (ex Alexis), Jamaica Express (ex Olivia I). Firm charters are followed by two twelve month extension periods at charterer's option;
- (9) GSL Vinia and GSL Christel Elizabeth were both forward fixed for 36 – 40 months to commence after drydocking, after which the charterer has the option to extend each charter for a further 12 – 15 months. The new charters are both scheduled to commence in 1Q 2025;
- (10) GSL Maria, GSL Violetta, GSL Arcadia, GSL MYNY, GSL Melita, GSL Tegea and GSL Dorothea. Contract cover for each vessel is for a firm period of at least three years from the date each vessel was delivered in 2021. Thereafter, the charterer has the option to extend each charter for a further 12 months, after which they have the option to extend each charter for a second time – for a period concluding immediately prior to each respective vessel's 25th year drydocking and special survey. GSL Arcadia, GSL Dorothea, GSL Tegea, GSL Melita and GSL MYNY charterer's first options were exercised in 1H 2024, GSL Maria and GSL Violetta charterer's first options were exercised in 3Q 2024;
- (11) GSL Mercer and GSL Chloe were both forward fixed for 23.5 – 26 months. The new charters are both scheduled to commence in 1Q 2025;
- (12) During December 2024, we agreed to sell Tasman and in February 2025, we agreed to sell Akiteta and Keta. Akiteta was delivered to her new owners on February 19, 2025 and Tasman was delivered to her new owners on March 10, 2025. Keta is scheduled for delivery to her new owners in first half 2025.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP").

As of December 31, 2023, the Company has made reclassifications to its December 31, 2022, statement of cash flows to correct and reclassify payments for drydocking and special survey costs from investing outflows to operating outflows which resulted in a decrease in investing outflows and increase in operating outflows of \$24,457 for the year ended December 31, 2022. As of December 31, 2023, the Company evaluated the reclassifications from both a quantitative and qualitative perspective and determined the impacts were immaterial to the previously issued interim and annual financial statements.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

2. Summary of Significant Accounting Policies (continued)

(a) Basis of Presentation (continued)

Adoption of new accounting standards

On November 27, 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This standard improves reportable segment disclosures by adding and enhancing interim disclosure requirements, clarifying circumstances in which entities can disclose multiple segment measures of profit or loss, providing new segment disclosure requirements for entities with a single reportable segment, and adding other disclosure requirements. This standard is effective for all entities that are subject to Topic 280, Segment Reporting for annual periods beginning after December 15, 2023. The adoption of this ASU is reflected in Note 2(x).

(b) Principles of Consolidation

The accompanying consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries; the Company has no other interests. All significant intercompany balances and transactions have been eliminated in the Company's consolidated financial statements.

(c) Use of Estimates

The preparation of consolidated 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 under different assumptions and/or conditions.

(d) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(e) Restricted cash

Restricted cash consists of retention accounts which are restricted in use and held in order to service debt and interest payments. In addition, restricted cash consists of pledged cash maintained with lenders and amounts built-up for future drydockings. Also includes restricted cash received in advance from charterers for future charter service.

(f) Insurance claims

Insurance claims consist of claims submitted and/or claims in the process of compilation or submission. They are recorded on an accrual basis and represent the claimable expenses, net of applicable deductibles, incurred through December 31 of each reported period, which are probable to be recovered from insurers. Any outstanding costs to complete the claims are included in accrued liabilities. The classification of insurance claims into current and non-current assets is based on management's expectation as to the collection dates.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

2. Summary of Significant Accounting Policies (continued)**(g) Inventories**

Inventories consist of bunkers, lubricants, stores and provisions. Inventories are stated at the lower of cost or net realizable value as determined using the first-in, first-out method. Inventories include also EU Allowances ("EUAs"), which are also stated at the lower of cost or net realizable value.

(h) Accounts receivable, net

The Company carries its accounts receivable at cost less, if appropriate, an allowance for doubtful accounts, based on a periodic review of accounts receivable, taking into account past write-offs, collections and current credit conditions. The Company does not generally charge interest on past-due accounts. Allowances for doubtful accounts amount to \$nil as of December 31, 2024 (2023: \$nil). As of December 31, 2024, accounts receivable, net, include \$9,190 relating to EUA's receivable from charterers.

(i) Vessels in operation

Vessels are generally recorded at their historical cost, which consists of the acquisition price and any material expenses incurred upon acquisition, adjusted for the fair value of intangible assets or liabilities associated with above or below market charters attached to the vessels at acquisition. See Intangible Assets and Liabilities at note 2(l) below. Vessels acquired in a corporate transaction accounted for as an asset acquisition are stated at the acquisition price, which consists of consideration paid, plus transaction costs, considering pro rata allocation based on vessels fair value at the acquisition date. Vessels acquired in a corporate transaction accounted for as a business combination are recorded at fair value. Vessels acquired as part of the Marathon Merger in 2008 were accounted for under ASC 805, which required that the vessels be recorded at fair value, less the negative goodwill arising as a result of the accounting for the merger.

Subsequent expenditures for major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capacity or improve the efficiency or safety of the vessels.

Borrowing costs incurred during the construction of vessels or as part of the prefinancing of the acquisition of vessels are capitalized. There was no capitalized interest for the years ended December 31, 2024, 2023 and 2022.

Vessels are stated less accumulated depreciation and impairment, if applicable. Vessels are depreciated to their estimated residual value using the straight-line method over their estimated useful lives which are reviewed on an ongoing basis to ensure they reflect current technology, service potential and vessel structure. The useful lives are estimated to be 30 years from original delivery by the shipyard.

Management estimates the residual values of the Company's container vessels based on a scrap value cost of steel times the weight of the vessel noted in lightweight tons (LWT). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revision of residual values affect the depreciable amount of the vessels and affects depreciation expense in the period of the revision and future periods. Management estimated the residual values of its vessels based on scrap rate of \$400 per LWT.

For any vessel group which is impaired, the impairment charge is recorded against the cost of the vessel and the accumulated depreciation as at the date of impairment is removed from the accounts.

The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the Consolidated Statements of Income.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

2. Summary of Significant Accounting Policies (continued)

(j) Assets Held for Sale

The Company classifies assets and disposal groups as being held for sale when the following criteria are met: management has committed to a plan to sell the asset (disposal group); the asset (disposal group) is available for immediate sale in its present condition; an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated; the sale of the asset (disposal group) is probable, and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale within one year; the asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Long-lived assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These assets are not depreciated once they meet the criteria to be held for sale. As of December 31, 2024, Tasman, which was agreed to be sold for a sale price of \$31,500, does not meet the criteria as held for sale (see note 19).

(k) Deferred dry dock and special survey costs, net

Drydocking costs are reported in the Consolidated Balance Sheets within “Deferred dry dock and special survey costs, net”, and include planned major maintenance and overhaul activities for ongoing certification. The Company follows the deferral method of accounting for drydocking costs, whereby actual costs incurred are deferred and amortized on a straight-line basis over the period of five years until approximately the next scheduled drydocking. Any remaining unamortized balance from the previous drydocking is written-off.

The amortization period reflects the estimated useful economic life of the deferred dry dock and special survey costs, which is the period between each drydocking. Costs incurred during the drydocking relating to routine repairs and maintenance are expensed. The unamortized portion of drydocking costs for vessels sold is included as part of the carrying amount of the vessel in determining the gain or (loss) on sale of the vessel.

(l) Intangible assets and liabilities – charter agreements

The Company’s intangible assets and liabilities consist of unfavorable lease terms on charter agreements acquired in assets acquisitions. When intangible assets or liabilities associated with the acquisition of a vessel are identified, they are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an intangible asset is recorded, based on the difference between the acquired charter rate and the market charter rate for an equivalent vessel and equivalent duration of charter party at the date the vessel is delivered. Where charter rates are less than market charter rates, an intangible liability is recorded, based on the difference between the acquired charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and liabilities requires the Company to make significant assumptions and estimates of many variables including market charter rates (including duration), the level of utilization of its vessels and its weighted average cost-of capital (“WACC”). The estimated market charter rate (including duration) is considered a significant assumption. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on the Company’s financial position and results of operations. The amortizable value of favorable and unfavorable leases is amortized over the remaining life of the relevant lease term and the amortization expense or income respectively is included under the caption “Amortization of intangible liabilities-charter agreements” in the Consolidated Statements of Income. For any vessel group which is impaired, the impairment charge is recorded against the cost of the vessel and the accumulated depreciation as at the date of impairment is removed from the accounts.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

(m) Impairment of Long-lived assets

Tangible fixed assets, such as vessels, that are held and used or to be disposed of by the Company are reviewed for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. In these circumstances, the Company performs step one of the impairment test by comparing the undiscounted projected net operating cash flows for each vessel group to its carrying value. A vessel group comprises the vessel, the unamortized portion of deferred drydocking related to the vessel and the related carrying value of the intangible asset or liability (if any) with respect to the time charter attached to the vessel at its purchase. If the undiscounted projected net operating cash flows of the vessel group are less than its carrying amount, management proceeds to step two of the impairment assessment by comparing the vessel group's carrying amount to its fair value, including any applicable charter, and an impairment loss is recorded equal to the difference between the vessel group's carrying value and fair value. Fair value is determined with the assistance from valuations obtained from third party independent ship brokers.

The Company uses a number of assumptions in projecting its undiscounted net operating cash flows analysis including, among others, (i) revenue assumptions for charter rates on expiry of existing charters, which are based on forecast charter rates, where relevant, in the four years from the date of the impairment test and a reversion to the historical mean of time charter rates for each vessel thereafter (ii) off-hire days, which are based on actual off-hire statistics for the Company's fleet (iii) operating costs, based on current levels escalated over time based on long term trends (iv) dry docking frequency, duration and cost (v) estimated useful life, which is assessed as a total of 30 years from original delivery by the shipyard and (vi) scrap values.

Revenue assumptions are based on contracted charter rates up to the end of the existing contract of each vessel, and thereafter, estimated time charter rates for the remaining life of the vessel. The estimated time charter rate used for non-contracted revenue days of each vessel is considered a significant assumption. Recognizing that the container shipping industry is cyclical and subject to significant volatility based on factors beyond the Company's control, management believes that using forecast charter rates in the four years from the date of the impairment assessment and a reversion to the historical mean of time charter rates thereafter, represents a reasonable benchmark for the estimated time charter rates for the non-contracted revenue days, and takes into account the volatility and cyclical of the market.

Through the latter part of 2024, the Company noted that events and circumstances triggered the existence of potential impairment for some of Company's vessel groups. These indicators included the potential impact of the current container sector on management's expectation for future revenues, as well as some volatility in the charter market and the vessels' market values. As a result, the Company performed step one of the impairment assessment of each of the Company's vessel groups by comparing the undiscounted projected net operating cash flows for each vessel group to their carrying value and step two of the impairment analysis was not required for any vessel group, as their undiscounted projected net operating cash flows exceeded their carrying value. Accordingly, no impairment recorded for the year ended December 31, 2024.

Through the latter part of 2023, the Company noted that events and circumstances triggered the existence of potential impairment for some of the Company's vessel groups. These indicators included volatility in the charter market and the vessels' market values, as well as the potential impact of the current container sector on management's expectation for future revenues. As a result, the Company performed step one of the impairment assessment of each of the Company's vessel groups by comparing the undiscounted projected net operating cash flows for each vessel group to their carrying value and step two of the impairment analysis was required for two vessel groups, as their undiscounted projected net operating cash flows did not exceed their carrying value. As a result, the Company recorded an impairment loss of \$18,830 for two vessel groups with a total aggregate carrying amount of \$43,830 which was written down to their fair value of \$25,000 (see note 4).

Through the latter part of 2022, the Company noted that charter rates in the spot market had come under pressure and accordingly determined that events occurred, and circumstances had changed, which indicated that potential impairment of the Company's long-lived assets could exist. These indicators included continued volatility in the spot market and the related impact of the current container sector on management's expectation for future revenues. As a result, step one of the impairment assessment of each of the vessel groups was performed as at December 31, 2022 and step two of the impairment analysis was required for one vessel group, as its undiscounted projected net operating cash flows did not exceed its carrying value. As a result, the Company recorded an impairment loss of \$3,033 for one vessel asset group with a total aggregate carrying amount of \$9,033 which was written down to its fair value of \$6,000 (see note 4).

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)**(n) Deferred financing costs**

Costs incurred in connection with obtaining long-term debt and in obtaining amendments to existing facilities are recorded as deferred financing costs and are amortized to interest expense using the effective interest method over the estimated duration of the related debt. Such costs include fees paid to the lenders or on the lenders' behalf and associated legal and other professional fees. Debt issuance costs, other than any up-front arrangement fee for revolving credit facilities, related to a recognized debt liability are presented as a direct deduction from the carrying amount of that debt.

(o) Preferred shares

The Series B Preferred Shares were originally issued in August 2014 and have been included within Equity in the Consolidated Balance Sheets since their initial issue in August 2014 and increased in 2019, 2020 and 2021 with the introduction of ATM program see note 16, and the dividends are presented as a reduction of Retained Earnings or addition to Accumulated Deficit in the Consolidated Statements of Changes in Shareholders' Equity as their nature is similar to that of an equity instrument rather than a liability. Holders of these redeemable perpetual preferred shares, which may only be redeemed at the discretion of the Company, are entitled to receive a dividend equal to 8.75% on the original issue price, should such dividend be declared, and rank senior to the common shares with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Company.

The 250,000 Series C Perpetual Convertible Preferred Shares (the "Series C Preferred Shares") have been included within Equity in the Consolidated Balance Sheets, from their issue on November 15, 2018. The Series C Preferred Shares were convertible in certain circumstances to Class A common shares and they were entitled to a dividend only should such a dividend be declared on Class A common shares. On January 20, 2021, upon the redemption in full of the 9.875% First Priority Secured Notes due 2022 (the "2022 Notes"), Series C Preferred shares converted to Class A common shares see note 16.

On December 29, 2022, the Company entered into a new At Market Issuance Sales Agreement with B. Riley Securities, Inc. (the "Agent"), pursuant to which the Company may offer and sell, from time to time, up to \$150,000,000 of its Depositary Shares. This new ATM Agreement terminated and replaced, in its entirety, the former at-the-market program that the Company had in place with the Agent for the Depositary Shares. Up to December 31, 2024, no sales had occurred under the new ATM Agreement.

(p) Other comprehensive income

Other comprehensive income, which is reported in the Consolidated Statements of Changes in Shareholders' Equity, consists of net income and other gains and losses affecting equity that, under U.S. GAAP, are excluded from net income. Under ASU 2011-05, an entity reporting comprehensive income in a single continuous financial statement shall present its components in two sections, net income and other comprehensive income. For the year ended December 31, 2024, the Company recorded an unrealized loss on the interest rate caps, amortization of interest rate cap premium and an amount reclassified to earnings of \$16,179, \$4,586 and \$877, respectively. For the year ended December 31, 2023, the Company recorded an unrealized loss on the interest rate caps, amortization of interest rate cap premium and an amount reclassified to earnings of \$16,625, \$4,271 and \$214, respectively. For the year ended December 31, 2022, unrealized gain on the interest rate caps, amortization of interest rate cap premium and an amount reclassified from earnings \$31,221, \$1,123 and (\$1,091) respectively. In all years, unrealized gain/(loss) on the interest rate caps, amortization of interest rate cap premium and amount reclassified to/(from) earnings are reported as a component of other comprehensive income and presented in the Consolidated Statements of Comprehensive Income. (see note 9).

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)**(q) Revenue recognition and related expense**

The Company charters out its vessels on time charters which involves placing a vessel at a charterer's disposal for a specified period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Such charters are accounted for as operating leases and therefore revenue is recognized on a straight-line basis as the average revenues over the rental periods of such charter agreements, as service is performed. Cash received in excess of earned revenue is recorded as deferred revenue. If a time charter contains one or more consecutive option periods, then subject to the options being exercisable solely by the Company, the time charter revenue will be recognized on a straight-line basis over the total remaining life of the time charter, including any options which are more likely than not to be exercised. If a time charter is modified, including the agreement of a direct continuation at a different rate, the time charter revenue will be recognized on a straight-line basis over the total remaining life of the time charter from the date of modification. During the years ended December 31, 2024, 2023 and 2022, amounts of (\$8,823), (\$4,025) and \$10,899, respectively, were recorded in time charter-revenues for such modifications and revenues recognized on a straight-line basis. Any difference between the charter rate invoiced and the time charter revenue recognized is classified as, or released from, deferred revenue. As of December 31, 2024, current asset and non-current asset from implementing the straight-line basis, amounting to \$9,657 (\$9,027 and \$6,487 as of December 31, 2023, and 2022, respectively) and \$19,670 (\$15,139 and \$21,144 as of December 31, 2023, and 2022, respectively), respectively, are presented in the Consolidated Balance Sheets in the line item "Prepaid expenses and other current assets" and "Other non-current assets", respectively. As of December 31, 2024, current liability and non-current liability from implementing the straight-line basis, amounting to \$5,310 (\$113 and \$143 as of December 31, 2023, and 2022, respectively) and \$9,438 (\$651 and \$59 as of December 31, 2023, and 2022, respectively), are presented in the Consolidated Balance Sheets in the line item "Current portion of deferred revenue" and "Deferred revenue, net of current portion", respectively.

Revenues are recorded net of address commissions, which represent a discount provided directly to the charterer based on a fixed percentage of the agreed upon charter rate. Charter revenue received in advance which relates to the period after a balance sheet date is recorded as deferred revenue within current liabilities until the respective charter services are rendered.

Under time charter arrangements the Company, as owner, is responsible for all the operating expenses of the vessels, such as crew costs, insurance, repairs and maintenance, and such costs are expensed as incurred and are included in vessel operating expenses.

Commission paid to brokers to facilitate the agreement of a new charter are included in time charter and voyage expenses as are certain expenses related to a voyage, such as the costs of bunker fuel consumed when a vessel is off-hire or idle.

Leases: In cases of lease agreements where the Company acts as the lessee, the Company recognizes an operating lease asset and a corresponding lease liability on the Consolidated Balance Sheets. Following initial recognition and with regards to subsequent measurement the Company remeasures lease liability and right of use asset at each reporting date.

Leases where the Company acts as the lessor are classified as either operating or sales-type / direct financing leases.

In cases of lease agreements where the Company acts as the lessor under an operating lease, the Company keeps the underlying asset on the Consolidated Balance Sheets and continues to depreciate the assets over its useful life. In cases of lease agreements where the Company acts as the lessor under a sales-type / direct financing lease, the Company derecognizes the underlying asset and records a net investment in the lease. The Company acts as a lessor under operating leases in connection with all of its charter out - bareboat-out arrangements.

In cases of sale and leaseback transactions, if the transfer of the asset to the lessor does not qualify as a sale, then the transaction constitutes a failed sale and leaseback and is accounted for as a financial liability. For a sale to have occurred, the control of the asset would need to be transferred to the lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset. During 2021, the Company entered into six agreements which qualified as failed sale and leaseback transactions as the Company was required to repurchase the vessels at the end of the lease term and the Company had accounted for the six agreements as financing transactions. During the fourth quarter of 2024, the Company entered into a new agreement which qualified as failed sale and leaseback transaction. Following the full prepayment of (i) the \$54,000 sale and leaseback agreement with CMBFL on August 27, 2024, and (ii) the \$14,735 sale and leaseback agreement with Neptune on September 12, 2024, the Company as of December 31, 2024, has accounted for five agreements as financing transactions.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

(q) Revenue recognition and related expense (continued)

Leases (continued)

The Company elected the practical expedient which allows the Company to treat the lease and non-lease components as a single lease component for the leases where the timing and pattern of transfer for the non-lease component and the associated lease component to the lessees are the same and the lease component, if accounted for separately, would be classified as an operating lease. The combined component is therefore accounted for as an operating lease under ASC 842, as the lease components are the predominant characteristics.

(r) Foreign currency transactions

The Company’s functional currency is the U.S. dollar as substantially all revenues and a majority of expenditures are denominated in U.S. dollars. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet dates. Expenses paid in foreign currencies are recorded at the rate of exchange at the transaction date. Exchange gains and losses are included in the determination of Net Income.

(s) Stock-based compensation

The Company has awarded incentive stock units to its management and Directors as part of their compensation.

Using the graded vesting method of expensing the incentive stock unit grants, the weighted average fair value of the stock units is recognized as compensation costs in the Consolidated Statements of Income over the vesting period. The fair value of the incentive stock units for this purpose is calculated by multiplying the number of stock units by the fair value of the shares at the grant date. The Company has not factored any anticipated forfeiture into these calculations based on the limited number of participants.

(t) Income taxes

The Company and its Marshall Island subsidiaries are exempt from taxation in the Marshall Islands. Otherwise, the Company’s vessels are liable for tax based on the tonnage of the vessel, under the regulations applicable to the country of incorporation of the vessel owning company, which is included within vessels’ operating expenses. Certain inactive Cyprus (all dissolved within 2022) and Hong Kong subsidiaries (two, two and three were dissolved in 2024, 2022 and 2021, respectively, and three remain inactive as of December 31, 2024) are also liable for income tax on interest income earned from non-shipping activities.

The Company had one subsidiary in the United Kingdom that was dissolved on September 24, 2024, and no tax is anticipated.

The Company recognizes uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based solely on the technical merits of the position.

(u) Dividends

Dividends are recorded in the period in which they are declared by the Company’s Board of Directors. Dividends to be paid are presented in the Consolidated Balance Sheets in the line item “Accrued Liabilities”.

(v) Earnings per share

Basic earnings per common share are based on income available to common shareholders divided by the weighted average number of common shares outstanding during the period, excluding unvested restricted stock units. Diluted income per common share are calculated by applying the treasury stock method. All unvested restricted stock units that have a dilutive effect are included in the calculation. The basic and diluted earnings per share for the period are presented for each category of participating common shares under the two-class method.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)**(w) Risks Associated with Concentration**

The Company is exposed to certain concentration risks that may adversely affect the Company's financial position in the near term:

- (i) The Company derives its revenue from liner companies which are exposed to the cyclical nature of the container shipping industry. For operating revenue from significant customers constituting more than 10% of total time charter revenue, refer to Note 13.
- (ii) There is a minimum concentration of credit risk with respect to cash and cash equivalents at December 31, 2024, to the extent that substantially all of the amounts are deposited with eight banks (2023: ten banks). The Company believes this risk is remote as the banks are high credit quality financial institutions.

(x) Segment Reporting

The Company derives its revenues from chartering vessels to liner companies. The Company reports financial information and evaluates its operations by charter revenues and not by the length of ship employment for its customers. The Company does not use discrete financial information to evaluate operating results for each vessel or type of charter. Management does not identify expenses, profitability or other financial information by vessel or charter type. The Company's Executive Chairman, Chief Executive Officer and Chief Financial Officer, collectively, who are the Chief Operating Decision Maker ("CODM"), review operating results solely by revenue per day and consolidated net income of the fleet and thus the Company has determined that it operates under one operating and reportable segment. Consolidated vessel operating expense information presented within the Consolidated Statements of Income are considered to be significant expenses. Furthermore, when the Company charters a vessel to a charterer, the charterer is free to trade the vessel worldwide, subject to restrictions as per the charter agreement, and, as a result, the disclosure of geographic information is impracticable.

(y) Fair Value Measurement and Financial Instruments

Financial instruments carried on the Consolidated Balance Sheets include cash and cash equivalents, restricted cash, time deposits, trade receivables and payables, other receivables and other liabilities and long-term debt. The particular recognition methods applicable to each class of financial instrument are disclosed in the applicable significant policy description of each item or included below as applicable.

Fair value measurement: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

(y) Fair Value Measurement and Financial Instruments (continued)

In December 2021, the Company purchased interest rate caps with an aggregate notional amount of \$484,106, which amortizes over time as the Company's outstanding debt balances decline. In February 2022, the Company further hedged its exposure by putting in place two USD one-month LIBOR interest rate caps of 0.75% through fourth quarter 2026, on \$507,891 of its floating rate debt. The second interest rate cap was not designated as a cash flow hedge and negative fair value adjustment of \$5,170 as at December 31, 2024, was recorded through Consolidated Statements of Income (\$5,372 negative fair value adjustment and \$9,685 positive fair value adjustment for December 31, 2023 and 2022, respectively). ASC 815-20-25-13a stipulates that an entity may designate either all or certain future interest payments on variable-rate debt as the hedged exposure in a cash flow hedge relationship. The Company is designating certain future interest payments on its outstanding variable-rate debt as the hedged item in this relationship. Under ASC 815-20-25-106e, "for cash flow hedges of the interest payments on only a portion of the principal amount of the interest-bearing asset or liability, the notional amount of the interest rate cap designated as the hedging instrument matches the principal amount of the portion of the asset or liability on which the hedged interest payments are based". In this case, the Company has designated only a portion of its outstanding debt (initially, \$253,946) as the hedged item, and any interest payments beyond the notional amount of the interest rate cap in any given period are not designated as being hedged. During 2023, all Company's loan agreements have been amended and restated to take into effect the transition from LIBOR to the Secured Overnight Financing Rate ("SOFR") and the relevant provisions on a replacement rate. In addition, the Company's interest rate caps automatically transited to 1-month Compounded SOFR on July 1, 2023, at a level of 0.64%. The Company assesses the effectiveness of the hedges on an ongoing basis. The amounts included in accumulated other comprehensive income will be reclassified to interest expense should the hedge no longer be considered effective.

As of December 31, 2024, 2023 and 2022, following a quantitative assessment, part of the hedges were no longer considered effective and an amount of (\$877), (\$214) and \$1,091, respectively, was reclassified (to)/from other comprehensive income to the Consolidated Statements of Income.

The objective of the hedges is to reduce the variability of cash flows associated with the interest rates relating to the Company's variable rate borrowings. When derivatives are used, the Company is exposed to credit loss in the event of non-performance by the counterparties; however, non-performance is not anticipated. ASC 815, *Derivatives and Hedging*, requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the balance sheet. The fair values of the interest rate derivatives are based on quoted market prices for similar instruments from commercial banks (based on significant observable inputs – Level 2 inputs).

On April 4, 2024, the Company entered into a foreign exchange option strip ("FX option") to purchase €3,000, with monthly settlements, starting April 11, 2024, and ending March 13, 2025. The strike price is EURUSD 1.10. The Company entered to this option to hedge the downside foreign exchange risk associated with expenses denominated in EUR against fluctuations between the US Dollar and Euro. This FX option is designated as a cash flow hedge of anticipated expenses totalling €3,000, expected to occur each month. Changes in the fair value of the option other than "intrinsic value" are excluded from the assessment of effectiveness. The effectiveness of the hedging relationship will be periodically assessed during the life of the hedge by comparing the terms of the option and the forecasted expenses to ensure that they continue to coincide. Should the critical terms no longer match exactly, hedge effectiveness (both prospective and retrospective) will be assessed by evaluating the dollar-offset ratio of the spot intrinsic value of the actual option contract and a hypothetically perfect option contract.

Financial Risk Management: The Company activities expose it to a variety of financial risks including fluctuations in, time charter rates, credit and interest rates risk. Risk management is carried out under policies approved by executive management. Guidelines are established for overall risk management, as well as specific areas of operations.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)**(y) Fair Value Measurement and Financial Instruments (continued)**

Credit Risk: The Company closely monitors its credit exposure to customers and counter-parties for credit risk. The Company has entered into commercial management agreement with Conchart Commercial Inc. (“Conchart”), pursuant to which Conchart has agreed to provide commercial management services to the Company, including the negotiation, on behalf of the Company, of vessel employment contracts (see note 14). Conchart has policies in place to ensure that it trades with customers and counterparties with an appropriate credit history. Financial instruments that potentially subject the Company to concentrations of credit risk are accounts receivable and cash and cash equivalents and time deposits. The Company does not believe its exposure to credit risk is likely to have a material adverse effect on its financial position, results of operations or cash flows.

Liquidity Risk: Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company monitors cash balances appropriately to meet working capital needs.

Foreign Exchange Risk: Foreign currency transactions are translated into the measurement currency rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statements of Income.

(z) Derivative instruments

The Company is exposed to interest rate risk relating to its variable rate borrowings. In December 2021, the Company purchased interest rate caps with an aggregate notional amount of \$484,106 (“December 2021 hedging”), which amount reduces over time as the Company’s outstanding debt balances amortize. The objective of the hedges is to reduce the variability of cash flows associated with the interest relating to its variable rate borrowings.

At the inception of the transaction, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objective and the strategy for undertaking various hedging transactions. The Company also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivative financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

This transaction is designated as a cash flow hedge, and under ASU 2017-12, cash flow hedge accounting allows all changes in fair value to be recorded through Other Comprehensive Income once hedge effectiveness has been established. Under ASC 815-30-35-38, amounts in accumulated other comprehensive income shall be reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings (i.e., each quarter) and shall be presented in the same income statement line item as the earnings effect of the hedged item in accordance with paragraph 815-20-45-1A.

The premium paid related to this derivative was classified in the Consolidated Statements of Cash Flows as operating activities in the line item “Derivative asset”. The premium shall be amortized into earnings “on a systematic and rational basis over the period in which the hedged transaction affects earnings” (ASC 815-30-35-41A); that is, the Company will expense the premium over the life of the interest rate cap in accordance with the “caplet method”, as described in Derivatives Implementation Group (DIG) Issue G20. DIG Issue G20 dictates that the cost of the interest rate cap is recognized on earnings over time, based on the value of each periodic caplet. The cost per period will change as the caplet for that period changes in value. Given that the interest rate cap is forward-starting, expensing of the premium will not begin until the effective start date of the interest rate cap, in order to match potential cap revenue with the cap expenses in the period in which they are incurred.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)**(z) Derivative instruments (continued)**

In February 2022, the Company further purchased two interest rate caps with an aggregate notional amount of \$507,891. The first interest rate cap of \$253,946 which has been designated as a cash flow hedge, has the same accounting treatment as described above for the December 2021 hedging. The second interest rate cap was not designated as a cash flow hedge and a negative fair value adjustment of \$5,170 as at December 31, 2024, was recorded through Consolidated Statements of Income (\$5,372 negative fair value adjustment and \$9,685 positive fair value adjustment for December 31, 2023 and 2022, respectively). ASC 815-20-25-13a stipulates that an entity may designate either all or certain future interest payments on variable-rate debt as the hedged exposure in a cash flow hedge relationship. In this case, the Company has designated only a portion of its outstanding debt (initially, \$253,946) as the hedged item, and any interest payments beyond the notional amount of the interest rate cap in any given period are not designated as being hedged (see note 9).

As of December 31, 2024, all Company's loan agreements have been amended and restated to take into effect the transition from LIBOR to the Secured Overnight Financing Rate ("SOFR") and the relevant provisions on a replacement rate. In addition, the Company's interest rate caps automatically transited to 1-month Compounded SOFR on July 1, 2023, at a level of 0.64%.

The amounts included in accumulated other comprehensive income will be reclassified to interest expense should the hedge no longer be considered effective. The Company assesses the effectiveness of the hedges on an ongoing basis. As of December 31, 2024, 2023 and 2022, following a quantitative assessment, part of the hedge was no longer considered effective and an amount of (\$877), (\$214) and \$1,091, respectively, was reclassified (to)/from other comprehensive income to the Consolidated Statements of Income.

(zi) Recently issued accounting standards

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Taxes Disclosures, which requires greater disaggregation of income tax disclosures. The new standard requires additional information to be disclosed with respect to the income tax rate reconciliation and income taxes paid disaggregated by jurisdiction. This ASU should be applied prospectively for fiscal years beginning after December 15, 2024, with retrospective application permitted. The Company is currently evaluating the impacts of this guidance on the Company's Consolidated Financial Statements and disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The standard is intended to enhance transparency of income statement disclosures primarily through additional disaggregation of relevant expense captions. The standard is effective for annual reporting periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with prospective or retrospective application permitted. The Company is currently evaluating the potential impact of adopting this standard on the Company's consolidated financial statements and disclosures.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

3. Restricted Cash

Restricted cash as of December 31, 2024, and 2023 consisted of the following:

	December 31, 2024	December 31, 2023
Retention accounts	\$ 20,724	\$ 21,443
Restricted bank deposits/Drydock reserves	2,009	2,420
Cash collateral(*)	32,850	32,940
Total Current Restricted Cash	\$ 55,583	\$ 56,803
Cash collateral(*)	\$ 47,755	\$ 80,980
Guarantee deposits	11	21
Restricted bank deposits/Drydock reserves	2,900	3,769
Cash in custody	—	500
Total Non - Current Restricted Cash	50,666	85,270
Total Current and Non - Current Restricted Cash	\$ 106,249	\$ 142,073

(*)Cash received in advance from charterers.

4. Vessels in Operation

Vessels in Operation as of December 31, 2024, 2023 and 2022 consisted of the following:

	Vessel Gross Cost, as adjusted for impairment charges	Accumulated Depreciation	Net Book Value
As of January 1, 2022	\$ 1,878,132	\$ (195,316)	\$ 1,682,816
Additions	11,756	—	11,756
Depreciation	—	(68,232)	(68,232)
Impairment loss	(3,730)	(697)	(3,033)
As of December 31, 2022	\$ 1,886,158	\$ (262,851)	\$ 1,623,307
Additions	138,802	—	138,802
Depreciation	—	(72,443)	(72,443)
Impairment loss	(25,544)	6,714	(18,830)
Disposals	(6,803)	68	(6,735)
As of December 31, 2023	\$ 1,992,613	\$ (328,512)	\$ 1,664,101
Additions	296,242	—	296,242
Depreciation	—	(75,703)	(75,703)
As of December 31, 2024	\$ 2,288,855	\$ (404,215)	\$ 1,884,640

As of December 31, 2024, 2023, and 2022, the Company made additions for vessel expenditures, reefers, emissions management, ERP modules, ballast water treatments and other capitalized vessel expenses. As of December 31, 2024, 2023 and 2022 unpaid capitalized expenses were \$13,556, \$2,679, and \$9,022, respectively.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

4. Vessels in Operation (continued)

2024 Vessels acquisitions

In December 2024, the Company took delivery of the three high-reefer ECO 9,019 TEU Vessels as per below:

Name	Capacity in TEUs	Year Built	Purchase Price	Delivery date
Sydney Express (*)	9,019	2016	\$68,500	December 6, 2024
Istanbul Express (*)	9,019	2016	\$68,500	December 11, 2024
Bremerhaven Express (*)	9,019	2015	\$68,500	December 30, 2024

(*)The charters of the three high-reefer ECO 9,019 TEU Vessels resulted in an intangible liability of \$49,295 that was recognized and will be amortized over the remaining useful life of the charters.

The fourth high-reefer ECO 9,019 TEU was delivered on January 9, 2025, for the same purchase price. As of December 31, 2024, the Company had paid \$6,850 advance for this vessel acquisition.

2024 Sale of Vessel

In December 2024, the Company agreed to sell Tasman, a 5,936 TEU vessel. In February 2025, the Company agreed to also sell Keta, and Akiteta, each a 2,200 TEU vessel. Akiteta was delivered on February 19, 2025, and Tasman was delivered on March 10, 2025. The remaining vessel is scheduled for delivery in first half of 2025.

2023 Vessels acquisitions

In May and June 2023, the Company took delivery of the four 8,544 TEU Vessels as per below:

Name	Capacity in TEUs	Year Built	Purchase Price	Delivery date
GSL Alexandra	8,544	2004	\$30,000	June 2, 2023
GSL Sofia	8,544	2003	\$30,000	May 22, 2023
GSL Effie	8,544	2003	\$30,000	May 30, 2023
GSL Lydia	8,544	2003	\$33,300	June 26, 2023

2023 Sale of Vessel

On March 23, 2023, the Company sold GSL Amstel for net proceeds of \$5,940, and the vessel was released as collateral under the Company’s \$140,000 loan facility with Credit Agricole Corporate and Investment Bank, Hamburg Commercial Bank AG, E.Sun Commercial Bank, Ltd, CTBC Bank Co. Ltd. and Taishin International Bank.

Impairment

Through the latter part of 2024, the Company noted that events and circumstances triggered the existence of potential impairment for some of Company’s vessel groups. These indicators included the potential impact of the current container sector on management’s expectation for future revenues, as well as some volatility in the charter market and the vessels’ market values. As a result, the Company performed step one of the impairment assessment of each of the Company’s vessel groups by comparing the undiscounted projected net operating cash flows for each vessel group to their carrying value and step two of the impairment analysis was not required for any vessel group, as their undiscounted projected net operating cash flows exceeded their carrying value. Accordingly, no impairment recorded for the year ended December 31, 2024.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

4. Vessels in Operation (continued)

Impairment (continued)

Through the latter part of 2023, the Company noted that events and circumstances triggered the existence of potential impairment for some of the Company’s vessel groups. These indicators included volatility in the charter market and the vessels’ market values, as well as the potential impact of the current container sector on management’s expectation for future revenues. As a result, the Company performed step one of the impairment assessment of each of the Company’s vessel groups by comparing the undiscounted projected net operating cash flows for each vessel group to their carrying value and step two of the impairment analysis was required for two vessel groups, as their undiscounted projected net operating cash flows did not exceed their carrying value.

As a result, as of December 31, 2023, the Company recorded an impairment loss of \$18,830 for two vessel groups with a total aggregate carrying amount of \$43,830 which was written down to their fair value of \$25,000 (see note 4).

Through the latter part of 2022, the Company noted that charter rates in the spot market had come under pressure and accordingly determined that events occurred and circumstances had changed, which indicated that potential impairment of the Company’s long-lived assets could exist. These indicators included continued volatility in the spot market and the related impact of the current container sector on management’s expectation for future revenues. As a result, step one of the impairment assessment of each of the vessel groups was performed as at December 31, 2022 and step two of the impairment analysis was required for one vessel group, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of \$3,033 for one vessel group with a total aggregate carrying amount of \$9,033 which was written down to its fair value of \$6,000.

The total impairment loss recognized for the years ended December 31, 2024, 2023 and 2022 amounted to \$nil, \$18,830 and \$3,033, respectively.

Collateral

As of December 31, 2024, 20 vessels were mortgaged as collateral under the 5.69% Senior Secured Notes due 2027 and 33 vessels under the Company’s loan facilities. Eighteen vessels were unencumbered as of December 31, 2024.

Advances for vessel acquisitions and other additions

As of December 31, 2024, the Company made a \$6,850 advance for a vessel acquisition, which was delivered on January 9, 2025. As of December 31, 2023, there were no advances for vessel acquisitions, as all vessels had been delivered through December 31, 2023. As of December 31, 2024, and December 31, 2023, the Company had also made advances for other vessel additions totaling \$11,784 and \$12,210, respectively.

5. Deferred dry dock and special survey costs, net

Deferred dry dock and special survey costs, net, as of December 31, 2024, 2023 and 2022 consisted of the following:

		Dry - docking Costs
As of January 1, 2022	\$	37,629
Additions		30,105
Amortization		(13,071)
As of December 31, 2022	\$	54,663
Additions		38,341
Amortization		(19,284)
As of December 31, 2023	\$	73,720
Additions		42,506
Amortization		(24,287)
As of December 31, 2024	\$	91,939

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

5. Deferred dry dock and special survey costs, net (continued)

The Company follows the deferral method of accounting for dry-docking costs in accordance with accounting for planned major maintenance activities, whereby actual costs incurred are deferred and amortized on a straight-line basis over the period of five years until approximately the next scheduled dry-docking, which is generally five years. Any remaining unamortized balance from the previous dry-docking are written-off.

6. Intangible Liabilities - Charter Agreements

Intangible Liabilities - Charter Agreements as of December 31, 2024, and 2023 consisted of the following:

	December 31, 2024	December 31, 2023
Opening balance	\$ 5,662	\$ 14,218
Additions/(disposals) (*)	49,295	(476)
Amortization	(5,526)	(8,080)
Total	\$ 49,431	\$ 5,662

(*)Corresponds to the acceleration of the unamortized portion of GSL Amstel intangible liability-charter agreement when the vessel was sold on March 23, 2023. The charters of the three high-reefer ECO 9,019 TEU Vessels resulted in an intangible liability of \$49,295 that was recognized and will be amortized over the remaining useful life of the charters.

Intangible liabilities are related to acquisition of the Seven, the Twelve, the Four Vessels (which have all been amortized as of December 31, 2024), the three high-reefer ECO 9,019 TEU vessels delivered in December 2024 and management’s estimate of the fair value of below-market charters on August 14, 2008, the date of the Marathon Merger. These intangible liabilities are being amortized over the remaining life of the relevant lease terms and the amortization income is included under the caption “Amortization of intangible liabilities-charter agreements” in the Consolidated Statements of Income.

Amortization income of intangible liabilities-charter agreements for the years ended December 31, 2024, 2023 and 2022 was \$5,526, \$8,080 and \$41,158, including related party amortization of intangible liabilities-charter agreements of \$nil, \$nil, and \$5,385 for each of the years ended December 31, 2024, 2023 and 2022, respectively.

The aggregate amortization of the intangible liabilities in each of the 12-month periods up to December 31, 2030, is estimated to be as follows:

	Amount
December 31, 2025	\$ 10,435
December 31, 2026	9,887
December 31, 2027	9,887
December 31, 2028	9,914
December 31, 2029	8,385
December 31, 2030	923
	\$ 49,431

The weighted average useful lives are 4.91 years for the remaining intangible liabilities-charter agreements terms.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

7. Prepaid Expenses and Other Current Assets

Prepaid Expenses and Other Current Assets as at December 31, 2024 and December 31, 2023 consisted of the following:

	December 31, 2024	December 31, 2023
Insurance and other claims	\$ 1,606	\$ 11,073
Advances to suppliers and other assets	5,628	11,651
Prepaid insurances	1,732	3,628
Other ⁽¹⁾	22,983	14,112
Total	\$ 31,949	\$ 40,464

⁽¹⁾ Includes mainly current portion of the straight-line basis of revenue recognition.

8. Inventories

Inventories as at December 31, 2024 and December 31, 2023 consisted of the following:

	December 31, 2024	December 31, 2023
Bunkers	\$ 1,512	\$ 685
Lubricants	12,354	12,423
EUAs	2,544	—
Stores	1,981	2,025
Victualling	514	631
Total	\$ 18,905	\$ 15,764

9. Derivative Assets

In December 2021, the Company purchased interest rate caps with an aggregate notional amount of \$484,106, which amount reduces over time as the Company's outstanding debt balances amortize. The objective of the hedges is to reduce the variability of cash flows associated with the interest relating to its variable rate borrowings. The Company receives payments on the caps for any period that the one-month USD LIBOR rate is above beyond the strike rate, which is 0.75%. The termination date of the interest rate cap agreements is November 30, 2026. The premium paid to purchase the interest caps was \$7,000, which was paid out of cash on December 22, 2021. The premium is being amortized over the life of the interest rate cap by using the caplet method.

In February 2022, the Company further hedged its exposure to a potential rising interest rate environment by putting in place two USD one-month LIBOR interest rate caps of 0.75% through fourth quarter 2026, on \$507,891 of its floating rate debt. The second interest rate cap was not designated as a cash flow hedge and therefore the negative fair value adjustment of \$5,170 as at December 31, 2024 (\$5,372 negative fair value adjustment and \$9,685 positive fair value adjustment as at December 31, 2023 and 2022, respectively) was recorded through Consolidated Statements of Income. The premium paid by the Company to purchase the interest rate caps was \$15,370, which was paid out of cash on the settlement date. ASC 815-20-25-13a stipulates that an entity may designate either all or certain future interest payments on variable-rate debt as the hedged exposure in a cash flow hedge relationship. In this case, the Company has designated only a portion of its outstanding debt (initially, \$253,946) as the hedged item, and any interest payments beyond the notional amount of the interest rate cap in any given period are not designated as being hedged. Amount received from interest rate caps for each of the years ended December 31, 2024, 2023 and 2022 was \$27,027, \$32,549 and \$9,245, respectively.

On April 4, 2024, the Company entered into a foreign exchange option strip ("FX option") to buy €3,000, with monthly settlements on the 11th calendar day of each month, starting April 11, 2024, and ending March 13, 2025. The initial value of the excluded component is equal to the option premium of €417 and is recognized in earnings using the amortization approach as per ASC 815-20-25-83A. As of December 31, 2024, and December 31, 2023, following a quantitative assessment, no amount has been reclassified to other comprehensive income to the Consolidated Statements of Income.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

9. Derivative Assets (continued)

	December 31, 2024	December 31, 2023
Opening balance	\$ 41,506	\$ 63,503
FX option premium	249	-
Unrealized loss on derivative assets (interest rate caps)	(15,933)	(16,625)
Unrealized loss on FX option	(246)	-
Fair value adjustment on derivative asset	(5,170)	(5,372)
Closing balance	\$ 20,406	\$ 41,506
Less: Current portion of derivative assets (interest rate caps)	(14,434)	(24,639)
Less: Current portion of FX option	(3)	-
Non-current portion of derivative assets (interest rate caps)	\$ 5,969	\$ 16,867

The amounts included in accumulated other comprehensive income will be reclassified to interest expense should the hedge no longer be considered effective. The Company assesses the effectiveness of the hedges on an ongoing basis. As of December 31, 2024, 2023 and 2022, following a quantitative assessment, part of the hedge was no longer considered effective and an amount of (\$877), (\$214) and \$1,091 was reclassified (to)/from other comprehensive income to the Consolidated Statements of Income. The Company will continue to assess the effectiveness of the hedge on an ongoing basis.

10. Accounts Payable

Accounts payable as of December 31, 2024, and 2023 consisted of the following:

	December 31, 2024	December 31, 2023
Suppliers, repairers	\$ 8,884	\$ 12,933
Insurers, agents and brokers	210	303
Payables to charterers	3,416	1,967
EUAs	11,708	-
Other creditors	2,116	2,398
Total	\$ 26,334	\$ 17,601

11. Accrued Liabilities

Accrued liabilities as of December 31, 2024, and 2023 consisted of the following:

	December 31, 2024	December 31, 2023
Accrued expenses ⁽¹⁾	\$ 40,308	\$ 20,378
Accrued interest	6,618	8,160
Total	\$ 46,926	\$ 28,538

(1)Includes \$8.2 million, as per commercial management agreements, commission of 1.00% payable to the commercial manager based on the purchase price of already acquired vessels, that has been deferred and will be paid upon request of the commercial manager (see note 14).

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt

Long-term debt as of December 31, 2024, and 2023 consisted of the following:

Facilities	December 31, 2024	December 31, 2023
2024 Senior Secured Term Loan Facility (a)	\$ 288,000	\$ -
Macquarie loan (b)	23,500	66,000
2027 Secured Notes (c)	231,875	284,375
E.SUN, MICB, Cathay, Taishin Credit Facility (d)	8,300	28,500
Sinopac Credit Facility (e)	-	8,220
HCOB, CACIB, ESUN, CTBC, Taishin Credit Facility (f)	52,111	73,283
Deutsche Credit Facility (g)	-	40,046
HCOB Credit Facility (h)	-	24,744
CACIB, Bank Sinopac, CTBC Credit Facility (i)	-	38,950
Chailease Credit Facility (j)	-	2,608
Syndicated Senior Secured Credit Facility (CACIB, ABN, First-Citizens & Trust Company, Siemens, CTBC, Bank Sinopac, Palatine) (k)	-	149,200
Total credit facilities	\$ 603,786	\$ 715,926
Sale and Leaseback Agreements		
Sale and Leaseback Agreement Minsheng - \$44,500 (l)	44,500	-
Sale and Leaseback Agreement CMBFL - \$120,000 (m)	42,813	64,438
Sale and Leaseback Agreement CMBFL - \$54,000 (n)	-	36,018
Sale and Leaseback Agreement - Neptune \$14,735 (o)	-	6,796
Total Sale and Leaseback Agreements	\$ 87,313	\$ 107,252
Total borrowings	\$ 691,099	\$ 823,178
Less: Current portion of long-term debt	(136,559)	(164,888)
Less: Current portion of Sale and Leaseback Agreements (l,m,n,o)	(8,717)	(28,365)
Less: Deferred financing costs (u)	(7,042)	(10,750)
Non-current portion of Long-Term Debt	\$ 538,781	\$ 619,175

Facilities

a) \$300.0 Million Senior Secured Term Loan Facility CACIB, ABN, Bank of America, First Citizens Bank, CTBC

On August 7, 2024, the Company entered into a \$300,000 senior secured term loan facility (the “2024 Senior Secured Term Loan Facility”). As of December 31, 2024, the banks in this facility were: Credit Agricole Corporate and Investment Bank (“CACIB”), ABN AMRO Bank N.V. (“ABN”), Bank of America N.A. (“BoFA”), First Citizens Bank & Trust Company (“First Citizens”) and CTBC Bank Co. Ltd. (“CTBC”) to refinance, or prepay, in full or in part, certain of its outstanding debt facilities.

All three tranches were drawdown in the third quarter of 2024 and the term loan facility has a maturity in the third quarter of 2030.

The term loan facility is repayable in 12 equal consecutive quarterly instalments of \$12,000, four equal consecutive quarterly instalments of \$10,000, four equal consecutive quarterly instalments of \$8,000 and four equal consecutive quarterly instalments of \$6,000 together with a final balloon payment of \$60,000 on the term loan facility termination date.

This facility’s interest rate is SOFR plus a margin of 1.85% per annum payable quarterly in arrears.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt (continued)**a) \$300.0 Million Senior Secured Term Loan Facility CACIB, ABN, Bank of America, First Citizens Bank, CTBC (continued)**

The Company used the net proceeds from the 2024 Senior Secured Term Loan Facility to refinance or prepay, in full or in part, the following (a) existing debt facilities (i) Sinopac Credit Facility, (ii) Deutsche Credit Facility, (iii) HCOB Credit Facility, (iv) CACIB, Bank Sinopac, CTBC Credit Facility, (v) Chaillease Credit Facility, (vi) Syndicated Senior Secured Credit Facility (CACIB, ABN, First-Citizens & Trust Company, Siemens, CTBC, Bank Sinopac, Palatine), (vii) Macquarie loan and (viii) E.SUN, MICB, Cathay, Taishin Credit Facility and (b) existing sale and lease back agreements (i) \$54,000 Sale and Leaseback agreement – CMBFL and (ii) \$14,735 Sale and Leaseback agreement - Neptune Maritime Leasing. The refinancing transaction was accounted as a debt extinguishment.

As of December 31, 2024, the aggregate principal amount outstanding under the 2024 Senior Secured Term Loan Facility was \$288,000.

b) Macquarie Credit Facility

On May 18, 2023, the Company entered into a new credit facility agreement with Macquarie Bank Limited (“Macquarie”) for an amount of \$76,000 to finance part of the acquisition cost of four containership, each with carrying capacity of, 8,544 TEU vessels for an aggregate purchase price of \$123,300. The vessels were delivered during the second quarter of 2023.

All four tranches were drawdown in the second quarter of 2023 and the credit facility has a maturity in May 2026.

The facility is repayable in two equal consecutive quarterly instalments of \$5,000, six equal consecutive quarterly instalments of \$6,000 and one quarterly instalments of \$3,000 and two equal consecutive quarterly instalments of \$1,000 with a final balloon payment of \$25,000 payable three years after the first utilisation date.

This facility's interest rate is SOFR plus a margin of 3.50% per annum payable quarterly in arrears.

On September 10, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to partially prepay the amount of \$18,500 under this facility (prepayment was deducted from the final balloon payment).

As of December 31, 2024, the outstanding balance of this facility was \$23,500.

c) 5.69% Senior Secured Notes due 2027

On June 16, 2022, Knausen Holding LLC (the "Issuer"), an indirect wholly-owned subsidiary of the Company, closed on the private placement of \$350,000, led by Goldman Sachs & Co. LLC., of publicly rated/investment grade 5.69% Senior Secured Notes due 2027 (the “2027 Secured Notes”) to a limited number of accredited investors. The fixed interest rate was determined on June 1, 2022, based on the interpolated interest rate of 2.84% plus a margin 2.85%.

The Company used the net proceeds from the private placement for the repayment of the remaining outstanding balances on its New Hayfin Credit Facility and the Hellenic Bank Credit Facility (releasing five unencumbered vessels), and our 2024 Notes. The remaining amount of net proceeds were allocated for general corporate purposes.

An amount equal to 15% per annum of the original principal balance of each Note is payable in equal quarterly installments on the 15th day of each of January, April, July, and October starting October 15, 2022, and the remaining unpaid principal balance shall be due and payable on the maturity date of July 15, 2027. Interest accrues on the unpaid balance of the Notes, payable quarterly on the 15th day of January, April, July, and October in each year, such interest commencing and accruing on and from June 14, 2022.

The 2027 Secured Notes are senior obligations of the Issuer, secured by first priority mortgages on 20 identified vessels owned by subsidiaries of the Issuer (the “Subsidiary Guarantors”) and certain other associated assets and contract rights, as well as share pledges over the Subsidiary Guarantors. In addition, the 2027 Secured Notes are fully and unconditionally guaranteed by the Company.

As of December 31, 2024, the aggregate principal amount outstanding under the 2027 Secured Notes was \$231,875.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt (continued)**d) \$60.0 Million E.SUN, MICB, Cathay, Taishin Credit Facility**

On December 30, 2021, the Company entered into a new syndicated senior secured debt facility with E.SUN Commercial Bank Ltd (“E.SUN”), Cathay United Bank (“Cathay”), Mega International Commercial Bank Co. Ltd (“MICB”) and Taishin International Bank (“Taishin”). The Company used a portion of the net proceeds from this credit facility to fully prepay the outstanding balance of the Blue Ocean Junior Credit Facility at that time, amounting to \$26,205 plus a prepayment fee of \$3,968. All three tranches were drawn down in January 2022.

The facility was repayable in eight equal consecutive quarterly instalments of \$4,500 and ten equal consecutive quarterly instalments of \$2,400.

This facility’s interest is SOFR plus a margin of 2.75% per annum plus Credit Adjustment Spread (“CAS”) payable quarterly in arrears.

On September 11, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to partially prepay the amount of \$8,500 under this facility. Following the prepayment, the outstanding balance of the facility is repayable in four equal consecutive quarterly instalments of \$2,400 and one quarterly instalment of \$1,100 and new maturity will be in October 2025 from July 2026.

As of December 31, 2024, the outstanding balance of this facility was \$8,300.

e) \$12.0 Million Sinopac Capital International Credit Facility

On August 27, 2021, the Company entered into a secured credit facility for an amount of \$12,000 with Sinopac Capital International (HK) Limited (“Sinopac Credit Facility”), which was partially used to fully refinance the Hayfin Credit Facility. The full amount was drawn down in September 2021 and the credit facility has a maturity in September 2026.

The facility was repayable in 20 equal consecutive quarterly instalments of \$420 with a final balloon of \$3,600 payable together with the final instalment. This facility bore interest at SOFR plus a margin of 3.25% per annum payable quarterly in arrears.

On September 11, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$6,960 under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

f) \$140.0 Million HCOB, CACIB, ESUN, CTBC, Taishin Credit Facility

On July 6, 2021, the Company entered into a facility with CACIB, Hamburg Commercial Bank AG (“HCOB”), ESUN, CTBC and Taishin for a total of \$140,000 to finance the acquisition of the Twelve Vessels. The full amount was drawdown in July 2021 and the credit facility has a maturity in July 2026.

The facility is repayable in six equal consecutive quarterly instalments of \$8,000, eight equal consecutive quarterly instalments of \$5,400 and six equal consecutive quarterly instalments of \$2,200 with a final balloon payment of \$35,600 payable together with the final instalment. On March 23, 2023, due to the sale of GSL Amstel, the Company repaid \$2,838 on this facility of which \$1,000 was deducted from the final balloon payment, and the vessel was released as collateral.

This facility’s interest rate is SOFR plus a margin of 3.25% per annum plus CAS payable quarterly in arrears.

As of December 31, 2024, the outstanding balance of this facility was \$52,111.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt (continued) Long-Term Debt (Narrative II)**g) \$51.7 Million Deutsche Bank AG Credit Facility**

On May 6, 2021, the Company entered into a secured facility for an amount of \$51,670 with Deutsche Bank AG in order to refinance one of the three previous tranches of the \$180,500 Deutsche, CIT, HCOB, Entrust, Blue Ocean Credit Facility, that had a maturity date on June 30, 2022, of an amount \$48,527.

The facility was repayable in 20 equal consecutive quarterly instalments of \$1,162.45 with a final balloon of \$28,421 payable together with the final instalment.

This facility bore interest at SOFR plus a margin of 3.25% per annum payable quarterly in arrears.

On August 12, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$36,558 under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil. 0

h) \$64.2 Million Hamburg Commercial Bank AG Credit Facility

On April 15, 2021, the Company entered into a Senior Secured term loan facility with HCOB “the HCOB Credit Facility” for an amount of up to \$64,200 in order to finance the acquisition of six out of the Seven Vessels.

Tranche A, E and F amounting to \$32,100 were drawn down in April 2021 and have a maturity date in April 2025, Tranche B and D amounting to \$21,400 were drawn down in May 2021 and have a maturity date in May 2025, and Tranche C amounting to \$10,700 was drawn down in July 2021 and has a maturity date in July 2025.

Each Tranche of the facility was repayable in 16 equal consecutive quarterly instalments of \$668.75.

This facility bore interest at SOFR plus a margin of 3.50% per annum payable quarterly in arrears.

On September 5, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$12,706 under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

i) \$51.7 Million CACIB, Bank Sinopac, CTBC Credit Facility

On April 13, 2021, the Company entered into a secured facility for an amount of \$51,700 in order to refinance one of the three previous tranches of the \$180,500 Deutsche, CIT, HCOB, Entrust, Blue Ocean Credit Facility, that had a maturity date on June 30, 2022, of an outstanding amount of \$48,648. The secured credit facility has a maturity in April 2026.

The lenders were CACIB, Bank Sinopac Co. Ltd. (“Bank Sinopac”) and CTBC. The facility was repayable in 20 equal consecutive quarterly instalments of \$1,275 with a final balloon of \$26,200 payable together with the final instalment.

This facility bore interest at SOFR plus a margin of 2.75% per annum plus CAS payable quarterly in arrears.

On August 9, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$35,125 under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt (continued)**j) \$9.0 Million Chailease Credit Facility**

On February 26, 2020, the Company entered into a secured term facility agreement with Chailease International Financial Services Pte., Ltd. for an amount of \$9,000. The Chailease Credit Facility was used to refinance the DVB Credit Facility.

The facility was repayable in 36 consecutive monthly instalments of \$156 and 24 monthly instalments of \$86 with a final balloon of \$1,314 payable together with the final instalment.

This facility bore interest at SOFR plus a margin of 4.20% per annum.

On September 12, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$1,831 under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

k) \$268.0 Million Syndicated Senior Secured Credit Facility (CACIB, ABN, First-Citizens & Trust Company, Siemens, CTBC, Bank Sinopac, Palatine)

On September 19, 2019, the Company entered into a Syndicated Senior Secured Credit Facility in order to refinance existing credit facilities that had a maturity date in December 2020, of an outstanding amount of \$224,310.

The Senior Syndicated Secured Credit Facility was agreed to be borrowed in two tranches. The Lenders were CACIB, ABN, First-Citizens & Trust Company, Siemens Financial Services Inc ("Siemens"), CTBC, Bank Sinopac and Banque Palatine ("Palatine").

Tranche A amounting to \$230,000 was drawn down in full on September 24, 2019 and was scheduled to be repaid in 20 consecutive quarterly instalments of \$5,200 starting from December 12, 2019 and a balloon payment of \$126,000 payable on September 24, 2024.

Tranche B amounting to \$38,000 was drawn down in full on February 10, 2020 and was scheduled to be repaid in 20 consecutive quarterly instalments of \$1,000 and a balloon payment of \$18,000 payable in the termination date on the fifth anniversary from the utilization date of Tranche A, which falls in September 24, 2024. In January 2022, the Company agreed a new senior secured debt facility to refinance its outstanding Syndicated Senior Secured Credit Facility, which extended the maturity date from September 2024 to December 2026, amended certain covenants in the Company's favor at an unchanged rate of LIBOR + 3.00%. On July 1, 2022, the interest rate was SOFR plus a margin of 3.00% plus CAS and was payable at each quarter end date.

On August 9, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$133,200 under this facility.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

Sale and leaseback agreements (finance leases)**l) Four Sale and Leaseback agreements (\$44.5 Million each) – Minsheng Financial Leasing**

In December 2024, the Company entered into two sale and leaseback agreements with Minsheng Financial Leasing ("Minsheng") for \$44,500, each, to finance the acquisition of two of the newly acquired high-reefer ECO 9,019 TEU vessels, Bremerhaven Express, having closed in December 2024 and the other, Czech, in January 2025. The Company has a purchase obligation to acquire the Bremerhaven Express at the end of its lease term and under ASC 842-40, the transaction has been accounted for as a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as financial liability. In January 2025, the Company entered into two additional sale and leaseback agreements, for \$44,500 each, with Minsheng to finance the purchase of the remaining two newly acquired high-reefer ECO 9,019 TEU vessels.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt (continued)**l) Four Sale and Leaseback agreements (\$44.5 Million each) – Minsheng Financial Leasing (continued)**

Each sale and leaseback agreement is repayable in 40 equal consecutive quarterly instalments of \$862.5 with a repurchase obligation of \$10,000 on the final repayment date. The sale and leaseback agreements each have a term of ten years, and bear interest at SOFR plus a margin of 2.5% per annum payable quarterly in arrears.

As of December 31, 2024 only the sale and leaseback agreement for the Bremerhaven Express has closed, and the outstanding amount thereunder was \$44,500.

m) \$120.0 Million Sale and Leaseback agreements - CMBFL Four Vessels

On August 26, 2021, the Company entered into four \$30,000 sale and leaseback agreements with CMB Financial Leasing Co. Ltd. ("CMBFL") to finance the acquisition of the Four Vessels. As at September 30, 2021, the Company had drawdown a total of \$90,000. The drawdown for the fourth vessel, amounting to \$30,000, took place on October 13, 2021 together with the delivery of this vessel. The Company has a purchase obligation to acquire the Four Vessels at the end of their lease terms and under ASC 842-40, the transaction has been accounted for as a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback agreement as financial liabilities.

Each sale and leaseback agreement is repayable in 12 equal consecutive quarterly instalments of \$1,587.5 and 12 equal consecutive quarterly instalments of \$329.2 with a repurchase obligation of \$7,000 on the final repayment date.

The sale and leaseback agreements for the three vessels mature in September 2027 and for the fourth vessel in October 2027 and bear interest at SOFR plus a margin of 3.25% per annum plus CAS payable quarterly in arrears.

As of December 31, 2024, the outstanding balance of these sale and lease back agreements was \$42,813.

n) \$54.0 Million Sale and Leaseback agreement - CMBFL

On May 20, 2021, the Company entered into a \$54,000 sale and leaseback agreement with CMBFL to refinance one of the three previous tranches of the \$180,500 Deutsche, CIT, HCOB, Entrust, Blue Ocean Credit Facility, that had a maturity date on June 30, 2022, of an amount \$46,624. The Company had a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction had been accounted for as a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability.

The sale and leaseback agreement was repayable in eight equal consecutive quarterly instalments of \$2,025 each and 20 equal consecutive quarterly instalments of \$891 with a repurchase obligation of \$19,980 on the final repayment date.

The sale and leaseback agreement matured in May 2028 and bore interest at SOFR plus a margin of 3.25% per annum plus CAS payable quarterly in arrears.

In May 2021, on the actual delivery date of the vessel, the Company drew \$54,000, which represented vessel purchase price \$75,000 less advanced hire of \$21,000, which advanced hire neither bore any interest nor was refundable and was set off against payment of the purchase price payable to the Company by the unrelated third party under this agreement.

On August 27, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$33,345 under this facility.

As of December 31, 2024, the outstanding balance of this sale and leaseback agreement was \$nil.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt (continued)**o) \$14.7 Million Sale and Leaseback agreement - Neptune Maritime Leasing**

On May 12, 2021, the Company entered into a \$14,735 sale and leaseback agreement with Neptune Maritime Leasing (“Neptune”) to finance the acquisition of GSL Violetta delivered in April 2021. The Company had a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction had been accounted for as a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. In May 2021, the Company drew \$14,735 under this agreement.

The sale and leaseback agreement was repayable in 15 equal consecutive quarterly instalments of \$793.87 each and four equal consecutive quarterly instalments of \$469.12 with a repurchase obligation of \$950 on the last repayment date.

The sale and leaseback agreement matured in February 2026 and bore interest at SOFR plus a margin of 4.64% per annum payable quarterly in arrears.

On September 12, 2024, the Company used a portion of the net proceeds from the 2024 Senior Secured Term Loan Facility entered on August 7, 2024, to fully prepay the amount of \$4,414 under this facility.

As of December 31, 2024, the outstanding balance of this sale and leaseback agreement was \$nil.

p) \$236.2 Million Senior secured loan facility with Hayfin Capital Management, LLP

On January 7, 2021, the Company entered into the New Hayfin Credit Facility amounting to \$236,200, and on January 19, 2021, the Company drew down the full amount under this facility. The proceeds from the New Hayfin Credit Facility, along with cash on hand, were used to optionally redeem in full the outstanding 2022 Notes on January 20, 2021. The New Hayfin Credit Facility matured in January 2026 and bore interest at a rate of LIBOR plus a margin of 7.00% per annum. It was repayable in twenty quarterly instalments of \$6,560, along with a balloon payment at maturity. The New Hayfin Credit Facility was secured by, among other things, first priority ship mortgages over 21 of the Company’s vessels, assignments of earnings and insurances of the mortgaged vessels, pledges over certain bank accounts, as well as share pledges over the equity interests of each mortgaged vessel-owning subsidiary. On June 30, 2021, due to the sale of La Tour, the Company additionally repaid \$5,831, and the vessel was released as collateral under the Company’s New Hayfin Credit Facility. On June 16, 2022, the Company used a portion of the proceeds from the private placement for the full prepayment of the remaining outstanding balance \$197,569 plus a prepayment fee of \$11,229.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

q) Redemption of 8.00% Senior Unsecured Notes due 2024

On November 19, 2019, the Company completed the sale of \$27,500 aggregate principal amount of its 8.00% Senior Unsecured Notes (the “2024 Notes”) which matured on December 31, 2024. On November 27, 2019, the Company sold an additional \$4,125 of 2024 Notes, pursuant to the underwriter’s option to purchase such additional 2024 Notes. Interest on the 2024 Notes was payable on the last day of February, May, August and November of each year commencing on February 29, 2020.

The Company had the option to redeem the 2024 Notes for cash, in whole or in part, at any time (i) on or after December 31, 2021 and prior to December 31, 2022, at a price equal to 102% of the principal amount, (ii) on or after December 31, 2022 and prior to December 31, 2023, at a price equal to 101% of the principal amount and (iii) on or after December 31, 2023 and prior to maturity, at a price equal to 100% of the principal amount.

On November 27, 2019, the Company entered into an “At Market Issuance Sales Agreement” with B. Riley FBR, Inc. (the “Agent”) under which and in accordance with the Company’s instructions, the Agent could offer and sell from time to time newly issued 2024 Notes.

In July 2021, the Company agreed to purchase the Twelve Vessels for an aggregate purchase price of \$233,890, part of which was financed by the issuance of \$35,000 2024 Notes to the sellers. The remaining purchase price was financed by cash on hand and a new syndicated credit facility for a total of \$140,000 (see note 12f).

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt (continued)**q) Redemption of 8.00% Senior Unsecured Notes due 2024 (continued)**

On April 5, 2022, the Company completed the partial redemption of \$28,500 aggregate principal amount of the Notes (the “Redeemed Notes”) at a redemption price equal to 102.00% of the principal amount thereof plus accrued and unpaid interest. Upon completion of the redemption the outstanding aggregate principal amount of the 2024 Notes was \$89,020. On July 15, 2022, the 2024 Notes were fully repaid by the Company using a portion of the net proceeds from the private placement of \$350,000 aggregate principal amount of its 2027 Secured Notes, pursuant to a note purchase agreement, dated June 14, 2022. Total loss on redemption was \$2,350 and was recorded within the Consolidated Statements of Income for the year ended December 31, 2022, in line “Interest and other finance expenses”.

As of December 31, 2024, the outstanding aggregate principal amount of the 2024 notes was \$nil.

r) \$38.5 Million Blue Ocean Junior Credit Facility

On September 19, 2019, the Company entered into a refinancing agreement with Blue Ocean Income Fund LP, Blue Ocean Onshore Fund LP, and Blue Ocean Investments SPC Blue, holders of the outstanding debt of \$38,500 relevant to the previous Blue Ocean Credit Facility in order to refinance that existing facility with the only substantive change being to extend maturity at the same date with the Syndicated Senior Secured Credit Facility.

The Company fully drew down the facility on September 23, 2019, and it was scheduled to be repaid in a single instalment on the termination date which fell on September 24, 2024. This facility bore interest at 10.00% per annum.

During the year ended December 31, 2021, the Company used a portion of the net proceeds from the at-the-market issuance programs to prepay an amount of \$12,295 under this facility plus a prepayment fee of \$1,618.

On January 19, 2022, the Company used a portion of the net proceeds from the new facility agreement entered on December 30, 2021, with E.SUN, MICB, Cathay, Taishin, to fully prepay the amount of \$26,205 under this facility, plus a prepayment fee of \$3,968.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

s) \$59.0 Million Hellenic Bank Credit Facility

On May 23, 2019, the Company entered into a facility agreement with Hellenic Bank for an amount up to \$37,000. Borrowings under the Hellenic Bank Facility were available in tranches and were used in connection with the acquisition of the vessels GSL Eleni, GSL Grania and GSL Kalliopi.

An initial tranche of \$13,000 was drawn on May 24, 2019, in connection with the acquisition of the GSL Eleni. The Facility was repayable in 20 equal quarterly instalments of \$450 each with a final balloon of \$4,000 payable together with the final instalment.

A second tranche of \$12,000 was drawn on September 4, 2019, in connection with the acquisition of GSL Grania. The Facility was repayable in 20 equal quarterly instalments of \$400 each with a final balloon of \$4,000 payable together with the final instalment.

The third tranche of \$12,000 was drawn on October 3, 2019, in connection with the acquisition of GSL Kalliopi. The Facility was repayable in 20 equal quarterly instalments of \$400 each with a final balloon of \$4,000 payable together with the final instalment.

On December 10, 2019, the Company entered into an amended and restated loan agreement with Hellenic Bank for an additional facility of amount \$22,000 that was to be borrowed in two tranches and to be used in connection with the acquisition of the vessels GSL Vinia and GSL Christel Elisabeth. Both tranches were drawn on December 10, 2019, and were each repayable in 20 equal quarterly instalments of \$375 each with a final balloon of \$3,500 payable together with the final instalment.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt (continued)

s) \$59.0 Million Hellenic Bank Credit Facility (continued)

This facility bore interest at LIBOR plus a margin of 3.90% per annum.

On June 24, 2022, the Hellenic Bank credit Facility was fully prepaid by the Company using a portion of the net proceeds from the private placement of \$350,000 aggregate principal amount of its 2027 Secured Notes, pursuant to a note purchase agreement, dated June 14, 2022.

As of December 31, 2024, the outstanding balance of this facility was \$nil.

t) Repayment Schedule

Maturities of long-term debt for the years subsequent to December 31, 2024, are as follows:

Payment due by year ended	Amount
December 31, 2025	145,278
December 31, 2026	157,069
December 31, 2027	208,604
December 31, 2028	41,450
December 31, 2029	33,450
December 31, 2030 and thereafter	105,248
	<u>\$ 691,099</u>

u) Deferred Financing Costs

	December 31, 2024	December 31, 2023
Opening balance	<u>\$ 10,750</u>	<u>\$ 15,136</u>
Expenditure in the period	3,120	1,140
Amortization included within interest expense	(6,828)	(5,526)
Closing balance	<u>\$ 7,042</u>	<u>\$ 10,750</u>

During 2024, total costs amounting to \$2,625 were incurred in connection with 2024 Senior Secured Term Loan Facility (CACIB, ABN, BofA, First Citizens, CTBC) (see note 12a) and \$495 in connection with the Minsheng Sale and Leaseback agreement (see Note 12i).

During 2023, total costs amounting to \$1,140 were incurred in connection with the Macquarie Credit Facility (see note 12b).

During 2022, total costs amounting to \$1,066 were incurred in connection with the Syndicated Senior Secured Credit facility (see note 12k), \$1,180 in connection with E.SUN, MICB, Cathay, Taishin credit facility (see note 12d) and \$7,409 in connection with the 2027 Secured Notes (see note 12c).

For the years ended December 31, 2024, 2023 and 2022, the Company recognized a total of \$6,828, \$5,526, and \$11,233, respectively, in respect of amortization of deferred financing costs.

v) Debt covenants-securityties

Amounts drawn under the facilities listed above are secured by first priority mortgages on certain of the Company’s vessels and other collateral. The credit facilities contain a number of restrictive covenants that limit the Company from, among other things: incurring or guaranteeing indebtedness; charging, pledging or encumbering the vessels; and changing the flag, class, management or ownership of the vessel owning entities. The credit facilities also require the vessels to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times. Additionally, specific credit facilities require compliance with a number of financial covenants including asset cover ratios and minimum liquidity and corporate guarantor requirements. Among other events, it will be an event of default under the credit facilities if the financial covenants are not complied with or remedied.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

12. Long-Term Debt (continued)

v) Debt covenants-securities (continued)

As of December 31, 2024, and December 31, 2023, the Company was in compliance with its debt covenants.

13. Time charter revenue

Operating revenue from significant customers (constituting more than 10% of total time charter revenue) was as follows:

Charterer	Year Ended December 31,		
	2024	2023	2022
CMA CGM	22.23%	28.59%	29.62%
MAERSK	33.63%	30.82%	29.79%
ZIM	11.77%	13.49%	10.73%

14. Related Party Transactions

As of May 27, 2022, CMA CGM, who was presented up to that moment as a related party as it was a shareholder, following the sale of its shares, is not anymore Company’s shareholder. Related party revenue and expenses recorded in the Consolidated Statements of Income for CMA CGM are up to May 27, 2022.

Time Charter Agreements

A number of the Company’s time charter arrangements were with CMA CGM, representing 14.9% of gross revenues for the period it was considered to be a related party in the year ended December 31, 2022. Under these time charters, hire is payable in advance and the daily rate is fixed for the duration of the charter. Revenues generated from charters to CMA CGM are disclosed separately in the Consolidated Statements of Income.

Ship Management Agreements

Technomar Shipping Inc. (“Technomar”) is presented as a related party, as the Company’s Executive Chairman is a significant shareholder. The Company has currently a number of ship management agreements with Technomar under which the ship manager is responsible for all day-to-day ship management, including crewing, purchasing stores, lubricating oils and spare parts, paying wages, pensions and insurance for the crew, and organizing other ship operating necessities, including monitoring and reporting EU Allowances (“EUAs”) and the arrangement and management of dry-docking. During 2022, Technomar provided all day-to-day technical ship management services for all but five (excluding GSL Amstel which was sold in March 23, 2023) of the Twelve Vessels. Management agreements of another third-party ship manager of these five vessels were terminated between May and July 2023. From those dates and onwards Technomar manages the five vessels. The management fees charged to the Company by third party managers for the years ended December 31, 2024, 2023 and 2022 amounted to \$nil, \$981 and \$1,488, respectively, and are shown in “Vessel operating expenses” in the Consolidated Statements of Income. Technomar continued to supervise management for the five outsourced vessels up to the termination of the underlying management agreements between May and July 2023.

The management fees charged to the Company by Technomar for the years ended December 31, 2024, 2023 and 2022, amounted to \$21,804, \$19,086 and \$16,642, respectively and are shown under “Vessels operating expenses-related parties” in the Consolidated Statements of Income. Additionally, as of December 31, 2024, and 2023, outstanding receivables due from Technomar totaling \$342 and \$626, respectively, are presented under “Due from related parties”.

Conchart Commercial Inc. (“Conchart”) provides commercial management services to the Company pursuant to commercial management agreements. The Company’s Executive Chairman is the sole beneficial owner of Conchart. Under the management agreements, Conchart is responsible for (i) marketing of the Company’s vessels, (ii) seeking and negotiating employment of the Company’s vessels, (iii) advise the Company on market developments and developments of new rules and regulations, (iv) assisting in calculation of hires, freights, demurrage and/or dispatch monies and collection any sums related to the operation of vessels, (v) communicating with agents, and (vi) negotiating sale and purchase transactions.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

14. Related Party Transactions (continued)

Ship Management Agreements (continued)

The fees charged to the Company by Conchart for the years ended December 31, 2024, 2023 and 2022, amounted to \$8,610, \$7,995 and \$6,289, respectively, and are disclosed within “Time charter and voyage expenses-related parties” in the Consolidated Statements of Income. Any outstanding fees due to Conchart are presented in the Consolidated Balance Sheets under "Due to related parties" totaling to \$723 and \$717 as of December 31, 2024, and 2023, respectively.

The Company as per commercial management agreements has agreed to pay to the commercial manager providing for the sale of all vessels and purchase of some vessels, a commission of 1.00% based on the sale and purchase price for any sale and purchase of a vessel, which shall be payable upon request of the commercial manager. The balance is reflected within “Accrued liabilities”, see note 11.

15. Commitments and Contingencies

Charter Hire Receivable

The Company has entered time charters for its vessels. The charter hire is fixed for the duration of the charter. The minimum contracted future charter hire receivable, net of address commissions, not allowing for any unscheduled off-hire, assuming expiry at earliest possible dates and assuming options callable by the Company included in the charters are not exercised, for the 71 vessels as at December 31, 2024 is as follows:

	Amount
December 31, 2025	\$ 634,080
December 31, 2026	462,024
December 31, 2027	327,105
December 31, 2028	108,599
December 31, 2029	47,748
Total minimum lease revenue, net of address commissions	\$ 1,579,556

16. Share Capital

Common shares

As of December 31, 2024, the Company has one class of Class A common shares.

Restricted stock units or incentive stock units have been granted to the Directors and management, under the Company’s Equity Incentive Plans, as part of their compensation arrangements (see note 17). In April 2020, the Company issued 184,270 shares under grants made under the 2019 Omnibus Incentive Plan (the “2019 Plan”). In 2024, 2023, 2022 and 2021, 483,713, 440,698, 586,819 and 747,604 Class A common shares were issued under the 2019 Plan, respectively.

On January 26, 2021, the Company completed its underwritten public offering of 5,400,000 Class A common shares, at a public offering price of \$13.00 per share, for gross proceeds to the Company of approximately \$70,200, prior to deducting underwriting discounts, commissions and other offering expenses. The Company intended to use the net proceeds of the offering for funding the expansion of the Company’s fleet, general corporate purposes, and working capital. On February 17, 2021, the Company issued an additional 141,959 Class A common shares in connection with the underwriters’ partial exercise of their option to purchase additional shares (together, the “January 2021 Equity Offering”). The net proceeds the Company received in the January 2021 Equity Offering, after underwriting discounts and commissions and expenses, were approximately \$67,549.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

16. Share Capital (continued)**Common shares (continued)**

On September 1, 2021, the Company purchased 521,650 shares and retired them, reducing the issued and outstanding shares. In April 2022, September 2022 and October 2022, the Company repurchased 184,684, 568,835 and 307,121 Class A common shares, respectively, reducing the issued and outstanding shares. During 2024 and 2023, the Company repurchased 251,772 and 1,242,663 Class A common shares, reducing the issued and outstanding shares. As at December 31, 2024, the Company had 35,447,370 Class A common shares outstanding.

On August 16, 2024, the Company entered into a new equity distribution agreement (the "Sales Agreement") with Evercore Group L.L.C. (the "Agent") under which the Company may offer and sell its Class A common shares having an aggregate offering price of up to \$100,000. As of December 31, 2024, the Company has issued 27,106 Class A common shares at an average price of \$27.02.

On May 10, August 3, and November 9, 2023, the Company announced a dividend of \$0.375 per Class A common share from the earnings of the first, second and third quarter of 2023, respectively, each paid on June 2, September 4, 2023, and December 4, 2023, to common shareholders of record as of May 24, August 23, and November 24, 2023, respectively, each amounting to \$13,340, \$13,300 and \$13,258.

On February 12, 2024, the Company announced a dividend of \$0.375 per Class A common share from the earnings of the fourth quarter of 2023 paid on March 6, 2024, to common shareholders of record as of February 22, 2024, amounting to \$13,214.

On May 10, 2024, the Company announced a dividend of \$0.375 per Class A common share from the earnings of the first quarter of 2024 paid on June 3, 2024, to common shareholders of record as of May 24, 2024, amounting to \$13,255.

On August 5, 2024, the Company announced a dividend of \$0.45 per Class A common share from the earnings of the second quarter of 2024 paid on September 4, 2024, to common shareholders of record as of August 23, 2024, amounting to \$15,965.

On November 11, 2024, the Company announced a dividend of \$0.45 per Class A common share from the earnings of the third quarter of 2024, paid on December 4, 2024, to common shareholders of record as of November 22, 2024 amounting to \$16,004.

Preferred shares

On August 20, 2014, the Company issued 1,400,000 Depositary Shares (the "Depositary Shares"), each of which represents 1/100th of one share of the Company's 8.75% Series B Cumulative Perpetual Preferred Shares ("Series B Preferred Shares") representing an interest in 14,000 Series B Preferred Shares, par value \$0.01 per share, with a liquidation preference of \$2,500.00 per share (equivalent to \$25.00 per Depositary Share) (NYSE:GSL-B), priced at \$25.00 per Depositary Share. The net proceeds from the offering were \$33,497. Dividends are payable at 8.75% per annum in arrears on a quarterly basis. At any time after August 20, 2019 (or within 180 days after the occurrence of a fundamental change), the Series B Preferred Shares may be redeemed, at the discretion of the Company, in whole or in part, at a redemption price of \$2,500.00 per share (equivalent to \$25.00 per depositary share).

These shares are classified as Equity in the Consolidated Balance Sheets. The dividends payable on the Series B Preferred Shares are presented as a reduction of Retained Earnings in the Consolidated Statements of Changes in Shareholders' Equity, when and if declared by the Board of Directors. An initial dividend was declared on September 22, 2014, for the third quarter 2014. Dividends have been declared for all subsequent quarters.

On December 29, 2022, the Company entered into a new ATM agreement with B. Riley Securities, Inc. (the "Agent"), pursuant to which the Company may offer and sell, from time to time, up to \$150,000,000 of its Depositary Shares. This new ATM Agreement terminated and replaced, in its entirety, the former at-the-market program that the Company had in place with the Agent for the Depositary Shares. No shares were issued under the new ATM Agreement up to December 31, 2024.

As of December 31, 2024, there were 4,359,190 Depositary Shares outstanding, representing an interest in 43,592 Series B Preferred Shares.

Global Ship Lease, Inc.**Notes to the Consolidated Financial Statements (continued)**

(Expressed in thousands of U.S. dollars)

17. Stock-Based Compensation

On February 4, 2019, the Board of Directors adopted the 2019 Plan.

The purpose of the 2019 Plan is to provide directors, officers and employees, whose initiative and efforts are deemed to be important to the successful conduct of our business, with incentives to (a) enter into and remain in the service of our company or our subsidiaries and affiliates, (b) acquire a proprietary interest in the success of the Company, (c) maximize their performance and (d) enhance the long-term performance of our company. The 2019 Plan is administered by the Compensation Committee of the Board of Directors, or such other committee of the Board of Directors as may be designated by them. Unless terminated earlier by the Board of Directors, the 2019 Plan will expire 10 years from the date on which it was adopted by the Board of Directors.

Following the adoption of the 2019 Plan, previous plans adopted in 2015 and 2008 were terminated.

In 2019, the Board of Directors approved awards to the Company's executive officers under the 2019 Plan, providing those executive officers with the opportunity to receive up to 1,359,375 Class A common shares in aggregate. The Board of Directors approved additional awards of 61,625 of Class A common shares to two other employees resulting in a total amount of awards of up to 1,421,000 shares. In July 2021, the Board of Directors approved the issuance of 17,720 shares to one member of senior management as a special bonus.

The 1,421,000 shares of incentive stock may be issued pursuant to the awards, in four tranches. The first tranche was to vest conditioned only on continued service over the three-year period which commenced January 1, 2019. Tranches two, three and four would vest when the Company's stock price exceeded \$8.00, \$11.00 and \$14.00, respectively, over a 60-day period. The \$8.00 threshold was achieved in January 2020, the \$11.00 threshold was achieved in January 2021 and the \$14.00 threshold was achieved in March 2021. Accordingly, 113,279 incentive shares vested in the year ended December 31, 2019, 317,188 incentive shares vested in the year ended December 31, 2020, and 1,008,253 incentive shares vested in the year ended December 31, 2021. Of the total of 430,467 incentive shares which vested up to December 31, 2020, 184,270 were settled and issued as Class A common shares in April 2020. A further 747,604 Class A common shares were settled and issued during the year ended December 31, 2021. A total of 1,438,720 incentive shares had vested as at December 31, 2021, of which 931,874 and 408,096 had been issued in 2021 and 2022, respectively.

On September 29, 2021, the Compensation Committee and the Board of Directors approved an increase in the aggregate number of Class A common shares available for issuance as awards under the 2019 Plan by 1,600,000 to 3,412,500, and approved new awards to senior management, totaling 1,500,000 shares of incentive stock, in three tranches, with a grant date October 1, 2021. The first tranche, representing 55% of the total, is to vest quarterly conditioned only on continued service over the four-year period which commenced October 1, 2021. Tranches two and three, each representing 22.5% of the total, were to vest quarterly up to September 30, 2025, once the Company's stock price exceeded \$27.00 and \$30.00, respectively, over a 60-day period. The Compensation Committee and Board of Directors also approved an increase the maximum number of Class A common shares that each non-employee director may be granted in any one year to 25,000 and subsequently approved stock-based awards to the then seven non-executive directors totaling 105,000 shares of incentive stock, or 15,000 each, to vest in a similar manner to those awarded to senior management.

During the year ended December 31, 2022, 28,528 unvested share awards were cancelled or withdrawn on the resignations of two directors and an award of 13,780 was made to one new director to vest in a similar manner to the other awards, with the first tranche adjusted for the date of appointment of the director.

In March 2023, the Compensation Committee and the Board of Directors approved an amendment to the awards agreed in September 2021 for senior management and non-employee directors such that 10% of the second tranche would be forfeit with the remaining 90% vesting from April 2023 and quarterly thereafter with the last such vesting to be October 2025. The price at which the third tranche was to vest was amended to \$21.00. All other terms of the awards remain unchanged. The threshold for the third tranche was met in second quarter 2024.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

17. Stock-Based Compensation (continued)

During the years ended December 31, 2024, 2023, 2022 and 2021, 535,912, 399,727, 218,366 and 55,175 incentive shares vested, respectively, under the amended September 2021 awards. A total of 2,647,900 incentive shares under both plans had vested as at December 31, 2024. Of the total incentive shares which vested under both plans up to December 31, 2024, and 2023, 204,797 and 152,598, respectively, had not been issued.

On January 2, 2024, the Company approved awards to a non-employee director amounting to 4,884 shares of incentive stock which vested and were issued immediately, and 8,311 shares, to vest in a similar manner to the awards to other non-employee directors, adjusted for the date of appointment of the director, up to September 30, 2025.

As a result of the Chief Executive Officer (“CEO”) transition in March 2024, the Board of Directors approved a new award of 6,465 shares of incentive stock to the new non-employee director and 51,750 a new award to the new CEO, both structured in the same way as existing equivalent awards, adjusted for the dates of appointment. 155,250 unvested shares under previous awards were forfeited due to retirement of the then CEO.

On October 9, 2024, the Company filed an amendment to original registration statement of the Company’s 2019 Plan to supplement the list of selling securityholders and to update the amounts of Class A common shares available to be resold by them. The file amended prospectus may be used for reoffers and resales of up to an aggregate of 1,669,533 Class A common shares on a continuous or delayed basis that were issued, or are issuable, to certain employees, directors and/or officers of the Company.

Stock-based awards since January 1, 2023, are summarized as follows:

	Restricted Stock Units		
	Number of Units		Actual Fair Value on Vesting Date
	Number	Weighted Average Fair Value on Grant Date	
Unvested as at January 1, 2023	1,316,711	\$ 22.35	n/a
Vested in year ended December 31, 2023	(399,727)	n/a	18.87
Forfeit in March 2023	(35,771)	n/a	n/a
Unvested as at December 31, 2023	881,213	\$ 22.35	n/a
Vested in year ended December 31, 2024	(535,912)	n/a	26.11
Granted in January 2024	13,195	18.82	n/a
Granted in March 2024	58,215	17.80	n/a
Forfeit in March 2024	(155,250)	n/a	n/a
Unvested as at December 31, 2024	261,461	\$ 21.92	n/a

Using the graded vesting method of expensing the restricted stock unit grants, the weighted average fair value of the stock units is recognized as compensation costs in the Consolidated Statements of Income over the vesting period. The fair value of the restricted stock units for this purpose is calculated by multiplying the number of stock units by the fair value of the shares at the grant date. The Company has not factored any anticipated forfeiture into these calculations based on the limited number of participants.

For the years ended December 31, 2024, 2023 and 2022, the Company recognized a total of \$8,704 (includes \$345 positive net effect from the amendment to the stock-based awards consequent on the CEO transition), \$10,189 (includes \$451 effect from the amendment to the stock-based awards), and \$10,104, respectively, in respect of stock-based compensation.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars except share data)

18. Earnings per Share

Under the two-class method, net income, if any, is first reduced by the amount of dividends declared in respect of common shares for the current period, if any, and the remaining earnings are allocated to common shares and participating securities to the extent that each security can share the earnings assuming all earnings for the period are distributed.

Earnings are only allocated to participating securities in a period of net income if, based on the contractual terms, the relevant common shareholders have an obligation to participate in such earnings. As a result, earnings are only being allocated to the Class A common shareholders.

At December 31, 2024 and 2023, there were 261,461 and 881,213, respectively, shares of incentive share grants unvested as part of senior management’s and non-executive directors incentive awards approved on September 29, 2021.

	December 31, 2024	December 31, 2023	December 31, 2022
Numerator:			
Net income available to common shareholders:			
Class A, basic and diluted	\$ 344,092	\$ 294,964	\$ 283,389
Denominator:			
Class A Common shares			
Basic weighted average number of common shares outstanding	35,316,495	35,405,458	36,603,134
Plus weighted average number of RSUs with service conditions	261,461	523,464	601,211
Common share and common share equivalents, dilutive	35,577,956	35,928,922	37,204,345
Basic earnings per share:			
Class A	9.74	8.33	7.74
Diluted earnings per share:			
Class A	9.67	8.21	7.62

19. Subsequent events

On March 5, 2025, the Company announced an increase of \$0.075 per Class A common share in the quarterly supplemental dividend for a total quarterly dividend of \$0.525 per Class A common share, commencing with the dividend payable in June 2025.

On February 12, 2025, the Company announced a dividend of \$0.45 per Class A common share from the earnings of the fourth quarter of 2024 paid on March 6, 2025, to common shareholders of record as of February 24, 2025.

On January 9, 2025, the fourth high-reefer ECO 9,019 TEU was delivered for a purchase price \$68,500. As of December 31, 2024, the Company had paid \$6,850 advance for this vessel acquisition.

In December 2024, the Company agreed to sell Tasman, a 5,936 TEU vessel. In February 2025, the Company agreed to also sell Keta, and Akiteta, each a 2,200 TEU vessel. Akiteta was delivered on February 19, 2025, and Tasman was delivered on March 10, 2025. The remaining vessel is scheduled for delivery in first half of 2025.

In January 2025, the Company entered into two additional sale and leaseback agreements, for \$44,500 each, with Minsheng to finance the purchase of the remaining two high-reefer ECO 9,019 TEU Vessels which were delivered in December 2024 and both at that moment were fully paid in cash.

**FOURTH AMENDED AND RESTATED BYLAWS
OF
GLOBAL SHIP LEASE, INC.**

As Adopted on March 14, 2024

**ARTICLE I
OFFICES**

Section 1.1 *Registered Office.* The registered office of Global Ship Lease, Inc. (the “Corporation”) in the Republic of the Marshall Islands is Trust Company Complex, Ajeltake Road, Ajeltake Island, P.O. Box 1405, Majuro, Marshall Islands MH 96960.

Section 1.2 *Other Offices.* The Corporation may also have an office or offices within or without the Republic of the Marshall Islands at such other place or places as the Board of Directors of the Corporation (the “Board of Directors”) may from time to time determine or the business of the Corporation may require.

**ARTICLE II
SHAREHOLDER MEETINGS**

Section 2.1 *Place of Meetings.* Meetings of the of the shareholders of the Corporation for any purpose shall be held at such time and place, either within or without the Republic of the Marshall Islands, as shall be designated from time to time by the Board of Directors.

Section 2.2 *Annual Meeting.* The annual meeting of shareholders of the Corporation shall be held on such day and at such time and place within or without the Republic of the Marshall Islands as the Board of Directors may determine for the purpose of electing directors and/or transacting any other proper business. The Chairman of the Board of Directors (the “Chairman”) or, in the Chairman’s absence, another person designated by the Board of Directors, shall act as chairman of all annual meetings of shareholders.

Section 2.3 *Nature of Business at Annual Meeting of Shareholders.* No business may be transacted at an annual meeting of shareholders, other than business that is either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof); (ii) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof); or (iii) otherwise properly brought before the annual meeting by any shareholder of the Corporation who (x) is a shareholder of record on the date of the giving of the notice provided for in Section 2.5 of this Article II and has remained a shareholder of record through the record date for the determination of shareholders entitled to vote at such annual meeting and (y) gives timely notice thereof in proper written form as set forth in Section 2.5 of this Article II to the Secretary of the Corporation (the “Secretary”).

No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Article II, *provided, however*, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Article II shall be deemed to preclude discussion by any shareholder of any such business. If the chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman of the meeting shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section 2.4 *Special Meetings.* Unless otherwise required by law or the Articles of Incorporation of the Corporation, as amended or restated from time to time (the “Articles of Incorporation”), special meetings of the shareholders, for any purpose or purposes may be called only by the Chairman or by a resolution of the Board of Directors. The business transacted at the special meeting is limited to the purposes stated in the notice. The Chairman, or in the Chairman’s absence, another person designated by the Board of Directors, shall act as the chairman of all special meetings of the shareholders. If the chairman of the special meeting determines that business was not properly brought before the special meeting in accordance with this Article II, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section 2.5 *Shareholder Notice.* To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary date of the immediately preceding annual meeting of shareholders.

To be in proper written form, a shareholder's notice to the Secretary must set forth as to each matter such shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of such shareholder, (iii) the class or series and number of shares of the Corporation that are owned beneficially or of record by such shareholder, (iv) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business and (v) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting. In addition, notwithstanding anything in this Article II to the contrary, a shareholder intending to nominate one or more persons for election as a director at an annual meeting must comply with Section 3.4 of these Bylaws for such nomination or nominations to be properly brought before such meeting.

Section 2.6 *Notice of Meetings.* Unless otherwise required by law or the Articles of Incorporation, notice of every annual and special meeting of shareholders shall state the date, hour, place and purpose of such meeting, and in the case of special meetings, shall also include the name of the person or persons at whose direction the notice is being issued, and shall be given personally or sent by mail, telegraph, cablegram, telex, teleprinter or electronic transmission at least fifteen (15) but not more than sixty (60) days before such meeting, to each shareholder of record entitled to vote thereat and to each shareholder of record who, by reason of any action proposed at such meeting would be entitled to have his, her or its shares appraised if such action were taken, and the notice shall include a statement of that purpose and to that effect. If mailed, notice shall be deemed to have been given when deposited in the mail, directed to the shareholder at his, her or its address as the same appears on the record of shareholders of the Corporation or at such address as to which the shareholder has given notice to the Secretary. Without limiting the manner by which notice otherwise may be given effectively to shareholders, any notice to shareholders may be given by mail, facsimile or electronic transmission to his, her or its last known address or facsimile number or by any other form of electronic transmission in the manner now or hereafter provided in Section 65 of the Republic of the Marshall Islands Business Corporations Act (the "BCA") or any other applicable provision of the BCA.

Section 2.7 *Waiver of Notice.* A written waiver of any notice, signed by a shareholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting shall constitute waiver of notice except attendance for the sole purpose of protesting, prior to the conclusion of the meeting, the lack of notice of such meeting.

Section 2.8 *Shareholder List.* The Secretary shall prepare, certify and make a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order with the address of and the number of voting shares registered in the name of each. Such list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present.

Section 2.9 *Quorum.* Unless otherwise required by law or the Articles of Incorporation, at all meetings of shareholders there must be present either in person or by proxy shareholders of record holding at least a majority of the shares of the Corporation issued and outstanding and entitled to vote at such meetings in order to constitute a quorum, but if less than a quorum is present, a majority of those shares present either in person or by proxy shall have power to adjourn any meeting until a quorum shall be present.

Section 2.10 *Adjournments.* Any meeting of shareholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business that may have been transacted at the original meeting. If the meeting is adjourned for lack of quorum, notice of the new meeting shall be given to each shareholder of record entitled to vote at the meeting. If the adjournment is for more than thirty (30) days, or if after an adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice in Section 2.6 of this Article II.

Section 2.11 *Vote Required.* At any meeting of shareholders at which a quorum is present, all matters shall be decided by a majority of the votes cast by the shareholders present in person or by proxy and entitled to vote, unless the matter is one for which, by express provision of statute, of the Articles of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the determination of such matter.

Section 2.12 *Voting.* Except as otherwise provided by the Articles of Incorporation, every shareholder shall have one vote for each share registered in his, her or its name. Each shareholder may exercise such voting right either in person or by proxy, *provided, however*, that no proxy shall be valid after the expiration of eleven (11) months from the date such proxy was authorized unless otherwise provided in the proxy. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in the law of the Republic of the Marshall Islands to support an irrevocable power. A shareholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation.

Section 2.13 *Action by Shareholders Without a Meeting.* Any action required or permitted to be taken by the shareholders of the Corporation, or any action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the shareholders entitled to vote with respect to the subject matter thereof.

The consent shall be delivered to the Corporation by delivery to its registered office in the Republic of the Marshall Islands, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of shareholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested.

Section 2.14 *Fixing of Record Date.* In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of the shareholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than fifteen (15) days prior to the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining shareholders entitled to notice of or to vote at a meeting of the shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of shareholders of record entitled to notice of or to vote at a meeting of the shareholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE III
DIRECTORS

Section 3.1 *Powers.* The Board of Directors shall have the powers set forth in the Articles of Incorporation.

Section 3.2 *Number and Class.* The number of persons constituting the Board of Directors shall be as set forth in the Articles of Incorporation.

Section 3.3 *Election.* Directors shall be elected in the manner set forth in the Articles of Incorporation.

Section 3.4 *Nomination of Directors.* Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided in the Articles of Incorporation with respect to the right of holders of preferred shares of the Corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any shareholder of the Corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 3.4 and on the record date for the determination of shareholder entitled to vote at such meeting and (ii) who timely complies with the notice procedures in proper written form to the Secretary as set forth in this Section 3.4.

To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one-hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of shareholders.

To be in proper written form, a shareholder's notice to the Secretary must set forth: (a) as to each person whom the shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of the Corporation that are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder and (b) as to the shareholder giving the notice (i) the name and record address of such shareholder, (ii) the class or series and number of shares of the Corporation that are owned beneficially and of record by such shareholder, (iii) a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person and persons (including their names) pursuant to which the nomination(s) are to be made by such shareholder, (iv) a representation that such shareholder intends to appear in person or by proxy at the meeting to nominate the person or persons named in its notice and (v) any other information relating to such shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 3.4. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Section 3.5 *Resignations.* Any director of the Corporation may resign at any time, by giving notice in writing or by electronic transmission to the Board of Directors, the Chairman, the Chief Executive Officer or the Secretary of the Corporation. Such resignation shall take effect after receipt of the applicable notice of resignation by the Board of Directors, the Chairman, the Chief Executive Officer or the Secretary of the Corporation at the time specified in such notice or, if no time is specified, immediately upon receipt of such notice by the Board of Directors, the Chairman, the Chief Executive Officer or the Secretary of the Corporation. Unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.6 *Removal.* Directors shall be removed in the manner set forth in the Articles of Incorporation.

Section 3.7 *Vacancies.* Vacancies shall be filled in the manner set forth in the Articles of Incorporation.

Section 3.8 *Chairman of the Board of Directors.* The Board of Directors shall appoint, from time to time, one of the directors to serve as the Chairman. The Chairman shall preside at all meetings of the shareholders and of the Board of Directors and shall perform all duties as usually appertain to the office and such other duties as may be prescribed from time to time by the Board of Directors. The Chairman may enter into and execute in the name of the Corporation powers of attorney, contracts, bonds and other obligations which implement policies established by the Board of Directors. If the directors have elected an Executive Chairman, the Executive Chairman shall be the Chairman, and the Chairman shall have the additional authorities and duties described in Section 5.2 of these Bylaws. The Chairman shall be subject to the control of and may be removed from such office by the Board of Directors.

Section 3.9 *Annual Meetings.* The Board of Directors shall meet for the election of officers and the transaction of other business as soon as practicable after each annual meeting of the shareholders, and/or at such time and place as specified in the notice for the meeting. No notice of such meeting shall be necessary to the directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors.

Section 3.10 *Regular Meetings.* Regular meetings of the Board of Directors may be held without notice at such time and place, within or without the Republic of the Marshall Islands, as shall from time to time be determined by Board of Directors resolution or by consent in writing of all the directors.

Section 3.11 *Special Meetings.* Special meetings of the Board of Directors may be called only by the Chairman or by resolution of the Board of Directors. Special meetings of the Board of Directors shall be held at the time and place, within or without the Republic of the Marshall Islands, specified in the notices thereof.

Section 3.12 *Notice of Special Meeting.* Notice of the date, time and place of each special meeting of the Board of Directors shall be given to each director at least forty-eight (48) hours prior to such meeting, unless the notice is given orally or delivered in person, in which case it shall be given at least twenty-four (24) hours prior to such meeting. For the purpose of this section, notice shall be deemed to be duly given to a director if given to him or her personally (including by telephone) or if such notice be delivered to such director by mail, facsimile or electronic transmission to his or her last known address or facsimile number. Notice of a meeting need not be given to any director who submits a signed waiver of notice, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to him or her prior to the conclusion of such meeting.

Section 3.13 *Quorum.* At all meetings of the Board of Directors, a majority of the directors at the time in office, present in person, by proxy or by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.14 *Organization.* Meetings shall be presided over by the Chairman, or in the absence of the Chairman, by such other person as the directors may select. The Board of Directors shall keep contemporaneous, full and accurate written minutes of its meetings. The Secretary shall act as secretary of the meeting, but in the absence of the Secretary, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 3.15 *Voting.* Except as otherwise provided by applicable law, the Articles of Incorporation or these Bylaws, all matters presented to the Board of Directors (or a committee thereof) shall be approved by a vote of the majority of the directors, present in person, by proxy or by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, at any meeting of the Board of Directors (or such committee) at which a quorum is present.

Section 3.16 *Action By Directors Without a Meeting.* Unless otherwise restricted by the Articles of Incorporation or these Bylaws, whenever the vote of the directors at a meeting thereof is required or permitted to be taken in connection with any corporate action by any provisions of the statutes or of the Articles of Incorporation or of these Bylaws, the meeting and vote of the directors may be dispensed with if all the directors who would be entitled to vote upon the action, if such meeting were held, shall consent in writing to such corporate action being taken.

Section 3.17 *Directors' Meeting by Conference Telephone or Other Communication Equipment.* Any one or more members of the Board of Directors or of any committee thereof may participate in a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting.

Section 3.18 *Compensation.* The Board of Directors shall have the authority to fix the compensation of directors for their services. A director may also serve the Corporation in other capacities and receive compensation therefor.

Section 3.19 *Interested Directors.* No contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any other corporation, firm, association or other entity in which one or more of its directors are directors or officers, or have a substantial financial interest, shall be either void or voidable solely for this reason, or solely because the director or directors are present at or participate in the meeting of the Board of Directors or committee thereof which approves such contract or transaction, or solely because his or her or their votes are counted for such purpose, if: (i) the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the Board of Directors or the committee and the Board of Directors or committee approves such contract or transaction by a vote sufficient for such purpose without counting the vote of such interested director, or, if the votes of the disinterested directors are insufficient to constitute an act of the Board of Directors as defined in Section 55 of the BCA, by unanimous vote of the disinterested directors or (ii) the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the shareholders entitled to vote thereon, and such contract or transaction is approved by vote of the shareholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which approves such contract or transaction.

ARTICLE IV
COMMITTEES

Section 4.1 *Constitution and Powers.* Except as otherwise provided by applicable law, the Articles of Incorporation or these Bylaws, the Board of Directors may, by resolution adopted by a majority of the Board of Directors, designate one or more committees (in addition to the mandatory Standing Committees as defined and as set forth in Section 4.2). Each committee shall consist of one or more directors of the Corporation and the composition of each such other committee shall be in compliance with the applicable Requirements (as defined herein). With respect to all Board of Directors Committees (including Standing Committees), the Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. With respect to all committees of the Board of Directors (including Standing Committees), in the absence or disqualification of a member of a committee of the Board of Directors, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee (including any Standing Committee), to the extent permitted by law (including the Requirements (as defined below)) and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it. Each committee (including each Standing Committee) shall keep regular, accurate and complete minutes and, when required, report to the Board of Directors.

Section 4.2 *Standing Committees.* The Board of Directors shall have the following standing committees: (a) an Audit Committee, (b) a Compensation Committee and (c) a Nominating/Corporate Governance Committee (together, the "Standing Committees"), and such other committees as may be required from time to time by the stock exchange listing requirements applicable to the Corporation (the "Requirements"). The Audit Committee, the Compensation Committee and the Nominating/Corporate Governance Committee (and such other Standing Committees as may be mandated by the Requirements) shall be composed entirely of "independent directors" within the meaning of the Requirements applicable to such committee, and the composition of each such Standing Committee shall be in compliance with the applicable Requirements. Each Standing Committee shall have a written charter, which shall be approved by the Board of Directors and state the purpose and authority of such committee.

ARTICLE V
OFFICERS

Section 5.1 *Officers.* The Board of Directors shall appoint a Secretary. The Board of Directors may appoint from time to time such other officers as, in the opinion of the Board of Directors, are desirable for the conduct of the business of the Corporation including, without limitation, an Executive Chairman, Chief Executive Officer, and/or Chief Financial Officer. Any two (2) or more offices may be held by the same person unless otherwise prohibited by law, the Articles of Incorporation or these Bylaws. Unless otherwise specified herein, each of the officers of the Corporation will have such authority and will perform such duties as are customarily incident to their respective offices or as may be specified from time to time by the Executive Chairman or the Board of Directors.

Section 5.2 *Executive Chairman.* The Board of Directors may, but is not required to, appoint from time to time one of the directors to serve in the role of Executive Chairman. The Executive Chairman, if one is so appointed by the Board of Directors, shall act as liaison between the Board of Directors and the executive officers of the Corporation and shall be responsible for general oversight of such executive officers. The Executive Chairman shall formulate and submit to the Board of Directors matters of general policy for the Corporation and shall perform such other duties as usually appertain to the office as the highest-ranking executive officer of the Corporation or as may be prescribed by the Board of Directors, and shall report directly to the Board of Directors.

Section 5.3 *Chief Executive Officer.* The Chief Executive Officer, if appointed, shall be the principal executive officer of the Corporation and shall have such powers and perform such duties as are customarily incident to the office of the Chief Executive Officer of a corporation, and such other duties as may, from time to time, be assigned to him or her by the Executive Chairman or the Board of Directors, or as may be provided by law, provided, however, that the Chief Executive Officer shall not have supervisory authority over the Executive Chairman. The Chief Executive Officer shall report directly to the Executive Chairman and the Board of Directors; *provided, however*, that if there is no Executive Chairman, then the Chief Executive Officer shall report directly to the Board of Directors.

Section 5.4 *Chief Financial Officer.* The Chief Financial Officer, if appointed, shall be the principal financial officer of the Corporation and shall have such powers and perform such duties as are customarily incident to the office of the Chief Financial Officer of a corporation, and such other duties as may, from time to time, be assigned to him or her by the Executive Chairman or the Board of Directors, or as may be provided by law, and shall report directly to the Executive Chairman and the Board of Directors; *provided, however*, that if there is no Executive Chairman, then the Chief Financial Officer shall report directly to the Board of Directors.

Section 5.5 *Secretary.* Unless otherwise decided by the Board of Directors, the Secretary shall act as secretary of all meetings of the shareholders and of the Board of Directors at which he or she is present, shall have supervision over the giving and serving of notices of the Corporation, shall be the custodian of the corporate records and of the corporate seal of the Corporation, shall be empowered to affix the corporate seal to those documents, and shall, in general, have all authority incident to the office of Secretary and shall have such other authority and perform such other duties as may from time to time be assigned by the Executive Chairman or the Board of Directors.

Section 5.6 *Removal.* Any officer may be removed, either with or without cause, by the Board of Directors at any meeting thereof or by any superior officer upon whom such power may be conferred by the Board of Directors.

Section 5.7 *Resignation.* Any officer may resign at any time by giving notice to the Board of Directors, the Chairman, the Chief Executive Officer or the Secretary in writing or by electronic transmission. Any such resignation shall take effect at the time therein specified or if no time is specified, immediately. Unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.8 *Vacancies.* A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled at any time by the Board of Directors, or if such officer was appointed by the Executive Chairman or the Chief Executive Officer, then by the Executive Chairman or the Chief Executive Officer, as appropriate.

ARTICLE VI
FORM OF SHARES; ISSUANCE OF SHARES; SHARE CERTIFICATES

Section 6.1 *Registered Form.* The shares shall be represented by certificates in form meeting the requirements of law and approved by the Board of Directors; provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares and adopt a system of issuance, recordation and transfer of its shares by electronic or other means not involving any issuance of certificates, including provisions for notice to purchasers in substitution for any required statements on certificates, and as may be required by applicable corporate securities laws, which system has been approved by the United States Securities and Exchange Commission. Any system so adopted shall not become effective as to issued and outstanding certificated securities until the certificates therefor have been surrendered to the Corporation.

Section 6.2 *Terms and Conditions of Issuance.* Subject to the terms of the Articles of Incorporation, shares of the Corporation may be issued at such times, for such considerations and on such terms as may be established from time to time by the Board of Directors in its sole discretion without the approval of the shareholders.

Section 6.3 *Number of Shares Represented by Certificates.* Share certificates may be issued to represent more than one share. If shares held by a shareholder are represented by one share certificate, and if such shareholder disposes of part of his, her or its shares, such shareholder shall be entitled to request the issuance of a share certificate representing such shareholder's remaining shares.

ARTICLE VII
LOST AND MUTILATED CERTIFICATES

If any shareholder can prove to the satisfaction of the Board of Directors or any transfer agent or registrar of the Corporation, that any share certificate has been mutilated, mislaid or destroyed, then, at such shareholder's written request, a duplicate may be issued by the Board of Directors or any transfer agent or registrar of the Corporation on such terms and conditions as the Board of Directors may deem fit. Upon the issuance of the duplicate share certificate (on which it shall be noted that such certificate is a duplicate), the original share certificate shall be null and void vis-à-vis the Corporation. A mutilated share certificate may be exchanged for a duplicate certificate upon delivery of the mutilated certificate to the Board of Directors or any transfer agent or registrar of the Corporation.

ARTICLE VIII
SHAREHOLDERS REGISTER; TRANSFER OF SHARES; NOTICES

Section 8.1 *Shareholders Register.* The Board of Directors, or registrar or transfer agent designated pursuant to Section 8.4, shall keep a shareholders register (the "Register"), which contains the names and addresses of all registered shareholders, the number and class of shares held by each shareholder, and the dates when the shareholders became owners of record. The Board of Directors shall regularly maintain the Register, including the registration in the Register of any issue, transfer and cancellation of shares.

Section 8.2 *Addresses to be Furnished, Etc.* Each shareholder is required to provide his, her or its address to the Corporation. The Corporation shall be entitled for all purposes to rely on the name and address of the aforementioned persons as entered in the Register. Such person may at any time change his, her or its address as entered in the Register by means of a written notification to the Corporation at its principal office, or any transfer agent or registrar of the Corporation.

Section 8.3 *Access to Register.* At the request of a shareholder, the Board of Directors shall furnish an extract of the Register, free of charge, insofar as it relates to such person's interest in a share.

Section 8.4 *Location of Register.* The Register shall be kept by the Board of Directors at the Corporation's principal office, or by a registrar or transfer agent designated thereto by the Board of Directors at such other location as it may deem fit. In case the Register is kept at any location other than the Corporation's principal office, then the registrar or transfer agent shall be obligated to send to the principal office of the Corporation a copy thereof from time to time. In case a registrar or transfer agent is appointed by the Board of Directors, then such registrar or transfer agent shall be authorized and, as the case may be, obligated to exercise the rights and fulfill the obligations set out in this Article VIII with respect to the Register.

Section 8.5 *Transfer of Shares.* The Board shall have power and authority to make such rules and regulations as they may deem expedient concerning the issuance, registration and transfer of certificates representing shares of the Corporation's stock, and may appoint transfer agents and registrars thereof.

ARTICLE IX
BOOKS AND RECORDS

Section 9.1 *Books of Account.* The Board of Directors shall cause to be kept proper records of account with respect to all transactions of the Corporation and in particular with respect to all assets and liabilities of the Corporation.

Section 9.2 *Minutes.* The Board of Directors shall cause minutes to be duly entered in the books provided for the purpose:

- (i) of all elections and appointments of officers;
- (ii) of the names of the directors present at each meeting of the Board of Directors and of any committee appointed by the Board of Directors; and
- (iii) of all resolutions and proceedings of general and special meetings of the Board of Directors and committees appointed by the Board of Directors.

Section 9.3 *Place Where Books of Account and Minutes are Kept.* The Corporation shall maintain its books of account and minutes at its registered office, or subject to the provisions of the BCA, at such other place as the Board of Directors deems fit.

ARTICLE X
GENERAL PROVISIONS

Section 10.1 *Term of Financial Year.* The financial year of the Corporation shall run from the first day of January of each year up to and including the last day of December of such year.

Section 10.2 *Seal.* The seal of the Corporation, if any, shall be circular in form, with the name of the Corporation in the circumference and such other appropriate legend as the Board of Directors may from time to time determine.

Section 10.3 *Section Headings.* Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10.4 *Inconsistent Provisions.* In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Articles of Incorporation, the BCA or any other applicable law, the provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

Section 10.5 *Electronic Transmission.* For purposes of these Bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE XI
AMENDMENTS

Section 11.1 *By the Shareholders.* These Bylaws may be amended by the affirmative vote of the holders of not less than a majority of the outstanding Common Shares entitled to vote at any annual or special meeting of shareholders at which a quorum is present or represented.

Section 11.2 *By the Directors.* These Bylaws may, subject to provisions of applicable law, be adopted, amended and repealed without a vote of the shareholders by the affirmative vote of a majority of the Board of Directors at any meeting of the Board of Directors at which a quorum is present, except that the provisions of Section 11.1 may be amended only by the affirmative vote of holders of not less than a majority of the outstanding Common Shares entitled to vote at any annual or special meeting of the shareholders at which a quorum is present or represented.

ARTICLE XII
EXCLUSIVE FORUM

Section 12.1 Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for any Corporate Claim related to the Corporation shall be the High Court of the Republic of the Marshall Islands. As used herein, “Corporate Claim” means any internal corporate claim, intra-corporate claim, or claim governed by the internal affairs doctrine including, but not limited to: (i) any 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, employee or shareholder of the Corporation to the Corporation or the Corporation’s shareholders; and (iii) any action asserting a claim arising pursuant to any provision of the BCA or the Articles of Incorporation or these Bylaws (in each case, as amended from time to time).

Section 12.2 Unless the Corporation consents in writing to the selection of an alternative forum and subject to Section 12.1, to the fullest extent permitted by law, the sole and exclusive forum for any claim arising under the U.S. Securities Act of 1933, as amended, or the Exchange Act and any rule or regulation promulgated thereunder (in each case, as amended from time to time) shall be the United States District Court for the Southern District of New York (or if such court does not have jurisdiction over such claim, any other federal district court of the United States).

Section 12.3 To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XII. If any provision in this Article XII is held to be illegal, invalid or unenforceable under applicable law, the legality, validity or enforceability of the rest of these Bylaws shall not be affected and this Article XII shall be interpreted and construed to the maximum extent possible to apply in the relevant jurisdiction with whatever modification or deletion may be necessary so as best to give effect to the intention of the Corporation.

FIRST AMENDED AND RESTATED

NON-COMPETE AGREEMENT

among

Global Ship Lease, Inc.

and

Georgios Giouroukos

and

ConChart Commercial Inc.

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FIRST AMENDED AND RESTATED NON-COMPETE AGREEMENT

THIS FIRST AMENDED AND RESTATED NON-COMPETE AGREEMENT, dated as of 12th March, 2025, is entered into by and among Global Ship Lease, Inc., a corporation organized under the laws of the Republic of the Marshall Islands (the “**Company**”), Georgios Giouroukos, a citizen of Greece (“**Giouroukos**”) and ConChart Commercial, Inc., a corporation organized under the laws of the Republic of the Marshall Islands.

R E C I T A L S

WHEREAS, the Parties have previously entered into that certain Non-Compete Agreement, dated October 29, 2018 (the “**Original Agreement**”), primarily to:

1. evidence their understanding with respect to (a) those business opportunities that the Giouroukos Group Members may not pursue during the term of this Agreement and (b) the procedures whereby such business opportunities are to be offered to the Company.
2. evidence their understanding with respect to the Company’s right of first refusal relating to containerships that the Giouroukos Group Members own or might own.
3. evidence their understanding with respect to the Company’s right of first offer relating to containerships that the Giouroukos Group Members own or might own.
4. evidence their understanding with respect to the right of first offer relating to certain time charter opportunities available to ConChart.

WHEREAS, the Parties desire to enter into this Agreement to, among other things, amend certain terms of Article II and Article IV of the Original Agreement.

In consideration of the premises and the covenants, conditions and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree to amend and restate the Original Agreement in its entirety as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

As used in this Agreement, the following terms shall have the respective meanings set forth below:

“**Acquiring Party**” has the meaning given such term in Section 3.2.

“**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by or is under common Control with, the Person in question.

“**Agreement**” means this Non-Compete Agreement, as it may be amended, modified, or supplemented from time to time in accordance with Section 6.7.

“**Board**” means the Board of Directors of the Company.

“**Break-up Costs**” means the aggregate amount of any and all additional taxes and/or duties, flag administration, financing legal and other similar costs, fees and expenses to the Giouroukos Group Member that would be required to transfer, or result from the transfer of the containership acquired, directly or indirectly, by the Giouroukos Group Member as part of a larger transaction to a GSL Group Member pursuant to Sections 2.2(c) or 3.1.

“**Change of Control**” means, with respect to any Person (the “**Applicable Person**”), any of the following events: (a) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the Applicable Person’s assets to any other Person, unless immediately following such sale, lease, exchange or other transfer such assets are owned, directly or indirectly, by the Applicable Person; (b) the consolidation or merger of the Applicable Person with or into another Person pursuant to a transaction in which the outstanding Voting Securities of the Applicable Person are changed into or exchanged for cash, securities or other property, other than any such transaction where (i) the outstanding Voting Securities of the Applicable Person are changed into or exchanged for Voting Securities of the surviving Person or its parent and (ii) the holders of the Voting Securities of the Applicable Person immediately prior to such transaction own, directly or indirectly, not less than a majority of the outstanding Voting Securities of the surviving Person or its parent immediately after such transaction; and (c) a “person” or “group” (within the meaning of Sections 13(d) or 14(d)(2) of the Exchange Act), becoming the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of more than 50% of all of the then outstanding Voting Securities of the Applicable Person, except in a merger or consolidation which would not constitute a Change of Control under clause (b) above.

“**Charter Notice**” has the meaning given to such term in [Section 5.2](#).

“**Closing Date**” means November 15, 2018.

“**Company**” has the meaning given such term in the Preamble.

“**Company Vessel**” has the meaning given to such term in [Section 5.1](#).

“**ConChart**” means ConChart Commercial Inc. or any other commercial or chartering manager that is a Giouroukos Controlled Entity.

“**Control**” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of Voting Securities, by contract or otherwise.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**First Offer Negotiation Period**” has the meaning given such term in [Section 4.2\(b\)](#).

“**Giouroukos**” has the meaning given such term in the Preamble.

“**Giouroukos Containership**” has the meaning given such term in [Section 4.1\(a\)](#).

“**Giouroukos Controlled Entity**” means any corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or any other entity Controlled by Giouroukos, but shall exclude the Company and any other GSL Group Member.

“**Giouroukos Group Members**” means Giouroukos and the Giouroukos Controlled Entities.

“**GSL Group Member**” means the Company and any of its direct or indirect subsidiaries.

“**Offer**” has the meaning given such term in [Section 3.2](#).

“**Offer Period**” has the meaning given such term in [Section 3.2\(b\)\(i\)](#).

“**Offered Asset**” has the meaning given such term in [Section 3.2](#).

“**Offeree**” has the meaning given such term in [Section 3.2](#).

“**Other Vessel**” has the meaning given to such term in [Section 5.1](#).

“**Parties**” means the parties to this Agreement and their respective successors and permitted assigns.

“**Person**” means an individual, corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or any other entity.

“**Potential Charter Opportunity**” has the meaning given to such term in Section 5.2.

“**Sale Assets**” has the meaning given such term in Section 4.2(a).

“**Third Party Broker**” shall mean a mutually-agreed-upon independent investment banking firm, broker, expert advisor or other firm generally recognized in the shipping industry as qualified to perform the tasks for which such firm has been engaged.

“**Transfer**” means any transfer, assignment, sale or other disposition of any containership by any Giouroukos Group Member; provided, however, that such term shall not include (i) transfers, assignments, sales or other dispositions from any Giouroukos Group Member to another Giouroukos Group Member, (ii) transfers, assignments, sales or other dispositions, pursuant to the terms of any related charter or other agreement with a contractual counterparty existing on the Closing Date; (iii) transfers, assignments, sales or other dispositions pursuant to Article II of this Agreement; (iv) grants of security interests in or mortgages or liens in such containership in favor of a bona fide third party lender; (v) the foreclosure of any security interest, mortgage or lien in any such containership, (v) a sale and leaseback or similar transaction which is accounted for under United States generally accepted accounting principles as a financial lease or (vi) the chartering of vessels, including bareboat charters, or the entry of vessels into vessel pools.

“**Transfer Notice**” has the meaning given such term in Section 4.2(a).

“**Transferring Party**” has the meaning given such term in Section 4.2(a).

“**Voting Securities**” means securities of any class of Person entitling the holders thereof to vote in the election of members of the board of directors or other similar governing body of the Person.

ARTICLE II

RESTRICTED BUSINESSES

Section 2.1 Containership Restricted Businesses. Subject to Section 6.5 and except as permitted by Section 2.2, each of the Giouroukos Group Members shall be prohibited from acquiring, owning or operating containerships.

Section 2.2 Permitted Exceptions. Notwithstanding any provision of Section 2.1 to the contrary, the restrictions in this Agreement shall not prevent any Giouroukos Group Member from:

(a) acquiring, owning, operating or chartering vessels, other than containerships;

(b) acquiring or owning one or more containerships (or an interest in one or more containerships) if such Giouroukos Group Member offers to sell such containership (or interest in such containership) to the Company in accordance with the procedures set forth in Section 3.2;

(c) acquiring, owning, operating or chartering one or more containerships as part of its acquisition of a Controlling interest in a business or package of assets that owns, operates or charters such containerships; provided, however, that if a majority of the value of the business or, as the case may be, the package of assets acquired, is attributable to containerships, the Giouroukos Group Member must offer to sell such containership(s) to the Company for their fair market value plus any Break-up Costs in accordance with the procedures set forth in Section 3.2, unless the acquisition of such Controlling interest was otherwise permitted by paragraph (h) below;

(d) providing vessel management services relating to containerhips, or other vessel types, including, without limitation, technical and commercial management, warehouse transactions for financial institutions (including the acquisition and ownership of containerhips in connection with any such warehouse transaction), pool management, and other third-party management of containerhips;

(e) acquiring, owning, operating or chartering any containerhip that is owned or operated by, or that is under a contractual arrangement with, a Giouroukos Group Member or the Company as of the Closing Date;

(f) transferring to a Giouroukos Group Member title to a vessel that such Giouroukos Group Member or any third party is entitled to acquire, own and operate under Section 2.1 of this Agreement, pursuant to or in connection with the termination of a financing arrangement, including by way of a sale and leaseback or similar transaction, which is accounted for under United States generally accepted accounting principles as a financial lease;

(g) acquiring, owning, operating or chartering any containerhip that is subject to an offer to purchase by a GSL Group Member as described in paragraphs (b) and (c) above, in each case pending the offer of such containerhip to the Company and the Company's determination whether to purchase the containerhip and, if any GSL Group Member has determined to purchase such containerhip, pending the closing of such purchase; and

Section 2.3 (h) increasing its ownership interest in a containerhip that was previously subject to an offer to purchase by a GSL Group Member as described in paragraphs (b) or (c) above, that, in each case, the Board previously elected not to cause a GSL Group Member to purchase. Scope of Prohibition. If any Giouroukos Group Member engages in the ownership or operation of containerhips pursuant to any of the exceptions described in Section 2.2, then that Giouroukos Group Member may not subsequently expand that portion of its business other than pursuant to the exceptions contained in such Section 2.2. For the avoidance of doubt, except as otherwise provided in this Agreement, each Party and its Affiliates shall be free to engage in any business activity whatsoever, including those that may be in direct competition with the GSL Group Members.

ARTICLE III

RIGHTS OF FIRST REFUSAL; PROCEDURES

Section 3.1 Rights of First Refusal. Giouroukos hereby grants the Company a right of first refusal to acquire any containerhip that a Giouroukos Group Member proposes to acquire after such Giouroukos Group Member enters into an agreement that sets forth the terms upon which it would acquire such containerhip.

Section 3.2 Procedures. In the event that a Giouroukos Group Member enters an agreement to acquire any containerhip in accordance with Section 2.2(b), Section 2.2(c) or Section 3.1, as applicable, then as soon as practicable or in any event not later than 30 calendar days after entering an agreement that sets forth the terms upon which it would acquire such containerhip, such Giouroukos Group Member (the "Acquiring Party") shall notify the Company in writing and offer the Company (the "Offeree") the opportunity for any GSL Group Member to purchase such containerhip (the "Offered Asset"), in the case of an acquisition pursuant to Section 2.2(b) or Section 3.1 on terms no less favorable than those offered to the Giouroukos Group Member, and in the case of an acquisition pursuant to Section 2.2(c), for its "fair market value," determined in accordance with this Section 3.2, plus, in each case, any applicable Break-up Costs (the "Offer"). The Offer shall set forth the Acquiring Party's proposed terms relating to the purchase of the Offered Asset by the applicable GSL Group Member, including any liabilities to be assumed by the applicable GSL Group Member as part of the Offer. As soon as practicable after the Offer is made, the Acquiring Party will deliver to the Offeree all information prepared by or on behalf of or in the possession of such Acquiring Party relating to the Offered Asset and reasonably requested by the Offeree. The decision to purchase the applicable Offered Asset, the purchase price to be paid for the applicable Offered Asset, and the other terms of the purchase shall be approved by the independent directors of the Board and recommended to the Board for approval. As soon as practicable, but in any event, within 7 calendar days after receipt of the Offer with respect to a single vessel transaction, or a period of 14 calendar days with respect to a multi-vessel transaction, the Offeree shall notify the Acquiring Party in writing that either:

(a) The Board has elected not to cause a GSL Group Member to purchase such Offered Asset, in which event the Acquiring Party and its Affiliates shall, subject to the other terms of this Agreement, be forever free to continue to own and operate such Offered Asset; or

(b) The Board has elected to cause a GSL Group Member to purchase such Offered Asset. After receipt by the Acquiring Party of the Board's election to cause a GSL Group Member to purchase the Offered Asset, the Board shall cause such GSL Group Member to purchase the Offered Asset on such terms as soon as commercially practicable after such agreement has been reached.

In determining the "fair market value" of a containership, the following procedures shall be followed:

(i) After the receipt of the Offer by the Offeree, the Acquiring Party and the Offeree shall negotiate in good faith regarding the fair market value and any applicable Break-up Costs of the Offered Assets that are subject to the Offer and the other terms of the Offer on which the Offered Assets will be sold to the applicable GSL Group Member. If the Acquiring Party and the Offeree agree on the fair market value (and any applicable Break-up Costs) of the Offered Assets that are subject to the Offer and the other terms of the Offer during the 14 calendar-day period (the "**Offer Period**") after receipt by the Acquiring Party of the Board's election to cause any GSL Group Member to purchase the Offered Assets, the Board shall cause such GSL Group Member to purchase the Offered Assets on such terms as soon as commercially practicable after such agreement has been reached.

(ii) If the Acquiring Party and the Offeree are unable to agree on the fair market value (and any applicable Break-up Costs) of the Offered Assets that are subject to the Offer or on any other terms of the Offer during the Offer Period, the Acquiring Party and the Offeree will engage a Third Party Broker prior to the end of the Offer Period to determine the fair market value of the Offered Assets and/or the other terms on which the Acquiring Party and the Offeree are unable to agree (including, for the avoidance of doubt, any applicable Break-up Costs). In determining the fair market value of the Offered Assets and other terms on which the Offered Assets are to be sold (including, for the avoidance of doubt, any applicable Break-up Costs), the Third Party Broker, as applicable, will have access to the proposed sale and purchase values and terms for the Offer submitted by the Acquiring Party and the Offeree, respectively, and to all information prepared by or on behalf of the Acquiring Party relating to the Offered Assets and reasonably requested by such Third Party Broker. Such Third Party Broker will determine the fair market value (and any applicable Break-up Costs) of the Offered Assets and/or the other terms on which the Acquiring Party and the Offeree are unable to agree within 14 calendar days of its engagement and furnish the Acquiring Party and the Offeree its determination. The fees and expenses of the Third Party Broker, as applicable, will be divided equally between the Acquiring Party and the Offeree. Upon receipt of such determination, the Offeree will have the option, but not the obligation:

(A) to cause a GSL Group Member to purchase the Offered Assets for the fair market value (and any applicable Break-up Costs), and on the other terms determined by the Third Party Broker, as soon as commercially practicable after such determinations have been made; or

(B) not to cause a GSL Group Member to purchase such Offered Assets, in which event the Acquiring Party and its Affiliates shall, subject to the other terms of this Agreement, be forever free to continue to own, operate and charter such Offered Assets.

Section 3.3 Enforcement.

Each Party agrees and acknowledges that the other Parties may not have an adequate remedy at law for the breach by any such Party of its covenants and agreements set forth in this Article III, and that any breach by any such Party of its covenants and agreements set forth in this Article III could result in irreparable injury to such other Parties. Each Party further agrees and acknowledges that any other Party may, in addition to the other remedies which may be available to such other Party, file a suit in equity to enjoin such Party from such breach, and consent to the issuance of injunctive relief to enforce the provisions of Article III of this Agreement.

ARTICLE IV

RIGHTS OF FIRST OFFER

Section 4.1 Rights of First Offer.

- (a) Giouroukos hereby grants the Company a right of first offer on any proposed Transfer of any containership that any Giouroukos Controlled Entity owns or acquires (a “**Giouroukos Containership**”).
- (b) The Parties acknowledge that all potential Transfers of containerships pursuant to this Article IV are subject to obtaining any and all written consents of governmental authorities and other non-affiliated third parties and to the terms of all existing agreements in respect of such containerships, as applicable. Each Party shall use its commercially reasonable best efforts to obtain such consents.

Section 4.2 Procedures for Rights of First Offer.

- (a) In the event that any Giouroukos Group Member (each, a “**Transferring Party**”) proposes to Transfer any Giouroukos Containership (the “**Sale Assets**”), prior to engaging in any negotiation for such Transfer with any non-affiliated third party or otherwise offering to Transfer the Sale Assets to any non-affiliated third party, such Transferring Party shall give the Company written notice setting forth all material terms and conditions (including, without limitation, the purchase price for which such Transferring Party desires to Transfer the Sale Assets) (the “**Transfer Notice**”).
- (b) After delivery of the Transfer Notice, and at the Company’s election (following approval by the independent directors of the Board), the parties then shall be obligated to negotiate in good faith for a 14 calendar-day period following the delivery by the Transferring Party of the Transfer Notice (the “**First Offer Negotiation Period**”) to reach an agreement for the Transfer of such Sale Assets to the Company or any of its subsidiaries on the terms and conditions set forth in the Transfer Notice. If no such agreement has been reached between the Transferring Party and the Company during the First Offer Negotiation Period, the Transferring Party may Transfer the Sale Assets to a third party; provided that if the Transferring Party has not Transferred or agreed in writing to Transfer such Sale Assets to a third party within 180 calendar days after the end of the First Offer Negotiation Period on terms generally no less favorable to the Transferring Party than those included in the Transfer Notice, then the Transferring Party shall not thereafter Transfer any of such Sale Assets without first offering such assets to the Company in the manner provided above. If, however, after receipt of the Transfer Notice, the Company elects not to exercise its right of first offer pursuant to Section 4.1 with respect to the Transfer of a Giouroukos Containership, then the procedures set forth in this Section 4.2 shall not be required with respect any future proposed Transfer of such Giouroukos Containership occurring on substantially similar terms and conditions as set forth in such Transfer Notice.

Section 4.3 Enforcement.

Each Party agrees and acknowledges that the other Parties may not have an adequate remedy at law for the breach by any such Party of its covenants and agreements set forth in this Article IV, and that any breach by any such Party of its covenants and agreements set forth in this Article IV could result in irreparable injury to such other Parties. Each Party further agrees and acknowledges that any other Party may, in addition to the other remedies which may be available to such other Party, file a suit in equity to enjoin such Party from such breach, and consent to the issuance of injunctive relief to enforce the provisions of Article IV of this Agreement.

ARTICLE V

CONCHART CHARTERING OPPORTUNITIES

Section 5.1 Chartering Opportunities. The Parties acknowledge and agree that during the term of this Agreement, depending on a number of facts and circumstances that may exist at any given time when a containership owned by any GSL Group Member (a “**Company Vessel**”) and a containership owned by a Giouroukos Controlled Entity or an unaffiliated third party (an “**Other Vessel**”) are both available for charter, ConChart, in its capacity as commercial manager, may have a conflict of interest in pursuing charter opportunities for a Company Vessel and an Other Vessel.

Section 5.2 Procedures for Right of First Refusal on Chartering Opportunities. Except as set forth in this Article V, ConChart shall grant the Company a right of first refusal to accept for a Company Vessel any potential charter opportunity that ConChart believes in good faith would be suitable for both a Company Vessel and an Other Vessel (each a “**Potential Charter Opportunity**.”) before pursuing such Potential Charter Opportunity for an Other Vessel by delivering a notice of the Potential Charter Opportunity (the “**Charter Notice**”) to the Company setting forth the material terms of the Potential Charter Opportunity (for purposes of clarity, excluding renewals and extensions of existing charters). In determining suitability of a Potential Charter Opportunity, ConChart shall take into consideration certain factors, such as the availability, suitability and positioning of the relevant vessel and the potential charterer’s demands for the vessel’s specifications and costs. Upon receipt of a Charter Notice, the Company shall have two business days to consider the Potential Charter Opportunity and to accept or reject such opportunity. In the event that the Company does not elect to accept the Potential Charter Opportunity within two business days, ConChart shall be free to pursue such opportunity for an Other Vessel for a period of 15 calendar days on the same terms and conditions as set forth in the Charter Notice.

Section 5.3 Enforcement.

Each Party agrees and acknowledges that the other Parties may not have an adequate remedy at law for the breach by any such Party of its covenants and agreements set forth in this Article V, and that any breach by any such Party of its covenants and agreements set forth in this Article V could result in irreparable injury to such other Parties. Each Party further agrees and acknowledges that any other Party may, in addition to the other remedies which may be available to such other Party, file a suit in equity to enjoin such Party from such breach, and consent to the issuance of injunctive relief to enforce the provisions of Article V of this Agreement.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Certain Covenants.

Giouroukos hereby agrees and covenants to use commercially reasonable best efforts to cause the Giouroukos Controlled Entities to comply with the provisions of this Agreement.

Section 6.2 Choice of Law.

This Agreement shall be subject to and governed by the laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

Section 6.3 Notice.

All notices, requests or consents provided for or permitted to be given pursuant to this Agreement must be in writing and must be given by depositing the same in the mail, addressed to the Person to be notified, postpaid and registered or certified with return receipt requested or by delivering such notice in person or by prepaid private-courier, telecopier, facsimile or email to such party. Notice given by personal delivery or mail shall be effective upon actual receipt. Couried notices shall be deemed delivered on the date the courier represents that delivery will occur. Notice given by telecopier, facsimile or email shall be effective upon actual receipt if received during the recipient’s normal business hours, or at the beginning of the recipient’s next business day after receipt if not received during the recipient’s normal business hours. All notices to be sent to a Party pursuant to this Agreement shall be sent to or made at the address set forth below such Party’s signature to this Agreement, or at such other address as such Party may stipulate to the other Parties in the manner provided in this Section 6.3.

Entire Agreement .

This Agreement constitutes the entire agreement of the Parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein.

Section 6.5 Termination.

Upon a Change of Control of the Company, the provisions of Articles II, III, IV, and V of this Agreement (but not less than all of such Articles) shall terminate immediately. Upon a Change of Control of a Giouroukos Group Member, the provisions of Articles II, III, IV, and V of this Agreement applicable to such Party (but not less than all of such Articles) shall terminate at the date of the Change of Control of such Party. Upon a Change of Control of ConChart, the provisions of Article V of this Agreement applicable to ConChart shall terminate at the date of the Change of Control of ConChart. In addition, at such time that Giouroukos ceases to serve as Executive Chairman of the Company (a) by reason of the termination of Giouroukos' employment for "cause" or his resignation without "good reason" (as such terms may be defined in Giouroukos' employment agreement with a GSL Group Member) and all management services agreements between the Giouroukos Controlled Entities and GSL Group Members have been terminated, or (b) by reason of the termination of Giouroukos' employment without cause or his resignation for good reason, in each case the provisions of Articles II, III, IV, and V (but not less than all of such Articles) and Section 6.1 of this Article VI of this Agreement applicable to a Giouroukos Group Member and/or ConChart shall terminate immediately.

Section 6.6 Waiver, Effect of Waiver or Consent.

Any Party hereto may (a) extend the time for the performance of any obligation or other act of any other Party hereto or (b) waive compliance with any agreement or condition contained herein. Except as otherwise specifically provided herein, any such extension or waiver shall be valid only if set forth in a written instrument duly executed by the Party or Parties to be bound thereby. No waiver or consent, express or implied, by any Party of or to any breach or default by any Person in the performance by such Person of its obligations hereunder shall be deemed or construed to be a waiver or consent of or to any other breach or default in the performance by such Person of the same or any other obligations of such Person hereunder. Failure on the part of a Party to complain of any act of any Person or to declare any Person in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder until the applicable statute of limitations period has run.

Section 6.7 Amendment or Modification.

This Agreement may be amended or modified from time to time only by the written agreement of all the Parties hereto.

Section 6.8 Assignment.

No Party shall have the right to assign its rights or obligations under this Agreement without the consent of the other Parties hereto.

Section 6.9 Counterparts.

This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

Section 6.10 Severability.

If any provision of this Agreement or the application thereof to any Person or circumstance shall be held invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law

Section 6.11

Gender, Parts, Articles and Sections. Whenever the context requires, the gender of all words used in this Agreement shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural. All references to Article numbers and Section numbers refer to Articles and Sections of this Agreement.

Section 6.12 Further Assurances

In connection with this Agreement and all transactions contemplated by this Agreement, each signatory Party hereto agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions.

Section 6.13 Withholding or Granting of Consent

Each Party may, with respect to any consent or approval that it is entitled to grant pursuant to this Agreement, grant or withhold such consent or approval in its sole and uncontrolled discretion, with or without cause, and subject to such conditions as it shall deem appropriate.

Section 6.14 Laws and Regulations

Notwithstanding any provision of this Agreement to the contrary, no Party to this Agreement shall be required to take any act, or fail to take any act, under this Agreement if the effect thereof would be to cause such Party to be in violation of any applicable law, statute, rule or regulation.

Section 6.15 Negotiation of Rights of the Parties

The provisions of this Agreement are enforceable solely by the Parties to this Agreement, and no shareholder, member, assignee or other Person of the Parties shall have the right, separate and apart from the Parties, as applicable, to enforce any provision of this Agreement or to compel any Party to this Agreement to comply with the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on this 12th day of March, 2025.

GLOBAL SHIP LEASE, INC.

By: /s/ Thomas A. Lister
Name: Thomas A. Lister
Title: Chief Executive Officer

Address for Notice:

c/o GSL Enterprises Ltd.
9 Irodou Attikou Street
Athens 145 61, Greece
Email: info@globalshiplease.com with a copy to thomas.lister@globalshiplease.com
Attention: Thomas A. Lister

GEORGIOS GIOUROUKOS

By: /s/ Georgios Giouroukos
Name: Georgios Giouroukos

Address for Notice:

3-5 Menandrou Str. 14561,
Kifissia, Athens, Greece
Email: georgey@technomar.gr
Attention: Georgios Giouroukos

CONCHART COMMERCIAL INC.

By: /s/ Dimitrios Tsiaklaganos
Name: Dimitrios Tsiaklaganos
Title: Sole Director

Address for Notice:

3-5 Menandrou Str. 14561,
Kifissia, Athens, Greece
Email: georgey@technomar.gr
Attention: Georgios Giouroukos

 BIMCO		SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT PART I
1. Place and date of Agreement (date to be inserted) [•]	2. Date of commencement of Agreement (Cls. 2,12, 21 and 27) (date to be inserted) [Effective Date 1 st January 2025]	
3. Owners (name, place of registered office and law of registry) (Cl. 1) (i) Name: [•] (ii) Place of registered office: [•] (iii) Law of registry: [•]	3. (a) Guarantors (name, place of registered office and law of registry) (Cl.34) (i) Name: GLOBAL SHIP LEASE, INC. (ii) Place of registered office: Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands (iii) Law of registry: Marshall Islands	
4. Managers (name, place of registered office and law of registry) (Cl. 1) (I) Name: Technomar Shipping Inc. (II) Place of registered office: 80 Broad Street, Monrovia, Liberia (III) Established office : 3-5 Menandrou Str. 14561, Kifissia Athens - Greece (IV) Law of registry: LIBERIA		
5. The Company (with reference to the ISM/ISPS Code) (state name and IMO Unique Company identification number. If the Company is a third party then also state registered office and principal place of business) (Cls. 1 and 9(c)(i)) (i) Name: Technomar Shipping Inc. (ii) IMO Unique Company identification number: 160528 (iii) Place of registered office: as per box 4 (iv) Principal place of business: as per box 4	6. Technical Management (state “yes” or “no” as agreed) (Cl. 4) YES	
	7. Crew Management (state “yes or no” as agreed (Cl. 5(a)) YES	
	8. Commercial Management (state “yes or no” as agreed) (Cl. 6) NO	
9. Chartering Services period (only to be filled in if “yes” stated in Box 8) (Cl. 6(a)) N/A	10. Crew Insurance arrangements (state “yes” or “no” as agreed) - YES (i) Crew Insurances* (Cl. 5(b)) (ii) Insurance for persons proceeding to sea onboard (Cl.5(b)(i)) *only to apply if Crew Management (Cl.5(a)) agreed (see Box 7)	
11. Insurance arrangements (state “yes” or “no” as agreed) (Cl. 7) YES	12. Optional insurances (state optional insurance(s) as agreed, such as piracy, kidnap and ransom, loss of hire and FD & D) (Cl 10(a)(iv)) AS MAY BE INSTRUCTED BY OWNERS	

13. Interest (state rate of interest to apply after the due date to outstanding sums) (Cl.9(a))	14. Annual management fee (Cl. 12(a) and Cl. 23) Euro [•] per day , plus Euro (.) per day pro rata (the “Additional Fee”)
N/A	
15. Manager’s nominated account (Cl. 12(a))	16. Daily rate (state rate for days in excess of those agreed in budget) (Cl. 12(c)) N/A
TO BE ADVISED	17. Lay-up period/number of months (Cl. 12(d)) 3 (THREE) MONTHS
18. Minimum contract period (state number of months) (Cl. 21(a)) Twenty Four (24) months following the termination/expiry of either: (a) the Vessel's charterparty (existing at any time and as same may be extended or replaced with a new charter from time to time), or (b) the Vessel's credit facility or other debt agreement for which the Vessel serves as collateral (existing at any time and as same may be financed, refinanced, amended, supplemented and/or restated from time to time), whichever is the latest.	19. Management fee on termination (state number of months to apply) (Cl. 22(e)) SEE CLAUSE 22
20. Severance Costs (state maximum amount) (Cl. 22(c)(ii)) AS DEFINED	21. Dispute Resolution 25(a)
22. Notices (state full style contact details for serving notice and communication to the Owners) (Cl. 25) c/o Technomar Shipping Inc. AS PER BOX 4	23. Notices (state full style contact details for serving notice and communication to the Managers) (Cl. 26) AS PER BOX 4

It is mutually agreed between the party stated in Box 3 and the party stated in Box 4 that this Agreement consisting of PART I and PART II as well as Annexes “A” (Details of Vessel or Vessels), “B” (Details of Crew) and C (“Budget”) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes “A” “B” and “C” shall prevail over those of PART II to the extent of such conflict but no further.	
Signature(s) (Owners)	Signature(s) (Managers)
[•]	[•]
Signature(s) (Parent)	
[•]	

PART II SHIPMAN 2009
Standard ship management agreement

SECTION 1 – Basis of the Agreement

1. Definitions

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

“**Affiliate**” means, with respect to a specified Person, any Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with the specified Person.

“**Change in Majority Interests or Control**” means the occurrence of any one of the following:

- (i) a transaction or series of transactions involving the sale, transfer or other disposition of equity or voting securities in the Owners or in any of its direct or indirect parent companies (including, without limitation, any transfer by the current owners of equity or voting securities in the Parent), to one or more Persons that are not, immediately prior to such sale, Affiliates of the Parent, of more than 50% of the beneficial equity or voting securities in the Owners or in any such parent companies;
- (ii) a transaction or series of transactions involving the sale, transfer or other disposition, directly or indirectly, of all or substantially all of the assets of the Parent or its subsidiaries (taken as a whole) to one or more Persons that are not, immediately prior to such sale, transfer, or other disposition, Affiliates of the Parent;
- (iii) any merger, consolidation or other business combination of the Owners or any of its direct or indirect parent companies (including, without limitation, the Parent) in which the owners of equity or voting securities in the Parent immediately before such transaction cease to own more than 50% of the equity or voting securities in the Parent (or equity or voting securities of its successors) or the Parent ceases to directly or indirectly own more than 50% of the equity or voting securities in the Owners or its parent companies (or equity or voting securities of their successors) as a result of such transaction;
- (iv) the consummation of any transaction or a series of transactions (including, without limitation, any merger or consolidation), the result of which is that any “person”(as such term is used in Section 13(d)(3) of the U.S. Securities Exchange Act of 1934, as amended) becomes the beneficial owner, directly or indirectly of more than 50% of the Parent’s voting securities (unless such “person” is, immediately prior to such acquisition, an Affiliate of the Parent), measured by voting power rather than number of shares;
- (v) a change in the composition of the Board of Directors of the Parent within any consecutive period of thirty-six (36) months as a result of which fewer than a majority of the directors are Incumbent Directors;

The term “**Incumbent Director**” shall mean a person who either (1) is a member of the Board of Directors of the Parent (the “**Board**”) upon conclusion of the Annual Meeting of Shareholders of the Parent for the year 2022 (the “**Effective Date**”), and for each term in office commencing after the Effective Date, has been elected, re-elected, appointed, and/or nominated to the Board, as applicable, in satisfaction of the following subparagraph (2), or (2) after the Effective Date, including for each subsequent term in office, has been elected, re-elected, appointed, and/or nominated to the Board, as applicable, with the affirmative vote of at least a majority of the Incumbent Directors including the affirmative vote of the Executive Chairman at the time of such election, re-election, appointment, or nomination, *provided that* , such person was not elected, re-elected, appointed, or nominated to the Board in connection with an actual or threatened proxy contest relating to the election of directors of the Parent; or

- (vi) the employment of George Giouroukos (the “**Executive Chairman**”) as the Executive Chairman of the Parent is terminated by the Parent.

“**Commercial Managers**” means Conchart Commercial Inc., a Marshall Islands corporation or Global Ship Lease Services Limited, a company incorporated in England (as applicable).

“**Commercial Management Agreement**” collectively means the agreements with respect to commercial management made between the Parent and/or its Subsidiaries, on the one hand, and the Commercial Managers, on the other hand, with respect to each of the Vessels (as defined therein).

“**Company**” (with reference to the ISM Code and the ISPS Code) means the organization identified in **Box 5** or any replacement organization appointed by the Owners from time to time (see Sub-clauses 9(b)(i) or 9(c) (ii), whichever is applicable).

“**Confidential Information**” means all information (of whatever nature and however recorded or preserved) which:

- (a) was disclosed by the Owners to the Managers, whether before or after the date of this Agreement, as a result of the discussions leading up to this Agreement, entering into this Agreement or the performance of this Agreement and is designated as “confidential information” by the Owners at the time of disclosure; or
- (b) is information which relates to existing or proposed operations, business plans, market opportunities and business affairs of the Owners or its Affiliates and is clearly confidential from its nature and/or the circumstances in which it was imparted would be regarded as being confidential by a reasonable business person; or
- (c) is clearly confidential from its nature and/or the circumstances in which it was imparted, and including information which relates to the commercial affairs, business (including but not limited to any information considered to be price sensitive information by the Owners), finances, infrastructure, products, services, developments, inventions, trade secrets, know-how, personnel, or contracts of, and any other information relating to, the Owners or its Affiliates (or its or their customers); or
- (d) any information referred to in (a) to (c) above disclosed on the Owners’ behalf by their Affiliates; and
- (e) information extracted, copied or derived from information referred to in (a) to (d) above.

“**Control**” or “**Controlling**” or “**Controlled by**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“**Crew**” means the personnel of the numbers, rank and nationality specified in Annex “B” hereto, including but not limited to the Master and any officers.

“**Crew Insurances**” means insurance of liabilities in respect of crew risks which shall include but not be limited to death, permanent disability, sickness, injury, repatriation, shipwreck unemployment indemnity and loss of personal *effects* (see Sub-clause 5(b) (Crew Insurances) and Clause 7 (Insurance Arrangements) and Clause 10 (Insurance Policies) and **Boxes 10 and 11**).

“**Crew Support Costs**” means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.

“**Dollars**” and “**US\$**” means the lawful currency of the United States of America.

“**Exclusive Broker**” means Conchart Commercial Inc., a Marshall Islands corporation.

“**Exclusive Brokerage Deed**” means the Deed of Commercial Advisory Services and Exclusive Brokerage Services entered into on the same date as this Agreement made between the Parent, Global Ship Lease Services Limited and the Exclusive Broker with respect to the Vessels (as defined therein) (if applicable).

“**Flag State**” means the State whose flag the Vessel is flying.

“**Governmental Entity**” means and includes (whether having a distinct legal personality or not) any national or local government authority, board, commission, department, division, organ, instrumentality, court or agency and any association, organisation or institution of which any of the foregoing is a member or to whose jurisdiction any of the foregoing is subject or in whose activities any of the foregoing is a participant.

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

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

“**Managers**” means the party identified in **Box 4**.

“**Management Services**” means the services specified in SECTION 2 - Services (Clauses 4 through 7) as indicated affirmatively

in **Boxes 6** through **8, 10 and 11**, and all other functions performed by the Managers under the terms of this Agreement.

“**Manager Change of Control**” means (i) a transaction or series of transactions involving the sale, transfer or other disposition by George Giouroukos (other than by reason of his death or other incapacity in managing his affairs) to one or more Persons that are not, immediately prior to such sale, transfer, or other disposition, Affiliates of George Giouroukos, of more than 50% of the equity interests in the Managers; or (ii) any merger, consolidation or other business combination of the Managers in which George Giouroukos or his Affiliates immediately after such transaction ceases to own more than 50% of the equity interests in the Managers (or equity interests of their successors) as a result of such transaction.

“**Owners**” means the party identified in **Box 3**.

“**Parent**” means Global Ship Lease, Inc., a Marshall Islands corporation.

“**Parties**” means the Parties to this Agreement.

“**Person**” means any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

“**Severance Costs**” means the costs which are legally required to be paid to the Crew as a result of the early termination of any contracts for service on the Vessel.

“**SMS**” means the Safety Management System (as defined by the ISM Code).

“**STCW 95**” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 and any amendment thereto or substitution therefor.

“**Subsidiary(ies)**” means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Persons Controlled by such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Person Controlled by such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, one or more Persons Controlled by such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Persons Controlled by such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

“**TCMC**” means Technomar Crew Management Corporation, a crew manning company affiliated to the Managers with registered offices in Manila, Philippines.

“**Vessel**” means the vessel details of which are set out in Annex “A” attached hereto.

2. Commencement and Appointment

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

3. Authority of the Managers

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

SECTION 2 – Services

4. Technical Management

*(only applicable if agreed according to **Box 6**).*

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

- (a) ensuring that the Vessel complies with the requirements of the law of the Flag State;

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- (b) ensuring compliance with the ISM Code;
- (c) ensuring compliance with the ISPS Code;
- (d) providing competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (e) arranging and supervising special surveys, dry dockings, repairs, alterations and the maintenance of the Vessel to the standards agreed with the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with all requirements and recommendations of the classification society, and with the law of the Flag State and of the places where the Vessel is required to trade;
- (f) arranging the supply of necessary stores, spares and lubricating oil;
- (g) appointing surveyors and technical consultants as the Managers may consider from time to time to be necessary;
- (h) in accordance with the Owners' instructions, arranging and supervising the sale and/or purchase and legal and physical delivery of the Vessel under the sale and purchase agreement; provided, however services under this Sub-clause 4(h) shall not include negotiation of the sale agreement;
- (i) arranging for the supply of provisions;
- (j) arranging for the sampling and testing of bunkers;
- (k) arranging for the provision of bunker fuels as required for the Vessel's trade;
- (l) receiving and relaying voyage instructions;
- (m) appointing stevedores;
- (n) arranging surveys associated with the commercial operation of the Vessel;
- (o) accounting and calculation of hire, freights, demurrage and/or dispatch monies due from or due to charterers of the Vessel; collection of any sums due to the Owners related to the operation of the Vessel;
- (p) coordinate with the Commercial Managers and the Exclusive Broker (as applicable) with respect (i) the matters referenced in Clause 4(o) above, (ii) consolidation of accounts, budgets and other materials as may be requested by the Commercial Managers, the Exclusive Broker (as applicable) or Owners with respect to the Vessel and any other vessels subject to the Commercial Management Agreement and/or the Exclusive Brokerage Deed (as applicable) and for which the Managers hereunder provide any management services, and (iii) the scope of Management Services required hereunder in relation to any charterparty for the Vessel negotiated by the Commercial Managers or the Exclusive Broker (as applicable) on its behalf or on behalf of the Owners; and
- (q) Perform the Management Services hereunder in compliance with, and in such a manner as to comply with the requirements of, any charterparty for the Vessel.

5. Crew Management and Crew Insurances

(a) Crew Management

*(only applicable if agreed according to **Box 7**)*

The Managers shall provide suitably qualified Crew who shall comply with the requirements of STCW 95. The provision of such crew management services includes, but is not limited to, the following services:

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- (i) selecting, engaging and providing for the administration of the Crew, including, as applicable, payroll arrangements, pension arrangements, tax, social security contributions and other mandatory dues related to their employment payable in each Crew member's country of domicile;
- (ii) ensuring that the applicable requirements of the law of the Flag State in respect of rank, qualification and certification of the Crew and employment regulations, such as Crew's tax and social insurance, are satisfied;
- (iii) ensuring that all Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements, it being understood that the Vessel shall always remain flagged with a Flag State requiring such medical certificates;
- (iv) ensuring that the Crew shall have a common working language and/or a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (v) arranging transportation of the Crew including repatriation;
- (vi) training of the Crew;
- (vii) conducting union negotiations;
- (viii) operating the Manager's drug and alcohol policy;
- (ix) ensuring that any complaints with respect to the Master or any of the officers or any other members of the Crew are promptly investigated, and if such complaints are well-founded ensuring that changes in appointments are made without delay in accordance with Clause 15 (Replacement);
- (x) if the Managers are the Company, ensuring that the Crew, on joining the Vessel, are given proper familiarization with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing;
- (xi) it is hereby agreed that for the employment of Filipino crew the Managers may sub-contract with TCMC or any other manning agent. Where the Managers have sub-contracted to (i) TCMC for the employment of Filipino crew, the Owners will pay to the Managers the actual costs of TCMC calculated on the basis of crew days on board the Vessel, and there shall be no commission or other charges payable to TCMC in relation thereto and (ii) any other manning agent for the employment of Filipino crew, the Owners will pay to the Managers the costs of such manning agent calculated on the basis of crew days on board the Vessel and charged to the Manager along with the customary commission and all other charges in relation thereto;
- (xii) if the Managers are not the Company: N/A; and
- (xiii) where Managers are not providing technical management services in accordance with Clause 4 (Technical Management):
N/A

(b) Crew Insurances

*(only applicable if Sub-clause 5(a) applies and if agreed according to **Box 10**)*

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

- (i) arranging Crew Insurances in accordance with the sound practice of prudent managers of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations. Insurances for any other persons proceeding to sea onboard the Vessel may be separately agreed by the Owners and the Managers (see **Box 10**);
- (ii) ensuring that the Owners are aware of the terms, conditions, exceptions and limits of liability of the insurances in Sub-clause 5(b)(i);
- (iii) ensuring that all premiums or calls in respect of the insurances in Sub-clause 5(b)(i) are paid by their due date;

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

6. Commercial Management

*(only applicable if agreed according to **Box 8**). – N/A*

7. Insurance Arrangements

*(only applicable if agreed according to **Box 11**).*

The Managers shall arrange insurances in accordance with Clause 10 (Insurance Policies), on such terms as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles, franchises and limits of liability.

SECTION 3 – Obligations

8. Managers' Obligations

(a) The Managers undertake to use their best endeavours to provide the Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. In performing and discharging its obligations, duties and liabilities under this Agreement, the Managers shall act in accordance with all instructions communicated to it by the Owners and the Managers shall at all times serve the Owners faithfully and diligently.

Notwithstanding anything herein to the contrary and for the avoidance of doubt, the parties acknowledge that the Managers shall continue to act as a technical manager with respect to vessels owned or operated by persons or entities other than the Owners, the Parent, or their respective Subsidiaries. In addition, and notwithstanding clause 8(a), in the performance of their management responsibilities under this Agreement, the Managers shall be entitled to have regard to their overall responsibility in relation to all other vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances they consider in their discretion (reasonably exercised) to be fair and reasonable, but in no circumstances shall the Vessel be managed in a manner which is less favourable to the interests of the Owners.

In the performance and discharge of its obligations, duties and liabilities under this Agreement, the Managers shall take care not to exceed the authority given by the Owners under the terms of this Agreement and shall act at all times in accordance with the Owner's instructions.

In the performance and discharge of its obligations, duties and liabilities under this Agreement, the Manager shall act with reasonable care and skill in accordance with good industry practices and in compliance with all laws and regulations, and shall provide the Management Services hereunder and maintain the Vessel at a standard at least equivalent to the standards followed by it with respect to the other vessel(s) for which the Managers provide management services.

Notwithstanding anything contained herein to the contrary, the Managers shall at all times devote a sufficient amount of its time, resources and personnel to provide the Management Services contemplated by this Agreement.

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

(c) In providing the Management Services, the Managers will at all times comply with, without limitation, the U.S. Foreign Corrupt Practices Act, any applicable country legislation implementing the OECD Convention on combating Bribery of Foreign Public Officials in International Business Transactions, and the UK Bribery Act 2010, and any other laws or regulations relating to anti-bribery, anti-terrorism, economic sanctions and anti-money laundering, to the extent applicable. The Managers shall not engage

in any activity, practice or conduct which constitutes a breach of any of the foregoing; in addition, the Managers shall not employ any Person, nor subcontract with any person or entity, to perform or discharge any of its obligations under this Agreement if that person or entity is designated or identified as a Specially Designated National, a Person subject to sanctions that prohibit all dealings or restrict dealings with such Person, a foreign terrorist organization or an organization that provides support to a foreign terrorist organization by the United States Government or any branch or department thereof (including, but not limited to, the Office of Foreign Asset Control).

9. Owners' Obligations

(a) The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.

(b) Where the Managers are providing technical management services in accordance with Clause 4 (Technical Management), the Owners shall:

- (i) report (or where the Owners are not the registered owners of the Vessel procure that the registered owners report) to the Flag State administration the details of the Managers as the Company as required to comply with the ISM and ISPS Codes;
- (ii) procure that any officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95; and
- (iii) instruct such officers and ratings to obey all reasonable orders of the Managers (in their capacity as the Company) in connection with the operation of the Managers' safety management system.

(c) Where the Managers are providing crew management services in accordance with Sub-clause 5(a) the Owners shall:

- (i) inform the Managers, through the Commercial Managers, the Exclusive Broker (if applicable) or otherwise, prior to any order for the Vessel to any excluded or additional premium area under any of the Owners' Insurances by reason of war risks and/or piracy or like perils and pay whatever additional costs may properly be incurred by the Managers as a consequence of such orders including, if necessary, the costs of replacing any member of the Crew. Any delays resulting from negotiation with or replacement of any member of the Crew as a result of the Vessel being ordered to such an area shall be for the Owners' account. Should the Vessel be within an area which becomes an excluded or additional premium area the above provisions relating to cost and delay shall apply;
- (ii) agree with the Managers prior to any change of flag of the Vessel and pay whatever additional costs may properly be incurred by the Managers as a consequence of such change; and
- (iii) provide, at no cost to the Managers, in accordance with the requirements of the law of the Flag State, or higher standard, as mutually agreed, adequate Crew accommodation and living standards.

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

10. Insurance Policies

The Managers shall ensure that throughout the period of this Agreement:

(a) at the Owners' expense, the Vessel is insured for not less than its sound market value or entered for its full gross tonnage, as the case may be for:

- (i) hull and machinery marine risks (including but not limited to crew negligence) and excess liabilities;
- (ii) protection and indemnity ("P&I") risks (including but not limited to pollution risks, diversion expenses and, except to the extent insured separately by the Managers in accordance with Sub-clause 5(b)(i), Crew Insurances;
- (iii) Freight, Demurrage and Defence cover ("FD & D");

NOTE: If the Managers are not providing crew management services under Sub-clause 5(a) (Crew Management) or have agreed not to provide Crew Insurances separately in accordance with Sub-clause 5(b)(i), then such insurances must be included in the protection and indemnity risks cover for the Vessel (see Sub-clause 10(a)(ii) above).

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

Sub-clauses 10(a)(i) through 10(a)(iv) all in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations ("the Owners' Insurances");

(b) all premiums and calls on the Owners' Insurances are paid by their due date;

(c) In the event the Vessel is sold or this Agreement is terminated as per the terms hereunder the Owners will either pay directly, or remit, sufficient funds in the Vessel's Earnings Account to cover, the Vessel's PandI and FD & D estimated Release Calls as same will be calculated by the Vessel's Protection and Indemnity Association. The Managers will ensure that, in the event of payment from the Vessel's Earnings Account, when called by the Vessel's Protection and Indemnity Association, the Vessel's Release Calls are paid as appropriate and any balance remaining out of the amount originally remitted by the Owners will be released to the Owners.

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

If obtainable at no additional cost, however, the Managers shall procure such insurances on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances. In any event, on termination of this Agreement in accordance with Clause 21 (Duration of the Agreement) and Clause 22 (Termination), the Owners or Managers shall procure that the Managers and any third party designated by the Managers as joint assured shall cease to be joint assured and, if reasonably achievable, that they shall be released from any and all liability for premiums and calls that may arise in relation to the period of this Agreement; and

(e) written evidence is provided, to the reasonable satisfaction of the Owners, of the Managers' compliance with their obligations under this Clause 10 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

11. Income Collected and Expenses Paid on Behalf of Owners

(a) All monies collected by the Managers under this Agreement (other than monies payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.

(b) All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 12(c)) may be debited against the Owners in the account referred to under Sub-clause 11(a) but shall in any event remain payable by the Owners to the Managers on demand.

(c) The Managers shall provide the Owners with (i) monthly cash flow statements with respect to the Vessel and the Owners, and (ii) quarterly un-audited accounts and detailed analysis showing all movements and use of funds held in the separate bank account.

(d) The Managers shall pay, on behalf of the Owners and from the bank account referred to in Clause 11(a) above, all expenses of the Commercial Managers under the Commercial Management Agreement and all expenses of the Exclusive Broker under the Exclusive Brokerage Deed (as applicable).

12. Management Fee and Expenses

(a) The Owners shall pay to the Managers a daily management fee as stated in **Box 14** for their services as Managers under this Agreement, which shall be due and payable in monthly instalments in advance, the first instalment (pro rata if appropriate) being due and payable on the date of delivery of the Vessel to the Owners and subsequent instalments being due and payable every first New York banking day of every calendar month. The management fee shall be payable to the Managers' nominated account stated in **Box 15**.

(b) The management fee shall be subject to an annual review (at the end of each calendar year) in order to reflect any increases in the salaries of Managers' employees and other expenses (inflation). The proposed fee shall be presented in the annual budget in accordance with Sub-clause 13(a). Subject always to the prior written approval of the Owners, the management fee may increase annually on January 1 of each year by not more than two and one-half percent (2.5%).

(c) The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of this Clause 12 (Management Fee and Expenses) the Owners shall reimburse the Managers for reasonable postage, communication, travelling and accommodation expenses, and other reasonable out of pocket expenses properly incurred by the Managers in pursuance of the Management Services including but not limited to the Vessel

apportioned cost of the Managers' "flying squad" and the "on board the Vessel" allowances as well as any other sundry administrative expenses, it being understood that the Managers shall not make any expenditure with respect to the items described in this sub-paragraph (c) in the aggregate in excess of US\$5,000 in any given calendar month, without the prior written consent of the Owners. Notwithstanding the foregoing, any of the above items that may be included in the annual budget will not be part of this reimbursement.

(d) If the Owners decide to layup the Vessel and such layup lasts for more than the number of months stated in **Box 17**, the Management Fee is agreed to be Euro [190] per day and will be applicable for the period exceeding such period agreed in Box 17 until one month before the Vessel is again put into service. If the Managers are providing crew management services in accordance with Sub-clause 5(a), consequential costs of reduction and reinstatement of the Crew shall be for the Owners' account.

(e) Save as otherwise provided in this Agreement, all discounts and commissions obtained by the Managers in the course of the performance of the Management Services shall be credited to the Owners.

13. Budgets and Management of Funds

(a) The Managers shall prepare a budget. The budget shall also provide aggregate forecast expenditure by the Managers for those cost items to be reimbursed by Owners as detailed in Clause 12(c). The Managers' initial budget is set out in Annex "C" hereto. Subsequent budgets shall be for twelve month periods and shall be prepared by the Managers and presented to the Owners not less than one month before the end of the budget year.

(b) The Owners shall state to the Managers in a timely manner, but in any event within one month of presentation, whether or not they agree to each proposed annual budget. In the absence of any such indication by the Owners, within such one month period, the Managers shall be entitled to assume that the Owners have accepted the proposed budget.

(c) Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement for the Vessel and shall each month request the Owners in writing to pay the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.

(d) The Managers shall (i) establish and maintain an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, (ii) maintain the records of all costs and expenditures incurred as well as data necessary or proper for settlement of accounts, (iii) prepare yearly operating budgets for the Vessel including any drydocking and special surveys, (iv) provide back-office administration and accounting services for the Vessel and the Owners, and (v) at all times maintain and keep true and correct accounts in respect of the Management Services in accordance with the relevant International Financial Reporting Standards or U.S GAAP as required, including records of all costs and expenditure incurred, and produce a comparison between budgeted and actual income and expenditure of the Vessel in such form and at such intervals as shall be mutually agreed. The Managers shall make such accounts available for inspection and auditing by the Owners and/or their representatives in the Managers' offices or by electronic means, provided reasonable notice is given by the Owners.

(e) The Managers shall assist the Owners and its Parent in complying with the requirements of Section 404 of the U.S. Sarbanes Oxley Act 2002, as it may be amended from time to time ("SOX"), governing the effectiveness of internal controls of service organizations retained by publicly held companies by taking or causing to be taken, all actions and doing, or causing to be done, all things and executing any and all documents and instruments which may reasonably be required, proper or advisable to conducting an evaluation on the internal controls of the Managers in compliance with SOX. The Managers agree to take or cause to be taken, all actions and to do, or cause to be done, all things and to execute any and all documents and instruments of any kind on an ongoing basis which might be reasonably necessary, proper or advisable to permit the Owners and its Parent to remain in compliance with SOX throughout the term of this Agreement, and, with the exception of the costs incurred by the Managers to obtain SAS 70 reports or any equivalents thereof, if require by the Owners or the Parent, which shall be payable by either the Owners or the Parent, each of the parties to this Agreement shall bear their own costs associated with such compliance.

(f) Notwithstanding anything contained herein, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services except where the terms of this engagement provide that such Management Services are to be provided at no extra or additional cost to the Owners.

14. Trading Restrictions

If the Managers are providing crew management services in accordance with Sub-clause 5(a) (Crew Management), the Owners

and the Managers will, prior to the commencement of this Agreement, agree on any trading restrictions to the Vessel that may result from the terms and conditions of the Crew's employment.

15. Replacement

If the Managers are providing crew management services in accordance with Sub-clause 5(a) (Crew Management), the Owners may require the replacement, at their own expense, at the next reasonable opportunity, of any member of the Crew, including but not limited to any Master or officer, found on reasonable grounds to be unsuitable for service. If the Managers have failed to fulfil their obligations in providing suitable qualified Crew within the meaning of Sub-clause 5(a) (Crew Management), then such replacement shall be at the Managers' expense.

16. Managers' Right to Sub-Contract

Other than to its Affiliates or as otherwise set forth in this Agreement, the Managers shall not subcontract any of their obligations hereunder without the prior written consent of the Owners. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. Owners hereby agree that the Managers are allowed to sub-contract with TCMC (for the Filipino crew only) and with other manning agents as same may be necessary for the due performance of the Managers' services under clause 5 (a).

17. Responsibilities

(a) Force Majeure - Neither party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimise or prevent the effect of such events and/or conditions:

(i) acts of God;

(ii) any requisition, control, intervention, requirement or interference by a Governmental Entity;

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

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

(v) epidemics;

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

(vii) strikes, lockouts or other industrial action, unless limited to the employees (which shall not include the Crew) of the party seeking to invoke force majeure;

(viii) fire, accident, explosion except where caused by negligence of the party seeking to invoke force majeure; and

(ix) any other similar cause beyond the reasonable control of either party.

(b) Liability to Owners

Without prejudice to Sub-Clause 17(a), the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel), and howsoever arising in the course of performance of the Management Services **UNLESS** the same is proved to have resulted solely from:

(i) the persistent and/or continuing negligence of the Managers which causes material losses and/or material additional expense to the Owners for a period of 3 (three) calendar months or more following a written notice from the Owners that it is dissatisfied with the performance of the Managers due to such negligence and stating the deficiencies to be remedied, provided however, that the Managers shall not be deemed to have acted negligently if the deficiencies arise or are continuing due to circumstances beyond the control of the Managers, the Exclusive Broker and TCMC, or if the Managers are taking reasonable steps to remedy such deficiencies; or

(ii) the gross negligence or wilful default of the Managers or its employees or agents, or sub-contractors employed by them in connection with the Vessel,

(m) in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause the same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of (A) three (3) times the annual management fee payable hereunder with respect to such liability arising under the foregoing sub-clause (i) or (B) ten (10) times the annual management fee payable hereunder with respect to such liability arising under the foregoing sub-clause (ii).

(iv) *Acts or omissions of the Crew* – Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any acts or omissions of the Crew, even if such acts or omissions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under Clause 5(a) (Crew Management), in which case their liability shall be limited in accordance with the terms of this Clause 17 (Responsibilities).

(c) *Indemnity* - Except to the extent and solely for the amount therein set out that the Managers would be liable under Sub-clause 17(b), the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of this Agreement, and against and in respect of all costs, loss, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

(d) *"Himalaya"* - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his, her or its part while acting in the course of or in connection with his, her or its employment and, without prejudice to the generality of the foregoing provisions in this Clause 17 (Responsibilities), every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 17 (Responsibilities) the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

18. General Administration

(a) The Managers shall keep the Owners and, if appropriate, the Company informed in a timely manner of any incident of which the Managers become aware which gives or may give rise to a material delay to the Vessel or material claims or disputes involving third parties. Without derogating from the foregoing, the Managers shall present the Owners with a report at least every six (6) months identifying all claims arising in or outstanding in such period, settlement and resolution status, and actions taken with respect thereto.

(b) The Managers shall handle and settle all claims and disputes arising out of the Management Services hereunder with respect to such claims or disputes relating to claims in excess of USD 100,000, unless the Owners instruct the Managers otherwise. The Managers shall keep the Owners appropriately informed in a timely manner throughout the handling of such claims and disputes.

(c) The Owners may request the Managers to bring or defend other actions, suits or proceedings related to the Management Services, on terms to be agreed.

(d) At Owners' cost, the Managers shall have power to obtain appropriate legal or technical or other outside expert advice in relation to the handling and settlement of claims in relation to Sub-clauses 18(b) and 18(c) and disputes and any other matters affecting the interests of the Owners in respect of the Vessel, including the appointment of auditors or other outside experts as may be necessary in the ordinary course of business.

(e) On giving reasonable notice with respect to proposed dates and the scope of inquiry, the Owners may request, and the Managers shall in a timely manner make available, all documentation, information and records in respect of the matters covered by this Agreement either related to mandatory rules or regulations or other obligations applying to the Owners in respect of the Vessel (including but not limited to STCW 95, the ISM Code and ISPS Code) to the extent permitted by relevant legislation and the Managers shall permit the Owners during regular business hours to inspect the Managers' premises, audit records and accounts and meet with executive personnel.

(f) The Managers shall provide the administration and support services set out in Appendix XX (collectively, the "Administrative

& Support Services”) at their cost; provided, however, that, at the Owners’ sole cost and expense, the Managers may employ the services of external advisors or other third-party service providers if reasonably necessary for the Managers to provide the Administrative & Support Services (including, without limitation, the services of accounting, tax or legal advisors, but expressly excluding day-to-day accounting services or other Administrative & Support Services that Managers provide to other clients in the ordinary course utilizing in-house expertise).

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

(h) The Owners shall arrange for the provision of any necessary guarantee bond or other security.

(i) Any costs reasonably incurred by the Managers in carrying out their obligations according to this Clause 18 (General Administration) unless otherwise expressly provided or agreed shall be reimbursed by the Owners.

19. Inspection of Vessel

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

20. Compliance with Laws and Regulations

The Parties will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations the Flag State, or of any place where the Vessel trades, nor shall either of the Parties act in any manner which is prohibited under United States laws or regulations related to foreign trade controls.

In performing the Management Services, the Managers shall, and shall use all reasonable endeavours to procure that its Affiliates and sub-contractors shall, comply in all material respects with the written policies of the Owners, Global Ship Lease Services Limited or the Parent that are directly applicable to the Managers’ provision of the Management Services and are made known to the Managers in advance in writing, which shall include, but not be limited to, the Owners’ Anti-slavery and Human Trafficking Policy, Corporate and Social Responsibility Policy, Anti-bribery and Anti-corruption Policy, Business Ethics Policy, Data and Privacy Policy and Business Conduct Policy and any other policies of the Owners that are so applicable from time to time.

21. Duration of the Agreement

a This Agreement shall come into effect at the date stated in **Box 2** and shall continue for the minimum contract period set out in Box 18. Either party may give not less than six (6) months written notice to the other during the minimum contract period that this Agreement is to be terminated at the expiry of the minimum contract period set out in Box 18.

b Following the expiry of the minimum contract period set out in Box 18, and provided that neither party has issued a termination notice pursuant to Clause 21(a) to terminate this Agreement at the end of the minimum contract period, this Agreement may be terminated by either party by giving no less than six (6) months written notice to the other.

c Should the Owners provide notice under either Clauses 21(a) or (b) above on the basis that they are able to secure more competitive terms from a recognized third party ship manager, they shall provide the Managers in reasonably documented detail, the more competitive terms offered to the Owners by such third party ship manager. The Managers shall have the right to send written notice to the Owners agreeing to match all such terms, in which case this Agreement shall not terminate and shall be deemed to be amended to incorporate such revised terms, as appropriate.

d Notwithstanding Clauses 21(a) and (b) above, this Agreement may be terminated by either party at any time in accordance with Clause 22 (Termination).

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

22. Termination

Owners’ or Managers’ default

(a) If either Party fails to meet their obligations under this Agreement, the other Party may give notice to the defaulting Party requiring it to remedy it. In the event that the defaulting Party fails to remedy within a reasonable time to the reasonable

satisfaction of the other Party, that other Party shall be entitled to terminate this Agreement with immediate effect by giving notice to the defaulting Party.

(b) Notwithstanding Clause 22(a):

(i) The Managers shall be entitled to terminate this Agreement with immediate effect by giving notice to the Owners if any monies payable by the Owners under the terms of this Agreement shall not have been received in the Managers' nominated account within thirty (30) days of receipt by the Owners of the Managers' written request, or if the Vessel is repossessed by a mortgagee.

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

(iii) If either party fails to meet their respective obligations under Sub-clause 5(h) (Crew Insurances) and Clause 10 (Insurance Policies), the other party may give notice to the party in default requiring them to remedy it within twenty (20) days, failing which the other party may terminate this Agreement with immediate effect by giving notice to the party in default.

(c) Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel (directly or via a sale of a Controlling interest in the Owners) or, if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned or has been declared missing, or if bareboat chartered, unless otherwise agreed, when the bareboat charter comes to an end; provided, however, that the foregoing shall not apply to (A) the sale of any Vessel pursuant to a sale/leaseback transaction or (B) any termination or expiration of a bareboat charter of such Vessel by the Owners if such Vessel is purchased (or re-purchased) by the Owners.

(d) For the purpose of Sub-clause 22(c) hereof:

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

(ii) the Vessel shall be deemed to be lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a component tribunal that a constructive loss of the Vessel has occurred; and

(iii) the date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first. A missing Vessel shall be deemed lost in accordance with the provisions of Sub-clause 22(d)(ii).

The Managers' Default

(e) The Owner may terminate this Agreement for Cause (as hereinafter defined), but only after the Owners have provided the Managers with notice of such Cause and such Cause has not been cured within twenty (20) days of such notice; provided, however, that if any Cause is incapable of being cured, then no notice and cure period shall be required.

(f) **Cause** means any of the following:

(i) The Managers:

(A) persist and/or continue to be negligent in their performance of the Management Services which causes material losses and/or material additional expense to the Owners for a period of 3 (three) calendar months or more following a written notice from the Owners that it is dissatisfied with the performance of the Managers due to such negligence and stating the deficiencies to be remedied, provided however, that the Managers shall not be deemed to have acted negligently if the deficiencies arise or are continuing due to circumstances beyond the control of the Managers, the Exclusive Broker and TCMC or if the Managers are taking reasonable steps to remedy such deficiencies; and/or

- (B) is or has been grossly negligent in its performance of the Management Services; and/or
- (C) has engaged in wilful misconduct and/or bad faith and/or fraud;
- (ii) The Managers wilfully fail to cooperate in any government, agency, regulatory or external self-governing body investigation that could have a material adverse effect on the Owners;
- (iii) The Managers or any of their directors, officers or employees are convicted or plead nolo contendere to a felony or a misdemeanour involving moral turpitude that is reasonably likely to have a material adverse effect on the Owners;
- (iv) The Managers or any of their directors, officers or employees commit any material violation of any U.S. federal law regulating securities or the business of the Owners or the Parent without having relied on the legal advice of the Owners' or the Parent's counsel to perform or omit to perform the act resulting in such violation or the Managers are the subject of any final order, judicial or administrative, obtained or issued by the United States Securities and Exchange Commission, for any securities violation involving fraud that in each case is reasonably likely to have a material adverse effect on the Owners or the Parent; and
- (v) a material breach of the obligations of the Managers under this Agreement that is reasonably likely to have a material adverse effect on the Parent.
- (g) The Managers shall be entitled to terminate this Agreement with immediate effect by giving notice to the Owners within a six (6) month period following a Change in Majority Interests or Control.
- (h) Owners shall be entitled to terminate this Agreement with immediate effect by giving notice to the Managers within a six (6) month period following a Manager Change of Control.
- (i) This Agreement shall terminate automatically in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either Party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver or administrator is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors (any such event, an **Insolvency**).
- (j) In addition, where the Managers provide Crew for the Vessel in accordance with Clause 5(a) (Crew Management):

the Owners shall continue to pay Crew Support Costs during the said further period of ninety (90) days; and

the Owners shall pay an equitable proportion of any Severance Costs which may be incurred. The Managers shall use their reasonable endeavours to minimise such Severance Costs.
- (k) On the termination, for whatever reason, of this Agreement, the Managers shall arrange to deliver to Owners, if so requested, and upon reasonable notice, the originals where possible, or otherwise certified copies, of all contracts, charters and all documents specifically relating the Vessels and the Management Services provided under this Agreement. The Managers will ensure that such documents will be available for a period of two (2) years following the termination of this Agreement.
- (l) The termination of this Agreement shall be without prejudice to all rights accrued between the Parties prior to the date of termination, including for the avoidance of doubt specifically the right of the Managers to receive the Management Fee (a) prior to the date of such termination and (b) in any event up to the expiry of the minimum contract period as per Box 18 provided that, in the event of termination of this Agreement for Cause by the Owners pursuant to clause 22 (e), no Management Fee shall be due or payable to the Managers hereunder for any period after the date of such termination.

(m) In addition to any other payments contemplated herein, (i) if this Agreement is terminated by the Managers pursuant to any of Clauses 21(a), 21(b), 22(a), 22(b)(i), 22(b)(ii), 22(b)(iii), 22(c) or 22(g) or (ii) if this Agreement terminates automatically pursuant to Clause 22(i) because of the Insolvency of the Owners, upon such termination the Managers shall be entitled to a lump sum payment in the amount set forth opposite such Clause reference in the following table:

Applicable Clause Reference	Termination Payment
clause 21(a)	50% of the annual management fee payable hereunder at the time of such termination
clause 21(b)	50% of the annual management fee payable hereunder at the time of such termination
clause 22(a)	Five (5) times the annual management fee payable hereunder at the time of such termination
clause 22(b)(i)	Five (5) times the annual management fee payable hereunder at the time of such termination
clause 22(b)(ii)	Five (5) times the annual management fee payable hereunder at the time of such termination
clause 22(b)(iii)	Five (5) times the annual management fee payable hereunder at the time of such termination
clause 22(c)	25% of the annual management fee payable hereunder at the time of such termination
clause 22(g)	Six (6) times the annual management fee payable hereunder at the time of such termination
clause 22(i)	Five (5) times the annual management fee payable hereunder at the time of such termination

(n) In addition to any other payments contemplated herein, **(i)** if this Agreement is terminated by the Owners pursuant to any of clauses 21(a), 21(b), 22(a), 22(b)(iii), 22(c), 22(e) or 22(h) , or **(ii)** if this Agreement terminates automatically pursuant to clause 22(i) because of the Insolvency of the Managers, upon such termination the Managers shall be entitled to a lump sum payment in the amount set forth opposite such clause reference in the following table:

Applicable Clause Reference	Termination Payment
clause 21(a)	Six (6) times the annual management fee payable hereunder at the time of such termination
clause 21(b)	Five (5) times the annual management fee payable hereunder at the time of such termination
clause 22(a)	25% of the annual management fee payable hereunder at the time of such termination
clause 22(b)(iii)	50% of the annual management fee payable hereunder at the time of such termination
clause 22(c)	One quarter of the annual management fee payable hereunder at the time of such termination
clause 22(e)	None
clause 22(h)	The annual management fee payable hereunder at the time of such termination
clause 22(i)	25% of the annual management fee payable hereunder at the time of such termination

23. Emission Trading Scheme Allowances. Effective 1st January 2024 and notwithstanding any other provision in this Agreement, the Owners and the Managers (together the "Parties" and each individually a "Party") agree as follows:

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

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

“Emission Scheme” means a greenhouse gas emissions trading scheme which for the purposes of this Clause shall mean the European Union Emissions Trading System (“EU ETS”).

“Responsible Entity” means the party responsible for compliance under the Emission Scheme applicable to the Vessel by law and/or regulation.

“Surrender Date” means 30 September 2025 and every 30 September thereafter (or as such date may be amended from time to time) which is the deadline for the surrender of Emission Allowances pursuant to the EU ETS

The Managers shall be the Responsible Entity under EU ETS applicable to the Vessel and shall assume that responsibility by way of mandated authority between the Parties in accordance with such Emission Scheme (the “Mandate”). In consideration of the Managers accepting such responsibility, the following shall apply (also see the Appendix for the respective specific services to be provided by the Managers with regard to the EU ETS) :

(i) The Managers shall provide the Owners with Emission Data together with the calculation of the Emission Allowances required at regular intervals to be agreed between the Parties. Such Emission Data shall be verified by an independent verifier, where and when applicable, at the Owners’ expense.

(ii) The Managers shall monitor and report Emission Data to the administering authority (as determined by the EU) in accordance with the EU ETS as applicable to the Vessel.

(iii) The Emission Allowances as calculated by the Managers shall be received by the Managers from the Owners or, if the governing charterparty at the material time so provides, from the Vessel's charterers, in the Managers' nominated Emission Scheme account as agreed between the Parties having taken into account any applicable respective agreement between the Owners and any charterer of the Vessel at any time but in any event not later than 20 days prior to the Surrender Date. Notwithstanding that as between Owners and their charterers from time to time the obligation to provide EUAs is the charterers' obligation, the primary responsibility for provision of EUAs to the Managers shall remain at all times with the Owners.

(iv) No later than fourteen (14) days prior to termination of this Agreement, the Managers shall prepare and present to the Owners, in writing, (i) their estimates of the Emission Allowances due for the Vessel for the final month of validity of this Agreement, or part thereof, and, (ii) in any event, the total Emission Allowances (including estimated ones) applicable to the Vessel until the date on which the Managers shall cease to be the Responsible Entity by reason of such termination, save that where the Agreement is terminated in circumstances which do not allow the Managers fourteen (14) days' notification, the Managers shall notify the Owners of the total Emission Allowances as soon as possible. Within three (3) days of notification by the Managers of the total Emission Allowances due to the Managers, but in any event not later than the termination of this Agreement, the Emission Allowances notified by the Managers shall be transferred by the Owners or on Owners' behalf to the Managers. Owners shall fully indemnify the Managers against any liability which the Managers have for Emission Allowances, and such indemnity will survive any termination of this Agreement.

(v) Any difference between (a) the Emission Allowances estimated according to subclause (iv) above and (b) the Emission Allowances actually due in respect of the Vessel as at the time and date of termination of this Agreement, shall be reconciled and settled between the Parties within ten (10) days after the termination of this Agreement.

(vi) For the avoidance of any doubt, the Owners shall always provide the Managers in a timely manner (and in any event as per the time context agreed in paragraph (iii) above), with the Emission Allowances required to fulfil the Managers' obligations under EU ETS. It is expressly agreed that the Owners will immediately and without delay transfer to the Managers any Emission Allowances not transferred to them by the charterers of the Vessel at any time or otherwise authorize the Managers to purchase any such Emission Allowances on Owners' behalf and at Owners' cost after first having sent to the Managers sufficient funds as per Managers' request.

(vii) The Managers shall surrender the Emission Allowances in accordance with the EU ETS as applicable to the Vessel, subject always to the Owners being/remaining responsible for providing such Emission Allowances to the Managers.

(viii) Any Emission Allowances transferred by the Owners or on Owners' behalf to the Managers shall be held to the credit of the Owners (but not on trust) until surrendered by the Managers to the administering authority of the EU ETS applicable to the Vessel.

(ix) The Managers' daily management fee shall be increased as per BOX 14. The Parties agree that when the EU ETS market standards become clearer or in the event of a material change to them, they will review the position and/or consider the changes and in good faith re-appraise the level of the Additional Fee with the first such review to take place no later than January 31, 2025.

(x) The Owners acknowledge that the Managers shall act as the Responsible Entity with respect to vessels owned or operated by persons or entities other than the Owners, the Parent, or their respective Subsidiaries and to that effect the Managers may be found as non-compliant regarding the performance of EU ETS obligations as a consequence of such other vessels and / or owners regarding the performance of EU ETS obligations ("Non Compliance Contagion Event"). In the event of a Non-Compliance Contagion Event, Owners will have the right to notify the Managers in writing and request them to remedy the Non-Compliance Contagion Event within (90) days (or such other greater period as the Parties may agree) following the receipt of such notice from the Owners. Provided that the Managers have been unable to remedy the Non-Compliance Contagion Event as required by the Owners, the Owners will have the right to revoke the Mandate and the Managers shall cease to be the Responsible Entity upon completion of all necessary administrative actions giving effect to such revocation, subject always to Owners providing the Managers with all EUAs due and applicable to the Vessel as calculated by the Managers until the date such revocation becomes effective and the Managers cease to be the Responsible Entity. Such EUAs will be provided by the Owners to the Managers not later than five (5) days following the Managers provision to the Owners of the relevant EUAs calculations. For the avoidance of any doubt, any such Non-Compliance Contagion Event will never constitute or be construed as constituting a breach of this Agreement or as Managers' failure to comply with their obligations under this Agreement in any manner whatsoever.

(xi) The Managers will have the right to revoke the Mandate at any time subject to notifying the Owners in writing and cooperating with the Owners to ensure a smooth change is effected for the Responsible Entity with regard to EU ETS. Owners will provide the Managers with all EUAs due and applicable to the Vessel as calculated by the Managers until the date such revocation becomes effective and the Managers cease to be the Responsible Entity. Such EUAs will be provided by the Owners to the Managers not later than five (5) days following the Managers provision to the Owners of the relevant EUAs calculations.

24. FuelEU Maritime Clause for SHIPMAN 2024

Effective 1st January 2025 and notwithstanding any other provision under this Agreement, the Owners and the Managers (the "Parties") hereby agree as follows:

"Compliance Balance" means the measure of the Vessel's over- or under-compliance with regard to the limits of the yearly average GHG Intensity of the energy used on board by the Vessel during Voyages within the scope of FuelEU Maritime, which is calculated in accordance with Part A of Annex IV of FuelEU Maritime.

"Compliance Balance Statement" means the information and calculations for a Reporting Period, and including (without limitation) the Compliance Balance, as calculated and recorded by the Verifier as set out at Article 16(4) and Article 26 of Implementing Regulation 2024/2027.

"FuelEU Database" means any electronic database for the monitoring and recording of compliance with FuelEU Maritime established by the European Commission.

"FuelEU Document of Compliance" means the document issued by a Verifier or, where applicable, the competent authority of the administering State, confirming that the Vessel has complied with FuelEU Maritime for the applicable Reporting Period.

"FuelEU Maritime" means Regulation (EU) 2023/1805 of the European Parliament and of the Council, governing the use of renewable and low-carbon fuels in maritime transport, and amending Directive 2009/16/EC as amended from time to time, including all implementing acts and delegated acts and regulations.

"FuelEU Monitoring Plan" means the Vessel's monitoring plan in accordance with FuelEU Maritime.

"FuelEU Penalty" means the penalty in respect of a Reporting Period calculated in accordance with FuelEU Maritime taking into account, where applicable under this Clause, any multiplier as set out in Article 23(2).

"FuelEU Report" means a report as referred to in Article 15(3) submitted in respect of the Vessel and recorded in the FuelEU Database.

"FuelEU Services" means the services provided by the Managers to the Owners under this Clause in performance of the Agreement.

"FuelEU Verification Report" means a verification report as referred to in Article 16 in respect of either a FuelEU Report or Partial FuelEU Report which has been issued by the Verifier and recorded in the FuelEU Database.

"GHG Intensity" means the amount of GHG emissions per megajoule (MJ) of the fuels and energy, expressed in grams of CO₂ equivalent units (gCO₂eq/MJ), used on board the Vessel under the scope of FuelEU Maritime, calculated in accordance with the methodology set out in Annex I of FuelEU Maritime.

"Partial FuelEU Report" means a report for a Partial Reporting Period as referred to in Article 15(4) submitted in respect of the Vessel and recorded in the FuelEU Database.

"Partial Reporting Period" means a part of a Reporting Period where there is a change in the company (as defined in FuelEU Maritime) during the same calendar year.

"Pool Verifier" means the legal entity carrying out verification activities and accredited in accordance with FuelEU Maritime which has been selected to verify the allocation of the total pool compliance balances in a pool including the Vessel, and which might not be the Verifier.

"Reporting Period" means a period from 1 January to 31 December of the year during which information referred to in FuelEU Maritime is monitored and recorded.

"Verification Period" means the calendar year following a Reporting Period.

"Verified Compliance Balance" means the Compliance Balance verified by the Verifier (and the Pool Verifier, as applicable) and recorded in the FuelEU Database in respect of a Reporting Period after accounting for the application (as applicable) of the banking of the Vessel's compliance surplus or borrowing of an advance compliance surplus between Reporting Periods under Article 20 or the pooling of the Compliance Balance under Article 21.

“**Verifier**” means the legal entity carrying out verification activities and accredited in accordance with FuelEU Maritime which has been mutually agreed between the Owners and the Managers to verify the relevant information and data of the Vessel relevant to the FuelEU Database and produce the FuelEU Verification Reports, Compliance Balance Statement and the Verified Compliance Balance (other than in respect of pooling).

“**Voyage**” means a voyage as defined in Article 3, point (c), of Regulation (EU) 2015/757.

Unless specified otherwise, references to Articles and Annexes in this Clause are to those provided for in FuelEU Maritime.

(a) The Parties acknowledge that the Vessel is required to comply with FuelEU Maritime and that the Managers shall be the responsible compliance entity for the Vessel in accordance with FuelEU Maritime.

(b) Where Delivery occurs after 1 January 2025, the Owners shall, by no later than 10 days (or as otherwise the Parties may agree) prior to Delivery, provide the Managers with estimates of all relevant underlying information and data to be contained in a Partial FuelEU Report (where applicable) which shall be complete to the best of the Owners' knowledge together with any relevant information recorded in the FuelEU Database including the previous two Reporting Periods (where applicable). Thereafter, the Owners shall provide to the Managers a copy of the Partial FuelEU Report no later than one month after Delivery and the corresponding FuelEU Verification Report together with any supporting information, verification assessment(s), data and documentation latest seven (7) days after receipt from the Verifier.

(c) In consultation with the Owners, the Managers shall prepare and submit a FuelEU Monitoring Plan for the Verifier's approval. The Managers shall review the FuelEU Monitoring Plan regularly and if necessary, update and/or modify it. The Owners shall promptly notify the Managers if any fuels or energy to be supplied to the Vessel are not reflected in the FuelEU Monitoring Plan following which the Managers shall promptly seek to update and/or modify and re-submit the FuelEU Monitoring Plan to the Verifier for approval.

(d) The Owners shall provide to the Managers: (i) bunker delivery notes (BDNs) and electricity delivery notes (EDNs) for fuels and energy supplied to the Vessel; and if applicable, (ii) any associated documentation and/or certification recognised under FuelEU Maritime to the satisfaction of the Verifier in order to meet the sustainability and GHG emissions saving criteria set out under FuelEU Maritime and to obtain any benefit when applying the emission factors set out in Annex II and calculating the GHG Intensity. The Managers shall be entitled to rely on and accept no responsibility for the accuracy of the data and information recorded in any of the BDNs, EDNs and in any associated documentation and/or certification which are to be submitted to the Verifier as well as for the Owners' failure to supply the same.

(e) The Managers shall on a monthly basis provide to the Owners, together with all supporting calculations, the estimates of:

(i) the aggregated Compliance Balance of the Vessel incurred in the then current Reporting Period; and

(ii) upon request, the projected aggregated Compliance Balance taking into account any banked compliance surplus or advance compliance surplus borrowed from a previous Reporting Period based on information and documentation available at that point in time. Any estimates of the aggregated Compliance Balance as set out in subclause (e)(i) shall be validated by a third party if required by the Owners at their expense.

(f) The Managers shall continuously monitor and record the Vessel's GHG Intensity and all other relevant information and data required under FuelEU Maritime during a Reporting Period and shall promptly provide the Verifier with a FuelEU Report (or, where applicable, a Partial FuelEU Report) in accordance with FuelEU Maritime together with all supporting documents and information as requested by the Verifier.

(g) The Managers shall promptly notify the Owners of the outcome of the verification of the FuelEU Report (or, where applicable, a Partial FuelEU Report) by the Verifier and provide the Owners with a copy of the FuelEU Verification Report together with the Compliance Balance Statement when available.

(h) Where this Agreement is terminated, the Managers shall, by no later than 10 days (or as otherwise the Parties may agree) prior to the Vessel's date of redelivery, provide the Owners upon request with estimates of the underlying information and data to be contained in a Partial FuelEU Report together with any relevant information recorded on the FuelEU Database. Thereafter, the Managers shall provide to the Owners a copy of the Partial FuelEU Report no later than one month after redelivery and the corresponding FuelEU Verification Report together with any supporting information, verification assessment(s), data and documentation latest seven (7) days after receipt from the Verifier.

(i) The Managers shall periodically monitor the Managers' potential exposure to a FuelEU Penalty for the Vessel.

(j) In respect of each Compliance Balance Statement:

(i) Unless otherwise agreed in writing by the Parties, it is expressly understood that any rights, ownership, entitlements and decisions in respect of the banking, borrowing and pooling (if applicable) of the Compliance Balance, as well as to the identity and appointment of the Pool Verifier (as applicable) shall vest exclusively in the Owners (or the Owners' nominee) who shall be at liberty to direct, control and allocate the Compliance Balance as they see fit in accordance with FuelEU Maritime.

(ii) No later than 10 days (or as otherwise the Parties may agree) prior to 30 April of the Verification Period, the Owners shall provide instructions and directions to the Managers as to the application and/or allocation of the Compliance Balance in respect of borrowing, banking and/or pooling (if applicable) as well as to the identity and appointment of the Pool Verifier.

(iii) The Managers shall promptly follow the Owners' instructions and directions in respect of borrowing, banking and/or pooling of the Compliance Balance in accordance with subclause (j)(ii).

(iv) The Owners shall bear the risk, liability, benefit and costs arising out of or in connection with the afore-mentioned instructions and directions including any failure to provide such instructions and directions under this subclause (j).

(v) Once the Verified Compliance Balance is available, it shall be communicated by the Managers to the Owners as soon as reasonably practicable.

(k) Where, in respect of the Verified Compliance Balance, it is determined under FuelEU Maritime that:

(i) a FuelEU Penalty is payable, the Managers shall promptly notify the Owners of such FuelEU Penalty and the Owners shall transfer a sum equivalent to the FuelEU Penalty to the Managers by no later than 15 days before the FuelEU Penalty falls due. Subject to the timely receipt of such funds, the Managers shall pay the FuelEU Penalty promptly thereafter and provide the Owners with a copy of the FuelEU Document of Compliance as soon as reasonably practicable; or

(ii) no FuelEU Penalty is payable, the Managers shall provide the Owners with a copy of the FuelEU Document of Compliance as soon as reasonably practicable.

(l) Where this Agreement is terminated between 1 January and 30 June of a Verification Period, and the Managers (or the Managers' nominee) were the responsible compliance entity on 31 December of the previous Reporting Period, the Managers shall remain responsible for complying with its obligations under this Clause and the Owners shall advance the funds required for payment of the estimated FuelEU Penalty and these funds shall be received by the Managers on or before termination of this Agreement. Where funds in excess of a FuelEU Penalty have been paid by the Owners or if no FuelEU Penalty is ultimately payable pursuant to the Verified Compliance Balance, the Managers shall promptly return any balance of funds to the Owners.

(m) The Owners shall pay to the Managers a fee for the FuelEU Services if not included in the annual management fee or in Annex C (Budget). The Parties have agreed that there will be no additional fee payable to the Managers for the FuelEU Services, pending further review, as per subclause (p).

(n) The Owners are under an absolute obligation at all times to provide the Managers in a timely manner with sufficient funds required to fulfil the Managers' obligations for the Vessel under FuelEU Maritime. In the event the Owners fail to provide sufficient funds required to fulfill the Managers' obligations for the Vessel under FuelEU Maritime and as a consequence either the Managers are unable to obtain a FuelEU Document of Compliance and/or any sanctions are imposed on the Vessel under Article 25 of the FuelEU Maritime, such inability to obtain a FuelEU Document of Compliance for the Vessel or the imposition of such sanctions on the Vessel will never constitute or be construed as constituting a breach of this Agreement or as Managers' failure to comply with their obligations under this Agreement in any manner whatsoever. In addition, Owners do hereby and at all times will indemnify and hold the Managers harmless from any damage and/or loss of whatsoever nature suffered or to be suffered by the Managers due to any breach of the Owners under this clause.

(o) It is expressly agreed that the rights and obligations of the Parties set out in this Clause shall survive the expiration or termination of the Agreement unless or until the Parties have fulfilled or satisfied their respective obligations under FuelEU Maritime.

(p) The Parties agree that when the FuelEU Market standards become clearer or in the event of material change of them, they will review the position and/or consider the changes and in good faith re-appraise the necessity and level of any additional fee and / or the provision of an adequate and acceptable security to the Managers, with the first such review to take place no later than 31st January 2026.

*If number of days is not inserted in subclauses (b), (h), (i)(i), (i)(iii), (j)(ii) and/or (k)(i) the default shall be ten (10) days.

**If no selection is made under subclause (e), the default shall be "per Voyage".

*** If no amount is stated in subclause (m), such fee shall be assumed to be included in the annual management fee.

25. BIMCO Dispute Resolution Clause

(a) This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this 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 gives 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 USD50,000 (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) Notwithstanding Sub-clauses 25(a) 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 Agreement.

(i) In the case of a dispute in respect of which arbitration has been commenced under Sub-clauses 25(a) above, the following shall apply:

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

(c) If **Box 21** in Part I is not appropriately filled in, Sub-clause 25(a) of this Clause shall apply.

26. Notices

(a) A notice or other communication given under this Agreement (a Notice) shall be:

(i) in writing;

- (ii) in the English language; and
- (iii) sent by the Permitted Method to the Notified Address.

(b) The Permitted Method means any of the methods set out in the first column below, the second column setting out the date on which a Notice given by such Permitted Method shall be deemed to be given provided the Notice is properly addressed and sent in full to the Notified Address:

(1) Permitted Method	(2) Date on which Notice deemed given
Personal delivery	When left at the Notified Address
Courier delivery	When left at the Notified Address
E-mail	When actually received by the recipient (or made available to the recipient) in readable form

(c) The “Notified Address” (including fax number) of each of the Parties is the address set out below, or as subsequently notified to all Parties in writing:

- (i) to the Owners at: [•]
Attention: [•]

- (ii) to Managers at: [•]
Attention: [•]

or to such other address as is notified by one Party to the other Party under this Agreement.

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

27. Entire Agreement

This Agreement constitutes the entire agreement between the parties and no promise, undertaking, representation, warranty or statement by either party prior to the date stated in **Box 2** shall affect this Agreement. Any modification of this Agreement shall not be of any effect unless in writing signed by or on behalf of the parties.

28. Third Party Rights

Except to the extent provided in Sub-clauses 17(c) (Indemnity) and 17(d) (Himalaya), no third parties may enforce any term of this Agreement.

29. Partial Validity

If any provision of this Agreement is or becomes or is held by any arbitrator or other competent body to be illegal, invalid or unenforceable in any respect under any law or jurisdiction, the provision shall be deemed to be amended to the extent necessary

to avoid such illegality, invalidity or unenforceability, or, if such amendment is not possible, the provision shall be deemed to be deleted from this Agreement to the extent of such illegality, invalidity or unenforceability, and the remaining provisions shall continue in full force and effect and shall not in any way be affected or impaired thereby.

30. Confidentiality

- (a) The Managers shall keep confidential the Confidential Information disclosed to it by or on behalf of the Owners or howsoever otherwise obtained, developed or created by the Managers.
- (b) The Managers shall:
 - (i) use the Confidential Information solely in connection with the performance of its obligations under this Agreement; and
 - (ii) take all action reasonably necessary to secure the Confidential Information against theft, loss or unauthorised disclosure.
- (c) The restrictions on use or disclosure of Confidential Information in this clause 30 do not apply to information which is:
 - (i) generally available in the public domain, other than as a result of the Managers' breach of any obligation under this clause 30; or
 - (ii) lawfully acquired from a third party who owes no obligation of confidentiality in respect of the information; or
 - (iii) independently developed by the Managers, or was in the Managers' lawful possession prior to receipt from the Owners.
- (d) The Managers may disclose the Confidential Information without the prior written consent of the Owners:
 - (i) to their Affiliates and subcontractors, to whom disclosure is required for the performance of its obligations under this Agreement, but only to the extent necessary to perform such obligations (together the **Permitted Disclosees**); or
 - (ii) if, and to the extent that, such information is required to be disclosed (including by way of an Announcement) by the rules of any stock exchange or by any governmental, regulatory or supervisory body (including, without limitation, any taxation authority) or court of competent jurisdiction (**Relevant Authority**) to which the Managers are subject, provided that the Managers shall, if it is not so prohibited by law, provide the Owners with prompt notice of any such requirement or request.
- (e) The Managers shall:
 - (i) before disclosing Confidential Information to a Permitted Disclosee, to the extent reasonably practicable, notify the Owners in writing of the intended disclosure and the identity of the intended Permitted Disclosee;
 - (ii) ensure that such Permitted Disclosee is aware of and complies with the Managers' obligations under this clause 30 as if it were the Managers; and
 - (iii) be responsible for the acts and omissions of any Permitted Disclosee in relation to the Confidential Information as if they were the acts or omissions of the Managers.
- (f) The parties agree that damages may not be an adequate remedy for the Managers' breach of this clause 30 and (to the extent permitted by the court) the Owners shall be entitled to seek an injunction or specific performance in respect of such breach.

31. Interpretation

In this Agreement:

(a) *Singular/Plural*

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

(b) Headings

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

(c) Day

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

32. Acts of the Commercial Managers and Exclusive Broker (as applicable)

Notwithstanding anything contained in this Agreement to the contrary, the Owners shall have no liability, through indemnification or otherwise, for any damages, losses, or claims of any kind whatsoever of the Managers arising from or in any way related to the acts or omissions of the Commercial Managers and/or the Exclusive Broker, nor shall the Managers have any right to terminate this Agreement for any circumstance or event arising out of or in any way related to any acts or omissions of the Commercial Managers and/or the Exclusive Broker.

33. Owners' Right to Assign

(a) The Owners may assign all of their rights under this Agreement to any mortgagee of the Vessel provided that such assignment shall not otherwise prejudice the rights of the Managers to terminate this Agreement pursuant to the terms hereof. Upon satisfaction of the condition set forth in the first sentence of this Clause 32(a), the Managers hereby agree to enter into an acknowledgment of such assignment in such form as the mortgagee may reasonably request.

(b) The Managers may not assign all or any of their rights under this Agreement without the prior written consent of the Owners;

(c) Neither party shall be entitled to transfer all or any of its obligations, duties or liabilities under this Agreement unless:

- (i) the same is expressly permitted under the terms of this Agreement; or
- (ii) it has received the prior written consent of the other party.

34. Guarantee

The Parent (as primary obligor, and not merely as surety) hereby irrevocably, absolutely and unconditionally guarantees to the Manager the full and prompt performance by Owners of all of Owners' liabilities and obligations under this Agreement, whether as to payment or otherwise ("the **Owners' Obligations**") when the same are to be paid or performed, as the case may be. Owners' obligations hereunder shall not be affected by any facts or circumstances that might constitute a discharge of or defence to any Owners' Obligation available to the Parent but not available to Owners, and the Parent hereby expressly waives and renounces any and all such discharges and defences. This guarantee shall be unaffected by any amendment of or supplement to this Agreement, or by the grant of any time or indulgence to Owners by the Managers.

Accounting and Records. The Managers shall, on behalf of the Group, establish an accounting system, including the development, implementation and maintenance over financial reporting and disclosure controls and procedures, and maintain Books and Records, with such modifications as may be necessary to comply with Applicable Laws. The Books and Records shall contain particulars of receipts and disbursements relating to the Group's assets and liabilities and shall be kept pursuant to normal commercial practices that will permit consolidated financial statements to be prepared for the Parent in accordance with US GAAP and stand-alone and, if required, consolidated financial statements for its Subsidiaries under appropriate GAAP. The Books and Records shall be the property of the Group but shall be kept at the Managers' primary office or such other place as the Group and the Managers may mutually agree. Upon expiration or termination of this Agreement, all of the Books and Records shall be provided to the Parent or as the Parent shall direct. The internal control over financial reporting and disclosure controls and procedures shall be designed to be effective in the context of the Parent's management's obligation to report annually on such controls.

Reporting Requirements. The Managers shall prepare and deliver to the Chief Executive Officer and the Chief Financial Officer of the Parent the following reports, which the Managers shall use its reasonable best efforts to prepare and deliver within the time periods specified below or, if not so specified, within the time period requested by the relevant party:

- (a) a quarterly report, including draft Earnings Release, to be delivered within 30 days of the end of each Fiscal Quarter (45 days for the Fiscal Quarter ending December 31 in each year) setting out the interim financial results of the Company for such quarter and for the applicable Fiscal Year through the end of such Fiscal Quarter;
- (b) as and when requested by the Board of Directors, the Chief Executive Officer or the Chief Financial Officer, draft reports regarding financial and other information required in connection with Applicable Laws (including annual and other reports that may be required to be filed under the Exchange Act and all other Applicable Laws); and
- (c) as and when reasonably requested by the Parent from time to time, such other reports with respect to financial and other information of the Group.

Financial Statements and Tax Returns. At the instruction of the Chief Financial Officer, the Managers shall prepare and deliver for review by the Chief Financial Officer and the Audit Committee of the Board of Directors the following, which the Managers shall use its reasonable best efforts to prepare and deliver within the time periods specified below or, if not so specified, within the time period requested by the relevant party:

- (a) within 30 days of the end of each Fiscal Quarter, unaudited financial statements of the Parent for such Fiscal Quarter, reviewed by the external auditors of the Parent, prepared in accordance with US GAAP and the rules and regulations of the SEC, on a consolidated basis with all Subsidiaries of the Parent;
- (b) within 45 days of the end of each Fiscal Year, financial statements of the Parent for such Fiscal Year, audited by the external auditors of the Parent, prepared in accordance with US GAAP and the rules and regulations of the SEC, on a consolidated basis with all Subsidiaries of the Parent;
- (c) within any deadlines imposed by any regulatory authorities or in order to comply with covenants in borrowing facilities, financial statements of the Parent and Subsidiaries (included on a sub-consolidated basis if required) for such Fiscal Year, audited by the external auditors, prepared in accordance with US GAAP or other GAAP as appropriate; and
- (d) tax returns for the Parent and all of its Subsidiaries required to be filed by Applicable Laws.

Notwithstanding the foregoing, in the event that the Parent's reporting obligations are accelerated under the Exchange Act beyond what such obligations are at the time of the commencement of this Agreement, the Managers shall use its reasonable best efforts to provide to the Parent the financial statements referred to in clauses (a) and (b) above within such periods as shall be required for the Parent to comply with any reporting requirements under the Exchange Act or other similar applicable laws and regulations.

In addition, the Managers shall attend to the timely calculation and payment of all taxes payable by the Group. At the instruction of the Chief Financial Officer, the Managers shall cause the Parent's external accountants to review the Parent's unaudited financial statements, audit the Parent's and the Subsidiaries' annual financial statements, review internal controls and finalize tax returns. The Managers shall make available to the Parent's accountants the relevant Books and Records for the Company and the Subsidiaries and shall assist the accountants in their duties.

Legal and Securities Compliance Services.

- (a) Responsibilities of the Managers.

The Managers shall assist the Group with the following items, whether or not related to any of the Vessels:

- (i) compliance with all Applicable Laws, including all relevant securities laws and the rules and regulations of the SEC, the New York Stock Exchange or any other securities exchange upon which the Parent's securities are listed;
- (ii) arranging for the provision of advisory services to the Parent with respect to the Parent's obligations under applicable securities laws in the United States and disclosure and reporting obligations under applicable securities laws, including the preparation for review, approval and filing by the Parent of reports and other documents with the SEC and all other applicable regulatory authorities;
- (iii) maintaining the Group's corporate existence and good standing in all necessary jurisdictions and assisting in all other corporate and regulatory compliance matters;
- (iv) providing information required by any credit rating agencies;
- (v) providing support to the Parent with respect to investor relations including maintenance and monitoring of its website;
- (vi) providing legal support for transactions, including but not limited to negotiation and documentation of Memoranda of Agreement for the sale and purchase of vessels, new building contracts for vessels, charter parties, vessel financings; and
- (vii) adjusting and negotiating settlements, with or on behalf of claimants or underwriters, of any claim, damages for which are recoverable under insurance policies (subject to any applicable deductible).

(b) Administration and Settlement of Legal Actions.

If any Legal Action is commenced against or is required to be commenced in favor of the Group or any of the Vessels, the Managers shall arrange for the commencement or defense of such Legal Action, as the case may be, in the name of, on behalf of and at the expense of the Group, including retaining and instructing legal counsel, investigating the substance of the Legal Action and entering pleadings with respect to the Legal Action. The Managers shall assist the Group in administering and supervising any such Legal Actions and shall keep the Group advised of the status thereof. The Managers may settle any Legal Action on behalf of a Group where the amount of settlement is less than \$500,000 with the approval of the Chief Executive Officer or the Chief Financial Officer and, in excess of such amount, with the approval of the Board of Directors.

(c) Interaction with Regulatory Authorities.

Notwithstanding anything in this Appendix or otherwise, the Managers shall not act for or on behalf of the Group in its relationships with any regulatory authorities except to the extent specifically authorized by the Parent from time to time.

Bank Accounts.

The Managers shall oversee banking services for the Group and shall, where necessary, establish in the name of the Parent and its Subsidiaries such bank accounts with such financial institutions as the Parent and its Subsidiaries may request. The Managers shall administer and manage all of the Group's cash and accounts, including making any deposits and withdrawals reasonably necessary for the management of its business and day-to-day operations. The Managers shall promptly deposit all moneys payable to the Group and received by the Managers into a bank account held in the name of the Parent or its Subsidiaries. This provision, and any and all other provisions required to give effect to this provision, shall become effective on the Effective Date.

Corporate Planning.

The Managers shall:

- (a) oversee preparation of annual budget, including working capital requirements;
- (b) develop forecasts and projections, including profitability analysis; and
- (c) obtain investment appraisals;

Emissions Trading System Process Services.

- (i) **Data Monitoring.** The Managers shall capture and review emissions with the assistance of a consulting company on a per month basis. Emissions data validation to be performed by an independent verifier on an annual basis and for any other intermediate period, as necessary and available. Final verified data to be distributed to all interested parties both internally and externally as necessary (including the Vessel's charterers at any relevant time with whom the Managers will communicate and share any relevant information and data for the purposes of EU ETS as required by the Owners).
- (ii) **Reporting.** The Managers shall report the verified emissions data to the EU (MRV – emissions metrics with the EU) and IMO (global emissions). The Managers shall obtain relevant certification and distribute to all parties as necessary.
- (iii) **Trading.** The Managers shall open / manage / monitor the EU ETS trading account and the EU ETS compliance account. Upon any collection of EUAs the Managers treasury dept. will inform all relevant parties and also will perform an initial reconciliation for EUAs expected and received for the Vessel basis to identify any discrepancies. Trading of EUAs in order to cover any potential needs such as off-hire(s) or as Owners may otherwise instruct the Managers will be performed by the Managers subject to Owners' authorisation on Owners' behalf and at Owners' cost.
- (iv) **Reconciliation.** Prior to the final submission of the EUAs to the EU the Managers shall perform a final reconciliation analysis to verify the EUAs to be agreed between the Owners and the Charterers, EUAs covering any off-hires, etc. and shall further confirm that all required EUAs are collected and/or purchased and are in the relevant compliance account.
- (v) **EUAs Submission.** The Managers to surrender verified EUAs to the EU as required by EU ETS

Fuel EU Process Services.

- (i) **Data Monitoring.** The Managers shall capture and review GHG intensity of the energy used by the vessels with the assistance of a consulting company on a per month basis. GHG intensity data validation to be performed by an independent verifier on an annual basis and for any other intermediate period, as necessary and available. Final verified data to be distributed to all interested parties both internally and externally as necessary (including the Vessel's charterers at any relevant time with whom the Managers will communicate and share any relevant information and data for the purposes of Fuel EU as required by the Owners).
- (ii) **Reporting.** The Managers shall report the verified GHG intensity data to the EU. The Managers shall obtain relevant certification and distribute to all parties as necessary.
- (iii) **Reconciliation.** Prior to the final submission the Managers shall perform a final reconciliation analysis to verify the Fuel EU calculation to be agreed between the Owners and the Charterers.
- (v) **Submission.** The Managers to pay any resulting penalty after receiving the necessary funds from the Owners taking into consideration any pooling, borrowing or banking of surpluses in the final calculation.

Other Services.

The Managers shall assist the Group to:

- (a) identify, negotiate and secure opportunities for the Group to acquire vessels or companies which own vessels, or to construct vessels, and to negotiate and carry out the purchase of existing vessels, newbuilding vessels or companies which are the registered owners of vessels.
- (b) obtain, on behalf of the Group, general insurance, director and officer liability insurance and other insurance of the Group not related to the Vessels that would normally be obtained for companies in a similar business to that of the Group;
- (c) if so required by the Group, administer payroll services, for any employee, officer or director of the Parent and its Subsidiaries;
- (d) provide the Group with information technology support including email;
- (e) provide office space and office equipment for personnel of the Group at the location of the Managers or any subsidiary thereof or as otherwise reasonably designated by the Parent, and clerical, secretarial, accounting and administrative assistance as may be reasonably necessary;
- (f) at the request and under the direction of the Parent, handle all administrative and clerical matters in respect of (i) board and committee meetings of the Parent and its Subsidiaries, (ii) the call and arrangement of all annual and special meetings of shareholders, the Parent and any of its subsidiaries, (iii) the preparation of all materials (including notices of meetings and proxy or similar materials) in respect thereof and (iv) the submission of all such materials to the Parent in sufficient time prior to the dates upon which they must be mailed, filed or otherwise relied upon so that the Parent has full opportunity to review, approve, execute and return them to the Managers for filing or mailing or other disposition as the Parent may require or direct;
- (g) provide, at the request and under the direction of the Parent, such communications to the transfer agent for the Parent as may be necessary or desirable;
- (h) make recommendations to the Parent for the appointment of auditors, accountants, legal counsel and other

accounting, financial or legal advisers, and technical, commercial, marketing or other independent experts; *provided, however*, that nothing herein shall permit the Managers to engage any such adviser or expert for the Parent without the Parent's specific approval;

(i) providing assistance and advice to the Group with respect to financing, including (i) the monitoring and administration of the compliance with any applicable financing terms and conditions in effect with investors, banks, lenders or other financial institutions and (ii) the identification and negotiation of new capital or financings or re-financings; and

(j) attend to all other administrative matters necessary to ensure the professional management of the Group's business or as reasonably requested by the Group from time to time

DEFINITIONS AND INTERPRETATION

Unless otherwise defined in this Appendix, capitalized terms used herein but not otherwise defined in this Appendix shall have the meaning given such term in Clause 1 (Definitions) of Part II of this Agreement.

"Applicable Laws" means, in respect of any Person, property, transaction or event, all laws, statutes, ordinances, regulations, municipal by-laws, treaties, judgments and decrees applicable to that Person, property, transaction or event, all applicable official directives, rules, consents, approvals, authorizations, guidelines, orders, codes of practice and policies of any Governmental Authority having authority over that Person, property, transaction or event and having the force of law, and all general principles of common law and equity.

"Board of Directors" means the board of directors of the Parent, as the same may be constituted from time to time.

"Books and Records" means all books of accounts and records, including tax records, sales and purchase records, Vessel records, computer software, formulae, business reports, plans and projections and all other documents, files, correspondence and other information of the Group with respect to the Vessels or the Business (whether or not in written, printed, electronic or computer printout form).

"Business" means the Group's business of owning, operating and/or chartering or re-chartering Vessels to other Persons and any other lawful act or activity customarily conducted in conjunction therewith.

"Chief Executive Officer" means the chief executive officer of the Parent.

"Chief Financial Officer" means the chief financial officer of the Parent.

"Disclosing Party" means a party who has disclosed Confidential Information hereunder to the other party or on whose behalf Confidential Information has been disclosed to the other party.

"Effective Date" means the date on which this Agreement shall become effective in accordance with box 2.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fiscal Quarter" means a fiscal quarter for the Group

"Fiscal Year" means the fiscal year of the Parent, being the twelve-month period ending December 31.

"GAAP" means the generally accepted accounting principles

"Group" means the Parent and all of its Subsidiaries, or any one of them as the context might require

"Governmental Authority" means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, any multinational or supranational organization, any government agency (including the SEC), any tribunal, labor relations board, commission or stock exchange (including the New York Stock Exchange), and any other authority or organization exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government.

"Legal Action" means any action, suit or other proceeding concerning the Owner and/or the Vessel in any jurisdiction.

"Parent" means Global Ship Lease, Inc.

“**Receiving Party**” means a party to whom Confidential Information of a Disclosing Party has been disclosed hereunder.

“**SEC**” means the United States Securities and Exchange Commission.

[•]
[•]
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Annex B – Crew

Master and crew to be appointed as appropriate to the trading and operational requirements of the Vessel, always subject to the relevant governing laws and regulations.

Annex C – Budget

[*]

Dated 7 August 2024

US\$300,000,000

TERM LOAN FACILITY

THE COMPANIES
listed in Part A of Schedule 1
as joint and several Borrowers

and

GLOBAL SHIP LEASE, INC.
as Guarantor

and

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Part B of Schedule 1
as Lenders

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
ABN AMRO BANK N.V.
BANK OF AMERICA, N.A.
as Bookrunners and Arrangers

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
ABN AMRO BANK N.V.
BANK OF AMERICA, N.A.
as Mandated Lead Arrangers

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Facility Agent

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Security Agent

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Account Bank

FACILITY AGREEMENT

relating to

the refinancing of (i) the Existing Indebtedness secured on the Ships (other than Ship I and Ship J) and (ii) extending finance secured on Ship I and Ship J, and (iii) for general corporate and working capital purposes

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THIS AGREEMENT is made on ____ August 2024

PARTIES

- (1) THE COMPANIES listed in Part A of Schedule 1 (*The Parties*) as joint and several borrowers (the "**Borrowers**")
- (2) GLOBAL SHIP LEASE, INC., a corporation incorporated in the Republic of the Marshall Islands, whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as guarantor (the "**Guarantor**")
- (3) THE BANKS AND FINANCIAL INSTITUTIONS listed in Part B of Schedule 1 (*The Parties*) as lenders (the "**Original Lenders**")
- (4) CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, ABN AMRO BANK N.V. and BANK OF AMERICA, N.A. as bookrunners (the "**Bookrunners**")
- (5) CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, ABN AMRO BANK N.V. and BANK OF AMERICA, N.A. as arrangers (each an "**Arranger**" and, together the "**Arrangers**")
- (6) CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, ABN AMRO BANK N.V. and BANK OF AMERICA, N.A. as mandated lead arrangers (each a "**Mandated Lead Arranger**" and together the "**Mandated Lead Arrangers**")
- (7) CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK as agent of the other Finance Parties (the "**Facility Agent**")
- (8) CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK as security agent for the Secured Parties (the "**Security Agent**")
- (9) CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, a French société anonyme, as account bank for the Secured Parties through its office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the Registre du Commerce et des Sociétés of Nanterreor as account bank (the "**Account Bank**")

BACKGROUND

The Lenders have agreed to make available to the Borrowers a senior secured term loan facility in an aggregate amount of up to the lower of (i) \$300,000,000 and (ii) 55 per cent. of the aggregate Initial Market Value of the Ships in three Advances, for the purpose of (i) refinancing the Existing Indebtedness secured on the Ships (other than Ship I and Ship J), (ii) extending finance secured on Ship I and Ship J and (iii) for general corporate and working capital purposes.

OPERATIVE PROVISIONS

SECTION 1
INTERPRETATION

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Account Bank**" means Crédit Agricole Corporate and Investment Bank, a French société anonyme, acting in its capacity as account bank for the Secured Parties through its office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the Registre du Commerce et des Sociétés of Nanterreor or any replacement bank or other financial institution as may be approved by the Facility Agent acting with the authorisation of the Majority Lenders.

"**Accounts**" means the Earnings Accounts and the Retention Account, as specified in Schedule 8 (*Accounts*).

"**Account Security**" means a document creating Security over any Account in agreed form.

"**Advance**" means a borrowing of all or part of the Facility under this Agreement including Advance A, Advance B or Advance C.

"**Advance A**" means an amount equal to the lesser of (A) \$210,000,000 and (B) 55 per cent. of the aggregate Initial Market Value of the Ships (other than Ship I and Ship J).

"**Advance B**" means an amount equal to the lesser of (A) \$45,000,000 and (B) 55 per cent. of the Initial Market Value of Ship I.

"**Advance C**" means an amount equal to the lesser of (A) \$45,000,000 and (B) 55 per cent. of the Initial Market Value of Ship J.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

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

"**Approved Brokers**" means any firm or firms of insurance brokers approved in writing by the Facility Agent, such approval not to be unreasonably withheld.

"**Approved Classification**" means, in relation to a Ship, as at the date of this Agreement, the classification in relation to that Ship specified in Schedule 7 (*Details of the Ships*) or the equivalent classification with another Approved Classification Society.

"**Approved Classification Society**" means, in relation to a Ship, as at the date of this Agreement, the classification society in relation to that Ship specified in Schedule 7 (*Details of the Ships*) or any other classification society which is a member of the International Association of Classification Societies (but excluding the Russian Register of Shipping, China Classification Society and the Indian Register of Shipping).

"**Approved Commercial Manager**" means, in relation to a Ship, as at the date of this Agreement, Conchart Commercial Inc. or any other person approved in writing by the Facility Agent acting with the authorisation of all the Lenders as the commercial manager of that Ship.

"**Approved Flag**" means, in relation to a Ship, as at the date of this Agreement, the flag of the Republic of the Marshall Islands, the Republic of Liberia, the Republic of Panama, Malta or such other flag approved in writing by the Facility Agent acting with the authorisation of all the Lenders (such approval not to be unreasonably withheld).

"**Approved Manager**" means, in relation to a Ship, the Approved Commercial Manager or the Approved Technical Manager of that Ship.

"**Approved Technical Manager**" means, in relation to a Ship, as at the date of this Agreement, Technomar Shipping Inc. or any other person or company which is an Affiliate of, or of common controlling interests with, Technomar Shipping Inc. approved in writing by the Facility Agent acting with the authorisation of all the Lenders as the technical manager of that Ship.

"**Approved Valuer**" means any of Maersk Brokers K/S, Barry Rogliano Salles, Kontiki Shipbrokers Ltd, Howe Robinson and, in the event that three or more (or, in relation to the proviso contained in the definition of "Market Value", two or more) of such sale and purchase shipbrokers cease, or are unable, to provide a valuation:

- (a) in relation to a Ship, any other firm or firms of independent and reputable sale and purchase shipbrokers which have knowledge and experience of valuing new design wide beam-high specification-reefers or containerships; or
- (b) in relation to any other vessel which does not have the same characteristics as a Ship, any other firm or firms of independent and reputable sale and purchase shipbrokers,

which is, or as the case may be, are mutually agreed in writing by the Borrowers and the Facility Agent (with the authorisation of the Lenders, such approval not to be unreasonably withheld).

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

"**Assignable Charter**" means a Charter (including the Initial Charter) in respect of a Ship which has or is capable of having, by virtue of any optional extensions, a duration of 12 months or more or any bareboat charter in respect of that Ship and any guarantee of the obligations of the bareboat charterer under such bareboat charter, entered or to be entered into by the relevant Borrower which is the owner thereof and a charterer or, as the context may require bareboat charterer in respect of that Ship and, in the plural, means all of them.

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

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

"**Availability Period**" means the period from and including:

- (a) the date of this Agreement to and including 30 November 2024, or such longer period as the Facility Agent may accept in writing on the instruction of all the Lenders; or

(b) the date on which the Lenders' obligation to advance the Loan or any part thereof is cancelled or terminated.

"**Available Commitment**" means a Lender's Commitment minus:

(c) the amount of its participation in the outstanding Loan; and

(d) in relation to any proposed Utilisation, the amount of its participation in any Advance that is due to be made on or before the proposed Utilisation Date.

"**Available Facility**" means the aggregate for the time being of each Lender's Available Commitment.

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

"**Bail-In Legislation**" means:

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

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

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

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

"**Benchmark Terms**" means the terms set out in Schedule 10 (*Benchmark Terms*) or in any Compounded Rate Supplement.

"**Beneficial Ownership Regulation**" means 1 C.F.R. §1010.230.

"**Borrower**" means Borrower A, Borrower B, Borrower C, Borrower D, Borrower E, Borrower F, Borrower G, Borrower H, Borrower I or Borrower J, and in plural means all of them.

"**Borrower A**" means the company specified as such in Part A of Schedule 1 (The Parties).

"**Borrower B**" means the company specified as such in Part A of Schedule 1 (The Parties).

"**Borrower C**" means the company specified as such in Part A of Schedule 1 (The Parties).

"**Borrower D**" means the company specified as such in Part A of Schedule 1 (The Parties).

"**Borrower E**" means the company specified as such in Part A of Schedule 1 (The Parties).

"**Borrower F**" means the company specified as such in Part A of Schedule 1 (The Parties).

"**Borrower G**" means the company specified as such in Part A of Schedule 1 (The Parties).

"**Borrower H**" means the company specified as such in Part A of Schedule 1 (The Parties).

"Borrower I" means the company specified as such in Part A of Schedule 1 (The Parties).

"Borrower J" means the company specified as such in Part A of Schedule 1 (The Parties).

"Break Costs" means:

- (a) in respect of any Term SOFR Loan the amount (if any) by which:
 - (i) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Loan or an Unpaid Sum to the last day of the current Interest Period in relation to the Loan, the relevant part of the Loan or that Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;
exceeds
 - (ii) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period; and
- (b) in respect of any Compounded Rate Loan, any amount specified as such in the Benchmark Terms.

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

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

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

"Carbon Intensity and Climate Alignment Certificate" means a certificate from a Recognised Organisation relating to a Ship and a calendar year setting out:

- (a) the average efficiency ratio of that Ship for all voyages performed by it over that calendar year using ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI in respect of that calendar year; and
- (b) the climate alignment of that Ship for such calendar year,

in each case as calculated in accordance with the Poseidon Principles.

"Charter" means, in relation to a Ship, any charter relating to that Ship (including, without limitation, the Initial Charters or any other Assignable Charter relating to that Ship), or other contract for its employment, whether or not already in existence.

"**Charter Guarantee**" means any guarantee, bond, letter of credit or other instrument (if any and whether or not already issued) supporting a Charter, the form of which shall not be subject to the Facility Agent's prior approval.

"**Charterparty Assignment**" means, in relation to an Initial Charter, any other Assignable Charter or Charter Guarantee of a Ship, a specific deed of assignment of the rights, title and interests of the relevant Borrower under that Initial Charter or that other Assignable Charter (as the case may be) and any Charter Guarantee relevant thereto in the agreed form.

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

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

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

"**Code**" means the US Internal Revenue Code of 1986.

"**Commercial Management Agreement**" means, in relation to a Ship, the agreement entered into between the relevant Borrower and the Approved Commercial Manager regarding the commercial management of that Ship.

"**Commitment**" means:

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

"**Compliance Certificate**" means a certificate in the form set out in Schedule 6 (*Form of Compliance Certificate*) or in any other form agreed between the Guarantor and the Facility Agent.

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

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

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

"**Compounded Rate Loan**" means the Loan or part of the Loan, or, if applicable, Unpaid Sum which is, or becomes, a "Compounded Rate Loan" pursuant to Clause 10.1 (*Unavailability of Term SOFR*).

"**Compounded Rate Supplement**" means a document which:

- (a) is agreed in writing by the Borrowers and the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of the Majority Lenders);

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

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

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

- (a) is agreed in writing by the Borrowers and the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of the Majority Lenders);
- (b) specifies a calculation methodology for that rate; and

has been made available to the Borrowers and the Finance Parties.

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

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

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

- (i) information that:

- (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 45 (*Confidential Information*); or

- (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

- (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

- (ii) any Funding Rate.

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

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

"**Cumulative Compounded RFR Rate**" means, in relation to an Interest Period for a Compounded Rate Loan, the percentage rate per annum determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology set out in Schedule 12 (*Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Non-Cumulative Compounded RFR Rate**" means, in relation to any RFR Banking Day during an Interest Period for a Compounded Rate Loan, the percentage rate per annum determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology set out in Schedule 11 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

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

"**Deed of Release**" means, in relation to each Existing Agreement, a deed releasing the Existing Security under that Existing Agreement in a form acceptable to the Facility Agent and, in the plural means, all of them.

"**Default**" means an Event of Default or a Potential Event of Default.

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

"**Disruption Event**" means either or both of:

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

and which (in either such case) is not caused by, and is beyond the control of, the Party or, if applicable, any Transaction Obligor whose operations are disrupted.

"Dividend Payment" means, in relation to an Obligor, any of the following:

- (a) a declaration, making or payment of any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its equity interests;
- (b) a repayment or distribution of any dividend or share premium reserve; or
- (c) a redemption, repurchase, defeasance, retirement or repayment of any of its issued shares or a resolution to do any of the foregoing.

"Document of Compliance" has the meaning given to it in the ISM Code.

"dollars" and **"\$"** mean the lawful currency, for the time being, of the United States of America.

"Earnings" means, in relation to a Ship, all moneys whatsoever which are now, or later become, payable (actually or contingently) to a Borrower or the Security Agent and which arise out of or in connection with or relate to the use or operation of that Ship, including (but not limited to):

- (a) the following, save to the extent that any of them is, with the prior written consent of the Facility Agent, pooled or shared with any other person:
 - (i) all freight, hire and passage moneys including, without limitation, all moneys payable under, arising out of or in connection with a Charter or a Charter Guarantee;
 - (ii) the proceeds of the exercise of any lien on sub-freights;
 - (iii) compensation payable to a Borrower or the Security Agent in the event of requisition of that Ship for hire or use;
 - (iv) remuneration for salvage and towage services;
 - (v) demurrage and detention moneys;
 - (vi) without prejudice to the generality of sub-paragraph (i) above, damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship;
 - (vii) all moneys which are at any time payable under any Insurances in relation to loss of hire;
 - (viii) all monies which are at any time payable to a Borrower in relation to general average contribution; and
- (b) if and whenever that Ship is employed on terms whereby any moneys falling within sub-paragraphs (i) to (viii) of paragraph (a) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Ship.

"Earnings Account" means, in relation to a Borrower:

- (a) an account in the name of that Borrower with the Account Bank designated "Earnings Account";
- (b) any other account in the name of that Borrower with the Account Bank which may, with the prior written consent of the Facility Agent, be opened in the place of the account referred to in paragraph (a) above, irrespective of the number or designation of such replacement account; or
- (c) any sub-account of any account referred to in paragraph (a) or (b) above.

"EEA Member Country" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"Environmental Approval" means any present or future permit, ruling, variance or other Authorisation required under Environmental Law.

"Environmental Claim" means any claim by any governmental, judicial or regulatory authority or any other person which arises out of an Environmental Incident or an alleged Environmental Incident or which relates to any Environmental Law and, for this purpose, **"claim"** includes a claim for damages, compensation, contribution, injury, fines, losses and penalties or any other payment of any kind, including in relation to clean-up and removal, whether or not similar to the foregoing; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset.

"Environmental Incident" means:

- (a) any release, emission, spill or discharge of Environmentally Sensitive Material whether within a Ship or from a Ship into any other vessel or into or upon the air, water, land or soils (including the seabed) or surface water; or
- (b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, water, land or soils (including the seabed) or surface water from a vessel other than any Ship and which involves a collision between any Ship and such other vessel or some other incident of navigation or operation, in either case, in connection with which a Ship is actually or potentially liable to be arrested, attached, detained or injuncted and/or a Ship and/or any Transaction Obligor and/or any operator or manager of a Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or
- (c) any other incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, water, land or soils (including the seabed) or surface water otherwise than from a Ship and in connection with which a Ship is actually or potentially liable to be arrested and/or where any Transaction Obligor and/or any operator or manager of a Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action, other than in accordance with an Environmental Approval.

"Environmental Law" means any present or future law applicable to a Ship and relating to vessel disposal, energy efficiency, carbon reduction, emissions, emissions trading, pollution or protection of human health or the environment, to conditions in the workplace, to the carriage, generation, handling, storage, use, release or spillage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material.

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

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

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

"**Event of Default**" means any event or circumstance specified as such in Clause 28 (*Events of Default*).

"**Existing Agreement**" means:

- (a) in respect of Borrower A, Borrower B, Borrower C, Borrower D, Borrower E, Borrower F and Borrower G the facility agreement dated 19 September 2019 (as from time to time amended, restated and/or supplemented) and made between (*inter alios*) (i) Borrower A, Borrower B, Borrower C, Borrower D, Borrower E, Borrower F and Borrower G, as joint and several borrowers, (ii) the banks and financial institutions listed in part B schedule 1 (*the parties*) therein as lenders and (iii) Crédit Agricole Corporate and Investment Bank as facility agent, arranger, bookrunner and security agent, in respect of a facility of (originally) up to US\$268,000,000; and
- (b) in respect of Borrower H, the facility agreement dated 13 April 2021 (as from time to time amended, restated and/or supplemented) and made between (*inter alios*) (i) Borrower H as borrower, (ii) the banks and financial institutions listed in part B Schedule 1 (*the parties*) therein as lenders and (iii) Crédit Agricole Corporate and Investment Bank as facility agent, arranger, bookrunner and security agent, in respect of a facility of (originally) up to \$51,700,000.

"**Existing Indebtedness**" means, at any date, the outstanding indebtedness of the relevant Borrowers on that date under the relevant Existing Agreement.

"**Existing Security**" means any Security created to secure the Existing Indebtedness.

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

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

"**FATCA**" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

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

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

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

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

"Finance Document" means:

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

"Finance Party" means the Facility Agent, the Security Agent, a Bookrunner, an Arranger, a Mandated Lead Arranger, the Account Bank and/or a Lender.

"Financial Indebtedness" means any indebtedness for or in relation to:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in relation to any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease);

- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in relation to a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in relation to any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"Funding Rate" means any individual rate notified by a Lender to the Facility Agent pursuant to Clause 10.4(a) (*Cost of funds*).

"GAAP" means generally accepted accounting principles in the United States of America including IFRS.

"General Assignment" means, in relation to a Ship, the general assignment creating first ranking Security over that Ship's Earnings, its Insurances and any Requisition Compensation in relation to that Ship, in agreed form.

"Group" means the Guarantor and its Subsidiaries for the time being from time to time throughout the Security Period.

"GSL Policy" means the Guarantor's Whistleblower Policy as it is included in the Guarantor's public Code of Business Conduct and Ethics.

"Holding Company" means, in relation to a person, any other person in relation to 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.

"Indemnified Person" has the meaning given to it in Clause 14.2 (*Other indemnities*).

"Initial Charter" means, in relation to:

- (a) Ship A, a time charter dated 25 August 2022 (as amended by an Addendum No 1 dated 2 January 2024 and Addendum No 2 dated 15 April 2024) and made between Borrower A and the relevant Initial Charterer, for a period of 60 months with up to 45 days more or less in that Initial Charterer's option, having an actual commencement date on or about October 2024 at a gross charter hire rate of \$44,375 per day;

- (b) Ship B, a time charter dated 10 May 2023 and made between Borrower B and the relevant Initial Charterer, for a period of 36 to 38 months, having an actual commencement date of 23 July 2024 and for a gross charter hire rate of \$31,500 per day;
- (c) Ship C, a time charter dated 25 August 2022 (as amended by an Addendum No 1 dated 2 January 2024 and Addendum No 2 dated 15 April 2024) and made between Borrower C and the relevant Initial Charterer, for a period of 60 months with up to 45 days more or less in that Initial Charterer's option, having an actual commencement date of 18 July 2024 and for a gross charter hire rate of \$44,375 per day;
- (d) Ship D, a time charter dated 25 August 2022 (as amended by an Addendum No 1 dated 2 January 2024 and Addendum No 2 dated 15 April 2024) and made between Borrower D and the relevant Initial Charterer, for a period of 60 months with up to 45 days more or less in that Initial Charterer's option, having an actual commencement date after its drydocking on or about 10 August 2024 and for a gross charter hire rate of \$44,375 per day;
- (e) Ship E, a time charter dated 25 August 2022 (as amended by an Addendum No 1 dated 2 January 2024 and Addendum No 2 dated 15 April 2024) and made between Borrower E and the relevant Initial Charterer, for a period of 60 months with up to 45 days more or less in that Initial Charterer's option, having an actual commencement date on or about 25 August 2024 and for a gross charter hire rate of \$44,375 per day;
- (f) Ship F, a time charter dated 25 August 2022 (as amended by an Addendum No 1 dated 2 January 2024 and Addendum No 2 dated 15 April 2024) and made between Borrower F and the relevant Initial Charterer, for a period of 60 months with up to 45 days more or less in that Initial Charterer's option, having an actual commencement date of 15 June 2024 and for a gross charter hire rate of \$44,375 per day;
- (g) Ship G, a time charter dated 25 August 2022 (as amended by an Addendum No 1 dated 2 January 2024 and Addendum No 2 dated 15 April 2024) and made between Borrower G and the relevant Initial Charterer, for a period of 60 months with up to 45 days more or less in that Initial Charterer's option, having an actual commencement date of 6 January 2024 with an earliest expiration date of January 2029 and for a gross charter hire rate of \$44,375 per day;
- (h) Ship H, a time charter dated 5 November 2021 (as amended by an Addendum No 1 dated 5 November 2021) and made between Borrower H and the relevant Initial Charterer, for a period of minimum 60 months to maximum 63 months in that Initial Charterer's option, having an actual commencement date of 11 July 2022 and for a gross charter hire rate of \$65,000 per day;
- (i) Ship I, a time charter dated 5 November 2021 (as amended by an Addendum No 1 dated 5 November 2021) and made between Borrower I and the relevant Initial Charterer, for a period of minimum 60 months to maximum 63 months in that Initial Charterer's option, having an actual commencement date of 22 May 2022 and for a gross charter hire rate of \$65,000 per day; and

- (j) Ship J, a time charter dated 4 April 2023 (as amended by an Addendum No 1 dated 4 April 2023) and made between Borrower J and the relevant Initial Charterer, for a period of 24 months with up to 30 days more or less in that Initial Charterer's option, having an actual commencement date of 17 October 2023 and for a gross charter hire rate of \$42,000 per day.

"Initial Charterer" means, in relation to:

- (a) each of Ship A, Ship C, Ship D, Ship E, Ship F and Ship G, Hapag-Lloyd AG, of 25 Ballindamm Str., Hamburg, Germany;
- (b) each of Ship B and Ship J, MSC – Mediterranean Shipping Company S.A., of 12-14 Chemin Rieu, 1208 Geneva, Switzerland; and
- (c) each of Ship H and Ship I, Zim Integrated Shipping Services, of 9 Andrei Sakharov Street, 3101601, Haifa, Israel.

"Initial Market Value" means, in relation to a Ship, the Market Value thereof determined pursuant to the valuations relative thereto referred to in paragraph 6.2 of Part A of Schedule 2 (*Conditions Precedent*).

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

"Insurances" means, in relation to a Ship:

- (a) all policies and contracts of insurance and reinsurance, including entries of that Ship in any protection and indemnity or war risks association, effected in relation to that Ship, that Ship's Earnings or otherwise in relation to that Ship whether before, on or after the date of this Agreement; and
- (b) all rights (including, without limitation, any and all rights or claims which the Borrower owning that Ship may have under or in connection with any cut-through clause relative to any reinsurance contract relating to the aforesaid policies or contracts of insurance) and other assets relating to, or derived from, any of such policies, contracts or entries, including any rights to a return of premium and any rights in relation to any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement.

"Interest Payment Date" has the meaning given to it in Clause 8.3 (*Payment of interest*).

"Interest Period" means, in relation to the Loan or any part of the Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.4 (*Default interest*).

"Inventory of Hazardous Materials" means, in relation to a Ship, the inventory of any material or substance which is liable to create hazards to human health and/or the environment issued by a Class certified company (prepared in accordance with the requirements of the Hong Kong Convention 2009 SR/CONF/45 (HKC) and or the EU Ship Recycling Regulation) which includes a list of any and all materials known to be potentially hazardous utilised in the construction of such Ship along with their respective location and approximate quantities, also referred to as list of hazardous materials.

"**ISM Code**" means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (including the guidelines on its implementation), adopted by the International Maritime Organisation, as the same may be amended or supplemented from time to time.

"**ISPS Code**" means the International Ship and Port Facility Security (ISPS) Code as adopted by the International Maritime Organization's (IMO) Diplomatic Conference of December 2002, as the same may be amended or supplemented from time to time.

"**ISSC**" means an International Ship Security Certificate issued under the ISPS Code.

"**Legal Reservations**" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*).

"**Lender**" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 29 (*Changes to the Lenders*),

which in each case has not ceased to be a Party as such in accordance with this Agreement.

"**LLC Shares**" shall have, in respect of each Borrower, the meaning ascribed thereto in that Borrower's limited liability company agreement.

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

"**Loan**" means the loan to be made available under the Facility or the aggregate principal amount outstanding of the borrowings at any relevant time under the Facility and a "**part of the Loan**" means any other part of the Loan as the context may require.

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

"**Major Casualty**" means, in relation to a Ship, any casualty to that Ship in relation to which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds \$1,000,000 or the equivalent in any other currency.

"**Majority Lenders**" means:

- (a) if no Advance has yet been advanced, a Lender or Lenders whose Commitments aggregate more than 66⅔ per cent. of the Total Commitments; or
- (b) at any other time, a Lender or Lenders whose participations in the Loan aggregate more than 66⅔ per cent. of the amount of the Loan then outstanding or, if the Loan has been repaid or prepaid in full, a Lender or Lenders whose participations in the Loan immediately before repayment or prepayment aggregate more than 66⅔ per cent. of the Loan immediately before such repayment.

"Management Agreement" means a Technical Management Agreement or a Commercial Management Agreement.

"Manager's Undertaking" means, in relation to a Ship, the letter of undertaking from its Approved Technical Manager and the letter of undertaking from its Approved Commercial Manager subordinating the rights of such Approved Technical Manager and such Approved Commercial Manager respectively against that Ship and the relevant Borrower to the rights of the Finance Parties in agreed form.

"Margin" means 1.85 per cent. per annum.

"Market Disruption Rate" means the Term SOFR Reference Rate.

"Market Value" means, in relation to a Ship or any other vessel, at any date, an amount equal to the market value of that Ship or that vessel shown by the arithmetic average of two valuations, addressed and provided to the Facility Agent and prepared:

- (a) as at a date not more than 30 days (and in the case of the valuations used to determine the Initial Market Value of that Ship, not more than 15 days prior to the first Utilisation Date) previously;
- (b) by two Approved Valuers;
- (c) with or without physical inspection of that Ship or that vessel (as the Facility Agent may require (acting on the instructions of the Majority Lenders)); and
- (d) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any Charter,

provided that if the higher of the two valuations is more than 110 per cent. of the lower of the two valuations, a third valuation shall be obtained from an Approved Valuer at the Borrowers' cost and on the same terms as the first two valuations. The Market Value of that Ship shall then be determined as the arithmetic average of the three valuations.

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

- (a) the business, operations, property, condition (financial or otherwise) or prospects of each Obligor and the Group taken as a whole; or
- (b) the ability of any Transaction Obligor to perform its obligations under any Finance Document to which it is a party; or

- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or intended to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

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

"Mortgage" means, in relation to a Ship, a first preferred or, as the case may be, priority Marshall Islands, Liberian, Panamanian or Maltese (as applicable) ship mortgage on that Ship in agreed form.

"Obligor" means a Borrower or the Guarantor.

"Operating Expenses" means, in relation to a Ship, the aggregate expenditure necessarily incurred by the Borrower which is the owner of that Ship in operating, insuring, maintaining, repairing and generally trading that Ship (including, without limitation any crewing fees paid under a Management Agreement) and general and administrative expenses paid in respect of that Ship.

"Original Financial Statements" means, in relation to the Guarantor, the audited consolidated financial statements of the Group for its financial year ended 2023, as publicly available.

"Original Jurisdiction" means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is formed as at the date of this Agreement.

"Overseas Regulations" means the Overseas Companies Regulations 2009 (SI 2009/1801).

"Parallel Debt" means any amount which an Obligor owes to the Security Agent under Clause 32.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or under that Clause as incorporated by reference or in full in any other Finance Document.

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

"Party" means a party to this Agreement.

"Perfection Requirements" means the making or procuring of filings, stampings, registrations, notarisations, endorsements, translations and/or notifications of any Finance Document (and/or any Security created under it) necessary for the validity, enforceability (as against the relevant Obligor or any relevant third party) and/or perfection of that Finance Document.

"Permitted Charter" means, in relation to a Ship, a Charter (other than an Initial Charter or any other Assignable Charter relative thereto):

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

and any other Charter which is approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders which authorisation no Lender shall unreasonably withhold or delay.

"Permitted Financial Indebtedness" means:

- (a) until (and including) the relevant Utilisation Date, any Existing Indebtedness;
- (b) any Financial Indebtedness incurred under the Finance Documents;
- (c) any Financial Indebtedness that is subordinated to all Financial Indebtedness incurred under the Finance Documents pursuant to a Subordination Agreement and which is, in the case of any such Financial Indebtedness of a Borrower, the subject of Subordinated Debt Security; and
- (d) any normal trading debt of each Borrower incurred in the ordinary course of its business operations of owning and operating the relevant Ship and issuing guarantees thereunder.

"Permitted Security" means:

- (a) until the relevant Utilisation Date, any Existing Security;
- (b) Security created by the Finance Documents;
- (c) liens for unpaid master's and crew's wages in accordance with first class ship ownership and management practice and not being enforced through arrest;
- (d) liens for salvage;

- (e) liens for master's disbursements incurred in the ordinary course of trading in accordance with first class ship ownership and management practice; and
- (f) any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of any Ship:
 - (i) not as a result of any default or omission by any Borrower; and
 - (ii) subject, in the case of liens for repair or maintenance, to Clause 24.14 (*Restrictions on chartering, appointment of managers etc.*),

provided such lien does not secure amounts more than 60 days overdue (unless the overdue amount is being contested in good faith by appropriate steps and for the payment of which adequate reserves are held and provided further that such proceedings do not give rise to a material risk of the relevant Ship or any interest in it being seized, sold, forfeited or lost).

"Poseidon Principles" means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios as the same may be amended or replaced from time to time.

"Poseidon" means Poseidon Containers Holdings LLC, a limited liability company formed in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960.

"Potential Event of Default" means any event or circumstance specified in Clause 28 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"Prohibited Person" means a person that is:

- (a) listed on, or owned or controlled by a person listed on any Sanctions List;
- (b) located in, resident, organised or incorporated under the laws of, or owned or controlled by, or acting on behalf of, a person located in, resident, incorporated or organised under the laws of a Sanctioned Country; or
- (c) otherwise a target of Sanctions.

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

"Quotation Day" means, in relation to any period for which an interest rate is to be determined in relation to a Term SOFR Loan, two (2) RFR Banking Days before the first day of that period unless market practice differs in the relevant syndicated loan market in which case the relevant Quotation Day will be determined by the Facility Agent in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

"Quoted Tenor" means, in relation to a Term SOFR Loan, any period for which Term SOFR is customarily displayed on the relevant page or screen of an information service.

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

"**Recognised Organisation**" means an organisation representing any Ship's flag state and, for the purposes of Clause 24.20 (*Poseidon Principles*) duly authorized to determine whether the relevant Borrower has complied with regulation 22A of Annex VI.

"**Related Fund**" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Jurisdiction**" means, in relation to a Transaction Obligor:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any asset subject to, or intended to be subject to, any of the Transaction Security created, or intended to be created, by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**Relevant Market**" means the market for overnight cash borrowing collateralised by US Government Securities.

"**Relevant Percentage**" has the meaning given to it in Clause 26.1 (*Minimum required security cover*).

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

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

"**Repeating Representation**" means each of the representations set out in Clause 19 (*Representations*) except Clause 19.10 (*Insolvency*), Clause 19.11 (*No filing or stamp taxes*), Clause 19.12 (*Deduction of Tax*), Clause 19.20 (*Initial Charter*), Clause 19.34(a) (*Sanctions Representations*), in so far as it relates to an Approved Manager and Clause 19.35 (*Validity and Completeness of the Initial Charters*) and any representation of any Transaction Obligor made in any other Finance Document that is expressed to be a "Repeating Representation" or is otherwise expressed to be repeated.

"**Reporting Day**" means the day (if any) specified as such in the Benchmark Terms.

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

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Requisition**" means in relation to a Ship:

- (a) any expropriation, confiscation, requisition (excluding a requisition for hire or use which does not involve a requisition for title) or acquisition of that Ship, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected (whether *de jure* or *de facto*) by any government or official authority or by any person or persons claiming to be or to represent a government or official authority unless it is within 45 days redelivered to the full control of the Borrower owning that Ship (or any other longer period as the Facility Agent may agree at the request of the relevant Borrower); and
- (b) any capture or seizure of that Ship (including any hijacking or theft) by any person whatsoever (unless it is within 45 days redelivered to the full control of the Borrower owning that Ship (or any other longer period as the Facility Agent may agree at the request of the relevant Borrower)).

"Requisition Compensation" includes all compensation or other moneys payable to a Borrower by reason of any Requisition or any arrest or detention of a Ship in the exercise or purported exercise of any lien or claim.

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

"Retention Account" means:

- (a) an account in the joint names of the Borrowers with the Account Bank designated "Ikaros Marine LLC, Leonidas Marine LLC, Hector Marine LLC, Aristoteles Marine LLC, Menelaos Marine LLC, Philippos Marine LLC, Alexander Marine LLC, Penelope Marine LLC, Laertis Marine LLC, Telemachus Marine LLC - Retention Account";
- (b) any other account in the name of the Borrowers with the Account Bank which may, with the prior written consent of the Facility Agent, be opened in the place of the account referred to in paragraph (a) above, irrespective of the number or designation of such replacement account; or
- (c) any sub-account of any account referred to in paragraphs (a) or (b) above.

"RFR" 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).

"RFR Banking Day" means any day other than:

- (a) a Saturday or a Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government Securities.

"Safety Management Certificate" has the meaning given to it in the ISM Code.

"Safety Management System" has the meaning given to it in the ISM Code.

"**Sanctions**" means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.

"**Sanctions Authority**" means:

- (a) the Security Council of the United Nations;
- (b) the United States;
- (c) the United Kingdom;
- (d) the European Union;
- (e) the Approved Flag state;
- (f) any member state of the European Union (including, without limitation, The Netherlands and France);
- (g) any country to which any member of the Group or an Approved Manager is registered or has material (financial or otherwise) interests or operations; and
- (h) the governments and official institutions or agencies of any of the foregoing paragraphs, including without limitation the U.S. Office of Foreign Asset Control ("**OFAC**"), the U.S. Department of State, the U.S. Department of Commerce and His Majesty's Treasury ("**HMT**").

"**Sanctioned Country**" means a country or territory that is the subject or the target of Sanctions (including, without limitation, Cuba, Iran, North Korea, Syria and Crimea).

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

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

"**Secured Liabilities**" means all present and future obligations and liabilities, (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under or in connection with each Finance Document.

"**Secured Party**" means each Finance Party from time to time party to this Agreement, a Receiver or any Delegate.

"**Security**" means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"**Security Assets**" means all of the assets of the Transaction Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Security Cover Ratio**" means, at any relevant time, the aggregate of:

- (a) the aggregate Market Value of the Ships then subject to a Mortgage; plus

- (b) the net realisable value of additional Security previously provided under Clause 26 (*Security Cover*),

expressed as a percentage of the Loan, as at that time.

"Security Document" means:

- (a) any Shares Security;
- (b) any Mortgage;
- (c) any General Assignment;
- (d) any Charterparty Assignment;
- (e) any Account Security;
- (f) any Subordinated Debt Security;
- (g) any other document (whether or not it creates Security) which is executed as security for the Secured Liabilities; or
- (h) any other document designated as such by the Facility Agent and the Borrowers.

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

"Security Property" means:

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

except:

- (i) rights intended for the sole benefit of the Security Agent; and
- (ii) any moneys or other assets which the Security Agent has transferred to the Facility Agent or (being entitled to do so) has retained in accordance with the provisions of this Agreement.

"**Selection Notice**" means a notice substantially in the form set out in Part B of Schedule 3 (*Requests*) given in accordance with Clause 9 (*Interest Periods*).

"**Servicing Party**" means the Facility Agent or the Security Agent.

"**Shareholder**" means, in relation to each Borrower:

- (a) on and from the date of this Agreement until the Shares Transfer Date, Poseidon or, as applicable, its relevant Subsidiary which is the direct holder of all the LLC Shares in that Borrower at the date of this Agreement; and
- (b) from the Shares Transfer Date and throughout the rest of the Security Period, the Guarantor.

"**Shares Security**" means, in relation to a Borrower, a document creating Security over the LLC Shares in that Borrower in agreed form.

"**Shares Transfer**" means the transfer of ownership of all the LLC Shares in each Borrower from Poseidon (or, as applicable, its relevant Subsidiary) to the Guarantor.

"**Shares Transfer Date**" means the date on which the relevant Shares Transfer is completed.

"**Ship**" means Ship A, Ship B, Ship C, Ship D, Ship E, Ship F, Ship G, Ship H, Ship I, or Ship J.

"**Ship A**" means m.v. "COSTA RICA EXPRESS", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship B**" means m.v. "AGIOS DIMITRIOS", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship C**" means m.v. "KRISTINA", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship D**" means m.v. "ALEXIS", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship E**" means m.v. "OLIVIA I", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship F**" means m.v. "ALEXANDRA", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship G**" means m.v. "COLOMBIA EXPRESS", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship H**" means m.v. "ZIM XIAMEN", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship I**" means m.v. "ZIM NORFOLK", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship J**" means m.v. "ANTHEA Y", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

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

"**Specified Time**" means a day or time determined in accordance with Schedule 9 (*Timetables*).

"**Subordinated Creditor**" means:

- (a) a Transaction Obligor (other than the Borrowers); or
- (b) any other person who becomes a Subordinated Creditor in accordance with this Agreement.

"**Subordinated Debt Security**" means a Security over Subordinated Liabilities entered into or to be entered into by a Subordinated Creditor in favour of the Security Agent in an agreed form.

"**Subordinated Finance Document**" means:

- (a) a Subordinated Loan Agreement; and
- (b) any other document relating to or evidencing Subordinated Liabilities.

"**Subordinated Liabilities**" means all indebtedness owed or expressed to be owed by the Borrowers to a Subordinated Creditor whether under the Subordinated Finance Documents or otherwise.

"**Subordinated Loan Agreement**" means any loan agreement made between (i) a Borrower and (ii) a Subordinated Creditor.

"**Subordination Agreement**" means a subordination agreement entered into or to be entered into by a Subordinated Creditor and the Security Agent, subordinating, *inter alia* all the Subordinated Creditor's rights and interests under any Subordinated Loan Agreement to the rights and interests of the Finance Parties in agreed form.

"**Subsidiary**" means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

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

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

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

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

"**Technical Management Agreement**" means the agreement entered into between a Borrower and the Approved Technical Manager regarding the technical management of a Ship.

"**Term SOFR**" means the term RFR 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).

"**Term SOFR Loan**" means the Loan, any part of the Loan or, if applicable, Unpaid Sum to the extent that it is not, or has not become, a "Compounded Rate Loan" for its then current Interest Period pursuant to Clause 10.1 (Unavailability of Term SOFR).

"**Term SOFR Reference Rate**" means, in relation to any Term SOFR Loan, the applicable Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of that Term SOFR Loan and if, that rate is less than zero, the Term SOFR Reference Rate shall be deemed to be zero.

"**Termination Date**" means the date falling on the earlier of (i) the sixth anniversary of the first Utilisation Date to occur and (ii) 30 November 2030.

"**Testing Date**" means each date falling on the earlier of (a) the date on which the audited or, as the case may be, unaudited, financial statements referred to in Clause 20.2 (*Financial statements*) are actually delivered to the Facility Agent pursuant to the provisions of that Clause and (b) the latest date by which each such financial statements are required to be delivered to the Facility Agent pursuant to Clause 20.2 (*Financial statements*), commencing with the financial statements for the 3-month period ending on 30 September 2024 in relation to the Guarantor.

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

"**Total Commitments**" means the aggregate of the Commitments, being \$300,000,000 at the date of this Agreement.

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

- (a) actual, constructive, compromised, agreed or arranged total loss of that Ship; or
- (b) any Requisition of that Ship unless that Ship is returned to the full control of the relevant Borrower within 45 days of such Requisition (or such longer period as may be requested by the Borrowers and agreed to by the Facility Agent).

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

- (a) in the case of an actual loss of that Ship, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, the earlier of:
 - (i) the date on which a notice of abandonment is given (or deemed or agreed to be given) to the insurers; and
 - (ii) the date of any compromise, arrangement or agreement made by or on behalf of the relevant Borrower with that Ship's insurers in which the insurers agree to treat that Ship as a total loss; and
- (c) in the case of any other type of Total Loss, the date (or the most likely date) on which it appears to the Facility Agent that the event constituting the total loss occurred.

"**Transaction Document**" means:

- (a) a Finance Document;
- (b) a Subordinated Finance Document;
- (c) any Assignable Charter; or
- (d) any other document designated as such by the Facility Agent and a Borrower.

"**Transaction Obligor**" means an Obligor or any other member of the Group who executes a Transaction Document.

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

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

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

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

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

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

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

"**US**" means the United States of America.

"**USPP Notes**" means, in relation to the Guarantor, the 5.69% Senior Secured Notes due 15 July 2027 issued by the Guarantor's Subsidiary, Knausen Holding LLC, upon the terms and subject to the conditions of a note purchase agreement dated 14 June 2022, by and among (a) Knausen Holding LLC as issuer, (b) the Guarantor as guarantor, (c) Wilmington Savings Fund Society, FSB as administrative agent, registrar, paying agent, and security trustee, and (d) the purchasers named therein.

"**US Tax Obligor**" means:

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

"**Utilisation**" means a utilisation of any part of the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Advance is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Part A of Schedule 3 (*Requests*).

"**VAT**" means:

- (a) any value added tax imposed by the Value Added Tax Act 1994;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) or (b) above, or imposed elsewhere.

"**Write-down and Conversion Powers**" means:

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

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

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

- (xiv) a provision of law is a reference to that provision as amended or re-enacted from time to time;
- (xv) a time of day is a reference to London time;
- (xvi) any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of a jurisdiction other than England, be deemed to include that which most nearly approximates in that jurisdiction to the English legal term;
- (xvii) words denoting the singular number shall include the plural and vice versa; and
- (xviii) "**including**" and "**in particular**" (and other similar expressions) shall be construed as not limiting any general words or expressions in connection with which they are used.
- (b) The determination of the extent to which a rate is "**for a period equal in length**" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
- (c) Section, Clause and Schedule headings are for ease of reference only and are not to be used for the purposes of construction or interpretation of the Finance Documents.
- (d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under, or in connection with, any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (e) A reference in this Agreement to a page or screen of an information service displaying a rate shall include:
 - (i) any replacement page of that information service which displays that rate; and
 - (ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Facility Agent and agreed to by the Borrowers.
- (f) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.
- (g) Any Compounded Rate Supplement overrides anything in:
 - (i) Schedule 10 (*Benchmark Terms*); or
 - (ii) any earlier Compounded Rate Supplement.
- (h) A Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate overrides anything relating to that rate in:
 - (i) Schedule 11 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 12 (*Cumulative Compounded RFR Rate*); or

- (i) any earlier Compounding Methodology Supplement.
- (j) A Potential Event of Default is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived or, if the Facility Agent deems that is capable of remedy, has not been remedied within the period of time specified by the Facility Agent.

1.3 Construction of insurance terms

In this Agreement:

"**approved**" means, for the purposes of Clause 23 (*Insurance Undertakings*), approved in writing by the Facility Agent.

"**excess risks**" means, in respect of a Ship, the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of that Ship in consequence of its insured value being less than the value at which that Ship is assessed for the purpose of such claims.

"**obligatory insurances**" means all insurances effected, or which any Borrower is obliged to effect, under Clause 23 (*Insurance Undertakings*) or any other provision of this Agreement or of another Finance Document.

"**policy**" includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms.

"**protection and indemnity risks**" means the usual risks covered by a protection and indemnity association managed in London, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02) (1/11/03), clause 8 of the Institute Time Clauses (Hulls) (1/10/83) (1/11/95) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision.

"**war risks**" includes the risk of mines and all risks excluded by clauses 29, 30 or 31 of the International Hull Clauses (1/11/02), clauses 29 or 30 of the International Hull Clauses (1/11/03), clauses 24, 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clauses 23, 24 or 25 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent provision.

1.4 Agreed forms of Finance Documents

References in Clause 1.1 (*Definitions*) to any Finance Document being in "agreed form" are to that Finance Document:

- (a) in a form attached to a certificate dated the same date as this Agreement (and signed by each Borrower and the Facility Agent); or
- (b) in any other form agreed in writing between each Borrower and the Facility Agent acting with the authorisation of the Majority Lenders or, where Clause 44.2 (*All Lender matters*) applies, all the Lenders.

1.5 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
- (c) Any Affiliate, Receiver, Delegate or any other person described in paragraph (d) of Clause 14.2 (*Other indemnities*), paragraph (b) of Clause 31.11 (*Exclusion of liability*) or paragraph (b) of Clause 32.11 (*Exclusion of liability*), may subject to this Clause 1.5 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

SECTION 2

THE FACILITY

2 THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a dollar term loan facility, in three Advances, in an aggregate amount not exceeding the Total Commitments.

2.2 Finance Parties' rights and obligations

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

2.3 Borrowers' Agent

- (a) Each Borrower by its execution of this Agreement irrevocably appoints the Guarantor to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Guarantor on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including Utilisation Requests), to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Borrower notwithstanding that they may affect that Borrower, without further reference to or the consent of that Borrower; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Borrower pursuant to the Finance Documents to the Guarantor,

and in each case each Borrower shall be bound as though the Borrowers themselves had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Guarantor or given to the Guarantor under any Finance Document on behalf of a Borrower or in connection with any Finance Document (whether or not known to any Borrower) shall be binding for all purposes on that Borrower as if that Borrower had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Guarantor and any Borrower, those of the Guarantor shall prevail.

3 PURPOSE

3.1 Purpose

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

3.2 Monitoring

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

4 CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Borrowers may not deliver a Utilisation Request unless the Facility Agent has received all of the documents and other evidence listed in Part A of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Facility Agent.

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if:

- (a) on the date of a Utilisation Request and on the proposed Utilisation Date and before the relevant Advance is made available:
- (i) no Default is continuing or would result from the proposed making of that Advance;
 - (ii) the Repeating Representations to be made by each Obligor on its own behalf or on behalf of any other Transaction Obligor or any Approved Manager are true;
 - (iii) the know-your-customer checks for each of the Obligors have been conducted to the Facility Agent's and the Lenders' satisfaction; and
- (b) the Facility Agent has received on or before the relevant Utilisation Date, or is satisfied it will receive when the relevant Advance is made available, all of the documents and other evidence listed in Part B of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Facility Agent.
- #### **4.3 Notification of satisfaction of conditions precedent**
- (a) The Facility Agent shall notify the Borrowers and the Lenders promptly upon being satisfied as to the satisfaction of the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*) and Clause 4.2 (*Further conditions precedent*).

(b) Other than to the extent that the Majority Lenders notify the Facility Agent in writing to the contrary before the Facility Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Facility Agent to give that notification. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.4 Waiver of conditions precedent

If the Majority Lenders, at their discretion, permit an Advance to be borrowed before any of the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*) or Clause 4.2 (*Further conditions precedent*) has been satisfied, the Borrowers shall ensure that that condition is satisfied within 10 Business Days after the relevant Utilisation Date or such later date as the Facility Agent, acting with the authorisation of the Majority Lenders, may agree in writing with the Borrowers.

SECTION 3

UTILISATION

5 UTILISATION

5.1 DELIVERY OF UTILISATION REQUEST

- (A) THE BORROWERS MAY UTILISE THE FACILITY BY DELIVERY TO THE FACILITY AGENT OF A DULY COMPLETED UTILISATION REQUEST NOT LATER THAN THE SPECIFIED TIME.
- (B) THE BORROWERS MAY NOT DELIVER MORE THAN ONE UTILISATION REQUEST IN RESPECT OF EACH ADVANCE.

5.2 COMPLETION OF UTILISATION REQUEST

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

- (i) the proposed Utilisation Date is a Business Day within the Availability Period;
- (ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*);
- (iii) all applicable deductible items have been completed; and
- (iv) the proposed Interest Period complies with Clause 9 (*Interest Periods*).

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be dollars.
- (b) The aggregate amount of each proposed Advance shall not exceed:
 - (i) in respect of Advance A, the lesser of (i) \$210,000,000 and (ii) 55 per cent. of the aggregate Initial Market Value of the Ships (other than Ship I and Ship J);
 - (ii) in respect of Advance B, the lesser of (i) \$45,000,000 and (ii) 55 per cent. of the Initial Market Value of Ship I; and
 - (iii) in respect of Advance C, the lesser of (i) \$45,000,000 and (ii) 55 per cent. of the Initial Market Value of Ship J.
- (c) The aggregate amount of the proposed Advances must be an amount which is not more than the Available Facility and the aggregate amount of the Loan shall not exceed the lesser of (i) \$300,000,000 and (ii) 55 per cent. of the aggregate Initial Market Value of the Ships.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Advance available by the relevant Utilisation Date through its Facility Office.

- (b) The amount of each Lender's participation in each Advance will be equal to the proportion borne by its Available Commitment to the Available Facility immediately before making that Advance.
- (c) The Facility Agent shall notify each Lender of the amount of each Advance and the amount of its participation in that Advance by the Specified Time.

5.5 Cancellation of Commitments

The Commitments in respect of any Advance which are not utilised at the end of the Availability Period for such Advance shall then be cancelled.

5.6 Payment to third parties

Each Borrower irrevocably authorises the Facility Agent on each Utilisation Date, to pay to, or for the account of, the Borrowers the amounts which the Facility Agent receives from the Lenders in respect of the Loan. That payment shall be made in like funds as the Facility Agent received from the Lenders in respect of the Loan to the account which the Borrowers specify in the relevant Utilisation Request.

5.7 Disbursement of an Advance to third party

Payment by the Facility Agent under Clause 5.6 (*Payment to third parties*) to a person other than a Borrower shall constitute the making of the relevant Advance and the Borrowers shall at that time become indebted, as principal and direct obligors, to each Lender in an amount equal to that Lender's participation in that Advance.

SECTION 4

REPAYMENT, PREPAYMENT AND CANCELLATION

6 REPAYMENT

6.1 Repayment of Loan

- (a) Advance A, Advance B and Advance C shall be amalgamated on the Utilisation of the last Advance into one Loan and the Borrowers shall repay the Loan by:
- (i) 24 consecutive quarterly instalments (each an "**Instalment**" and together, the "**Instalments**") in the following amounts:
- (A) the first 12 such Instalments (1st to 12th (both inclusive)) each in the amount of \$12,000,000,
- (B) the next 4 such Instalments (13th to 16th (both inclusive)) each in the amount of \$10,000,000;
- (C) the next 4 such Instalments (17th to the 20th (both inclusive)) each in the amount of \$8,000,000; and
- (D) the next and final 4 such Instalments (21st to the 24th (both inclusive)) each in the amount of \$6,000,000; and
- (ii) a balloon instalment in the amount of \$60,000,000 (the "**Balloon Instalment**" and together with the "**Instalments**", the "**Repayment Instalments**" and each a "**Repayment Instalment**"),
- (b) The first Instalment shall be repaid on the date falling three Months after the first Utilisation Date, each subsequent Instalment at three monthly intervals thereafter and the last Instalment shall be repaid together with the Balloon Instalment on the Termination Date.

6.2 Effect of cancellation and prepayment on scheduled repayments

- (a) If the Borrowers cancel the whole or any part of any Commitment in accordance with Clause 7.6 (*Right of repayment and cancellation in relation to a single Lender*) or if the Available Commitment of any Lender is cancelled under Clause 7.1 (*Illegality and Sanctions affecting a Lender*) then the Repayment Instalments for each Repayment Date falling after that cancellation will be reduced *pro rata* by the amount of the Available Commitments so cancelled.
- (b) If any part of any Commitment is cancelled pursuant to Clause 5.5 (*Cancellation of Commitments*) or Clause 7.3 (*Voluntary prepayment of Loan*), the Repayment Instalments for each Repayment Date falling after that cancellation will be reduced *pro rata* by the amount of the Commitments so cancelled.
- (c) If any part of the Loan is repaid or prepaid in accordance with Clause 7.6 (*Right of repayment and cancellation in relation to a single Lender*) or Clause 7.1 (*Illegality and Sanctions affecting a Lender*) then the Repayment Instalments for each Repayment Date falling after that repayment or prepayment will be reduced *pro rata* by the amount of the Loan repaid or prepaid.

- (d) If any part of the Loan is prepaid in accordance with:
- (i) Clause 7.3 (*Voluntary prepayment of Loan*), the prepayment shall be applied against the Loan in the manner specified by the Borrowers (at their discretion) in their confirmative and irrevocable prepayment notice delivered under that Clause; and
 - (ii) Clause 7.4 (Mandatory prepayment on sale, refinancing or Total Loss), in the case of a sale, Total Loss or refinancing of any Ship, or Clause 26.2 (*Provision of additional security; prepayment*) the prepayment shall be applied pro rata against the then outstanding Repayment Instalments (including for the avoidance of doubt, the Balloon Instalment) in respect of the Loan.

6.3 Termination Date

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

6.4 Reborrowing

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

7 PREPAYMENT AND CANCELLATION

7.1 Illegality and Sanctions affecting a Lender

If:

- (a) it is or becomes unlawful or contrary to Sanctions in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by the Finance Documents or to fund or maintain its participation in the Loan or any part of the Loan or to determine or charge interest rates based upon Term SOFR, or it becomes unlawful for any Affiliate of a Lender for that Lender to do so; or
- (b) any Sanction applies to any obligations of a Lender as contemplated by the Finance Documents or its funding or participation in any part of the Loan or if its Affiliate may be in breach of any Sanction as a result of that Lender doing so:
 - (i) that Lender shall promptly notify the Facility Agent upon becoming aware of that event;
 - (ii) upon the Facility Agent notifying the Borrowers, the Available Commitment of that Lender will be immediately cancelled;
 - (iii) the Borrowers shall prepay that Lender's participation in each part of the Loan on the last day of the Interest Period applicable to that part of the Loan occurring after the Facility Agent has notified the Borrowers or, if earlier, the date specified by that Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participation prepaid; and

(iv) accrued interest and all other amounts accrued for that Lender under the Finance Documents shall be immediately due and payable.

7.2 Voluntary and automatic cancellation

- (a) The Borrowers may, if they give the Facility Agent not less than 5 Business Day's (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of \$1,000,000 or a multiple of that amount) of the Available Facility. Any cancellation under this Clause shall reduce the Commitments of the Lenders rateably and the amount of the relevant Advances.
- (b) The unutilised Commitments (if any) of each Lender shall be automatically cancelled at close of business at the end of the Availability Period.

7.3 Voluntary prepayment of Loan

The Borrowers may, if they give the Facility Agent not less than fifteen Business Day's prior indicative notice and ten Business Days' prior confirmative and irrevocable written notice, prepay the whole or any part of the Loan (but, if in part, being a minimum amount of \$1,000,000 or a multiple of that amount) on the last day of an Interest Period.

7.4 Mandatory prepayment on sale, refinancing or Total Loss

- (a) If a Ship is sold (without prejudice to paragraph (a) of Clause 22.12 (*Disposals*)) or becomes a Total Loss or is refinanced, the Borrowers shall, subject to Clause 6.2(d) (*Effect of cancellation and prepayment on scheduled repayments*), prepay the Relevant Amount on the Relevant Date.
- (b) Provided that no Default has occurred and is continuing, any remaining proceeds of the sale, refinancing or, Total Loss of a Ship after the prepayment referred to in paragraph (a) above has been made, together with all other amounts that are payable on any such prepayment pursuant to the Finance Documents, shall be paid to the Borrower that owned the relevant Ship.
- (c) Each Borrower undertakes, in the case of a sale or Total Loss of the Ship owned by it, to deposit the sale proceeds relating to such sale or the insurance proceeds relating to such Total Loss (as the case may be) to the Earnings Account of that Borrower to be applied towards the prepayment of the Loan as required to be made by the Borrowers pursuant to paragraph (a) and (b) above.

In this Clause 7.4 (*Mandatory prepayment on sale, refinancing or Total Loss*):

"**Relevant Amount**" means, in relation to a Ship that has been sold or has become a Total Loss or is being refinanced, an amount equal to an amount of the Loan which, after giving effect to the prepayment required to be made pursuant to this Clause 7.4 (*Mandatory prepayment on sale, refinancing or Total Loss*), results in the Security Cover Ratio being equal to the higher of (A) the Security Cover Ratio maintained immediately prior to the prepayment made pursuant to this Clause 7.4 (*Mandatory prepayment on sale, refinancing or Total Loss*) and (B) the Relevant Percentage.

"**Relevant Date**" means:

- (a) in the case of a sale of a Ship, the date falling on the earlier of:

- (i) the date on which the sale is completed by delivery of that Ship to the buyer of that Ship; and
- (ii) the date of receipt by the relevant Borrower or the Security Agent of the proceeds relating to such sale;
- (b) in the case of a Total Loss of a Ship, the date falling on the earlier of:
 - (i) the date falling 120 days after the Total Loss Date; and
 - (ii) the date of receipt by the Security Agent of the proceeds of insurance relating to such Total Loss; and
- (c) the case of a refinancing of a Ship, on the date on which the refinancing or the release (as applicable) is completed by the discharge of the Mortgage over that Ship.

7.5 **Change of Control**

- (a) If a Change of Control occurs the Borrowers and the Guarantor shall promptly notify the Facility Agent upon becoming aware of that event and if the Majority Lenders so require, the Facility Agent shall (acting on the instructions of the Majority Lenders), by not less than 15 days' notice to the Borrowers, cancel the Facility and declare the Loan, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon the Facility will be cancelled and the Loan and all such outstanding interest and other amounts will become immediately due and payable.

For the purpose of this clause, a "**Change of Control**" occurs if, during the Security Period:

- (i) a Borrower is not or ceases to be a wholly-owned direct or indirect Subsidiary of the Guarantor (other than (i) a change in the legal or beneficial ownership or control of any of the Borrowers pursuant to the Shares Transfer and (ii) a change in the legal or beneficial ownership or control of the Guarantor which does not otherwise constitute a Change of Control in accordance with this definition);
- (ii) Mr George Giouroukos ceases to own at least 1 per cent. of the shares in the Guarantor (either directly or through one or more of his affiliates);
- (iii) Mr George Giouroukos ceases to be the Executive Chairman of (or to hold an equivalent executive officer position in) the Guarantor other than by reason of death or other incapacity in managing his affairs; or
- (iv) any person(s) own(s) more than 15 per cent. of the shares in the Guarantor, other than Mr George Giouroukos (either directly or through one or more of his affiliates).

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

- (a) If:
 - (i) any sum payable to any Lender by a Transaction Obligor is required to be increased under paragraph (c) of Clause 12.2 (*Tax gross-up*) or under that Clause as incorporated by reference or in full in any other Finance Document; or

(ii) any Lender claims indemnification from a Borrower under Clause 12.3 (*Tax indemnity*) or Clause 13.1 (*Increased costs*),

the Borrowers may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Facility Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan.

(b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Borrowers have given notice of cancellation under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrowers in that notice), the Borrowers shall repay that Lender's participation in the Loan.

7.7 Restrictions

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

7.8 Application of repayments and prepayments

- (a) Any prepayment of any part of the Loan (other than a prepayment pursuant to Clause 7.1 (*Illegality and Sanctions affecting a Lender*) or Clause 7.6 (*Right of repayment and cancellation in relation to a single Lender*)) shall be applied pro rata to each Lender's participation in that part of the Loan.
- (b) Any repayment made in accordance with Clause 6.1 (*Repayment of Loan*) shall be distributed by the Facility Agent to each Lender pro rata to that Lender's participation in the Loan.

SECTION 5
COSTS OF UTILISATION

8 INTEREST

8.1 Calculation of interest – Term SOFR Loans

The rate of interest on each Term SOFR Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) Term SOFR Reference Rate.

8.2 Calculation of interest – Compounded Rate Loans

- (a) If Clause 10.1 (*Unavailability of Term SOFR*) applies, the rate of interest on each Compounded Rate Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of the applicable:
 - (i) Margin; and
 - (ii) Compounded Reference Rate for that day.
- (b) If any day during an Interest Period for a Compounded Rate Loan is not a RFR Banking Day, the rate of interest on that Compounded Rate Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

8.3 Payment of interest

Subject to the provisions of Clause 8.5 (*Notification of rates of interest*), the Borrowers shall pay accrued interest on the Loan or any part of the Loan on the last day of each Interest Period (each an "**Interest Payment Date**").

8.4 Default interest

- (a) If a Transaction Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2.50 per cent. per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted part of the Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Facility Agent. Any interest accruing under this Clause 8.4 (*Default interest*) shall be immediately payable by the Transaction Obligor on demand by the Facility Agent.
- (b) If an Unpaid Sum consists of all or part of a Term SOFR Loan which became due on a day which was not the last day of an Interest Period relating to that Term SOFR Loan or that part of the Loan:
 - (i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan or that part of that Term SOFR Loan; and

(ii) the rate of interest applying to that Unpaid Sum during that first Interest Period shall be 2.50 per cent. per annum higher than the rate which would have applied if that Unpaid Sum had not become due.

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

8.5 Notification of rates of interest

(a) The Facility Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest relating to a Term SOFR Loan.

(b) If Clause 10.1 (*Unavailability of Term SOFR*) applies, the Facility Agent shall, as soon as practicable and in any event within 2 Business Days of a Compounded Rate Interest Payment being determinable, notify:

(i) the Lenders and the Borrowers of each rate of interest relating to the determination of that Compounded Rate Interest Payment;

(ii) each Lender of the proportion of that Compounded Rate Interest Payment which relates to that Lender's participation in the relevant Compounded Rate Loan; and

(iii) the Borrowers of that Compounded Rate Interest Payment and, to the extent it is then determinable, the Compounded Market Disruption Rate (if any) relating to the relevant Compounded Rate Loan.

This paragraph (b) shall not apply to any Compounded Rate Interest Payment determined pursuant to Clause 10.4 (*Cost of funds*).

(c) The Facility Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest relating to a Compounded Rate Loan to which Clause 10.4 (*Cost of funds*) applies (and, in particular, it shall advise the Borrowers of such determination of a rate of interest, as soon as it receives a Lender's notification pursuant to paragraph (a)(ii) of Clause 10.4 (*Cost of funds*)).

(d) The Facility Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan, any part of the Loan or any Unpaid Sum.

(e) This Clause 8.5 (*Notifications*) shall not require the Facility Agent to make any notification to any Party on a day which is not a Business Day.

9 INTEREST PERIODS

9.1 Selection of Interest Periods

(a) The Borrowers may select the Interest Period for the Loan in the Utilisation Request for the first Advance and, subject to paragraphs (f) and (h) below and Clause 9.2 (*Changes to Interest Periods*), the Borrowers may select each subsequent Interest Period for the Loan in a Selection Notice.

(b) Each Selection Notice is irrevocable and must be delivered to the Facility Agent by the Borrowers not later than the Specified Time.

- (c) If the Borrowers fail to select an Interest Period in the first Utilisation Request or fail to deliver a Selection Notice to the Facility Agent in accordance with paragraphs (a) and (b) above, the relevant Interest Period will, subject to paragraphs (f) and (h) below and Clause 9.2 (*Changes to Interest Periods*), be three Months.
- (d) Subject to this Clause 9 (*Interest Periods*), the Borrowers may select an Interest Period of 3 Months or any other period more than three Months agreed between the Borrowers and the Facility Agent (acting on the instructions of all the Lenders).
- (e) An Interest Period in respect of the Loan or any part of the Loan shall not extend beyond the Termination Date.
- (f) In respect of an Instalment, the Borrowers may request in the relevant Selection Notice that an Interest Period for a part of the Loan equal to such Instalment shall end on the Repayment Date relating to it and, subject to paragraph (d) above, select a longer Interest Period for the remaining part of the Loan.
- (g) The first Interest Period for the Loan shall start on the first Utilisation Date and, subject to paragraph (h) below, each subsequent Interest Period shall start on the last day of its preceding Interest Period.
- (h) The first Interest Period for the second and any subsequent Advance shall start on the Utilisation Date of such Advance and end on the last day of the Interest Period applicable to the Loan on the date on which such Advance is made.
- (i) Except for the purposes of paragraph (f) and (h) above and Clause 9.2 (*Changes to Interest Periods*), the Loan shall have one Interest Period only at any time.
- (j) Subject to paragraph (d) above, no Interest Period for a Term SOFR Loan or a Compounded Rate Loan shall be longer than three Months.

9.2 Changes to Interest Periods

- (a) In respect of an Instalment, prior to commencement of an Interest Period, the Facility Agent may establish an Interest Period for a part of the Loan equal to such Instalment to end on the Repayment Date relating to it and the remaining part of the Loan shall have the Interest Period selected in the relevant Selection Notice, subject to paragraph (d) of Clause 9.1 (*Selection of Interest Periods*).
- (b) If the Facility Agent makes any change to an Interest Period referred to in this Clause 9.2 (*Changes to Interest Periods*), it shall promptly notify the Borrowers and the Lenders.

9.3 Non-Business Days

- (a) Other than where paragraph (b) below applies, if an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) In respect of any Compounded Rate Loan, if there are rules specified as "Business Day Conventions" in the Benchmark Terms, those rules shall apply to each Interest Period for that Compounded Rate Loan.

10 CHANGES TO THE CALCULATION OF INTEREST

10.1 Unavailability of Term SOFR

If no Term SOFR is available on the relevant Quotation Day for the Interest Period of any Term SOFR Loan:

- (a) there shall be no Term SOFR Reference Rate for the Loan or the relevant part of the Loan and Clause 8.1 (*Calculation of interest – Term SOFR Loans*) will not apply for that Interest Period for the Loan or that part of the Loan; and
- (b) the Loan or that part of the Loan shall be a "Compounded Rate Loan" for that Interest Period and Clause 8.2' (*Calculation of interest – Compounded Rate Loans*) shall apply to the Loan or that part of the Loan for that Interest Period.

10.2 Interest calculation if no RFR or Central Bank Rate

If Clause 10.1 (*Unavailability of Term SOFR*) applies and:

- (a) there is no RFR or Central Bank Rate for the purposes of calculating the Daily Non-Cumulative Compounded RFR Rate for an RFR Banking Day during an Interest Period for a Compounded Rate Loan; and
 - (b) "cost of funds will apply as a fallback" is specified in the Benchmark Terms,
- then Clause 10.4 (*Cost of funds*) shall apply to that Compounded Rate Loan for that Interest Period.

10.3 Market disruption

- (a) In the case of a Term SOFR Loan, if before close of business in London on the Quotation Day for the relevant Interest Period, the Facility Agent receives notification from a Lender or Lenders (whose participations in the Loan or the relevant part of the Loan exceed 50 per cent. of the Loan or the relevant part of the Loan as appropriate) that its cost of funds relating to its participation in the Loan or that part of the Loan would be in excess of the Market Disruption Rate then Clause 10.4 (*Cost of funds*) shall apply to the Term SOFR Loan or that part of the Term SOFR Loan (as applicable) for the relevant Interest Period.
- (b) In the case of a Compounded Rate Loan, if:
 - (i) a Compounded Market Disruption Rate is specified in the Benchmark Terms; and
 - (ii) before the Reporting Time for the Loan or any part of the Loan, the Facility Agent receives notifications from a Lender or Lenders (whose participations in the Loan or the relevant part of the Loan exceed 33 per cent. of the Loan or the relevant part of the Loan as appropriate) that its cost of funds relating to its participation in the Loan or that part of the Loan would be in excess of that Compounded Market Disruption Rate,then Clause 10.4 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

10.4 Cost of funds

- (a) If this Clause 10.4 (*Cost of funds*) applies to the Loan or part of the Loan for an Interest Period, neither Clause 8.1 (*Calculation of interest – Term SOFR Loans*) nor Clause 8.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to the Loan or that part of the Loan for that Interest Period and the rate of interest on each Lender's share of the Loan or that part of the Loan for 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 Facility Agent by that Lender as soon as practicable and in any event:
 - (A) in relation to a Term SOFR Loan, before interest is due to be paid in respect of that Interest Period; or
 - (B) in relation to a Compounded Rate Loan, by the Reporting Time for that Compounded Rate Loan,to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in the Loan or that part of the Loan.
- (b) If this Clause 10.4 (*Cost of funds*) applies and the Facility Agent or the Borrowers so require, the Facility Agent and the Borrowers shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest or (as the case may be) an alternative basis for funding.
- (c) Subject to Clause 44.5 (*Changes to reference rates*), any substitute or alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrowers, be binding on all Parties.
- (d) If paragraph (e) below does not apply and any rate notified to the Facility Agent under sub-paragraph (ii) of paragraph (a) above is less than zero, the relevant rate shall be deemed to be zero.
- (e) If this Clause 10.4 (*Cost of funds*) applies pursuant to Clause 10.3 (*Market Disruption*) and:
- (i) in relation to a Term SOFR Loan, a Lender's Funding Rate is less than the Market Disruption Rate, that Lender's cost of funds relating to its participation in the Loan or the relevant part of the Loan for that Interest Period shall be deemed, for the purposes of sub-paragraph (ii) of paragraph (a) above, to be the Market Disruption Rate for that Term SOFR Loan; and
 - (ii) in relation to a Compounded Rate Loan, a Lender's Funding Rate is less than the relevant Compounded Market Disruption Rate, or a Lender does not notify a rate to the Facility Agent by the time specified in sub-paragraph (ii) of paragraph (a) above, that Lender's cost of funds relating to its participation in the Loan or the relevant part of the Loan for that Interest Period shall be deemed, for the purposes of sub-paragraph (ii) of paragraph (a) above, to be the Compounded Market Disruption Rate for that Compounded Rate Loan.

- (f) If this Clause 10.4 (*Cost of funds*) applies, the Facility Agent shall, as soon as practicable, notify the Borrowers.

10.5 Break Costs

- (a) Subject to paragraph (b) below, the Borrowers shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs (if any) attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrowers on a day prior to the last day of an Interest Period for the Loan, the relevant part of the Loan or that Unpaid Sum.
- (b) Paragraph (a) above shall apply in respect of a Compounded Rate Loan if an amount is specified as Break Costs in the Benchmark Terms.
- (c) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period (if applicable) in respect of which they become, or may become, payable.

11 FEES

11.1 Commitment fee

- (a) The Borrowers shall pay to the Facility Agent (for the account of each Lender) a non-refundable fee computed at the rate of 0.6475 per cent. per annum on that Lender's Available Commitment from time to time during the Availability Period.
- (b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the Availability Period, and in any case not later than, on the last day of the Availability Period and, if cancelled, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

11.2 Upfront fees and other fees

- (a) The Borrowers shall pay to the Facility Agent (for the account of each Lender, Arranger and Bookrunner, as applicable) within 3 Business Days from the signing of this Agreement, the upfront fees and bookrunner fees, each in the amount agreed in the relevant Fee Letters.

11.3 Agency and other fees

The Borrowers shall pay:

- (a) to the Facility Agent (for its own account) an agency fee in the amount and at the times agreed in the relevant Fee Letter; and
- (b) any other fees in accordance with any other Fee Letters.

SECTION 6

ADDITIONAL PAYMENT OBLIGATIONS

12 TAX GROSS UP AND INDEMNITIES

12.1 Definitions

- (a) In this Agreement:

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

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

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

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

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

12.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrowers shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facility Agent accordingly. Similarly, a Lender shall notify the Facility Agent on becoming so aware in respect of a payment payable to that Lender. If the Facility Agent receives such notification from a Lender it shall notify the Borrowers and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Facility Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

12.3 Tax indemnity

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

12.4 Tax Credit

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

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

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

12.5 Stamp taxes

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

12.6 VAT

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

12.7 FATCA Information

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to sub-paragraph (i) of paragraph (a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything and sub-paragraph (iii) of paragraph (a) above shall not oblige any other Party to do anything which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with sub-paragraphs (i) or (ii) of paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) The Facility Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender without further verification.

12.8 FATCA Deduction

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

- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify each Obligor and the Facility Agent and the Facility Agent shall notify the other Finance Parties.

13 INCREASED COSTS

13.1 Increased costs

- (a) Subject to Clause 13.3 (*Exceptions*), the Borrowers shall, within five days of a demand by the Facility Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or
 - (ii) compliance with any law or regulation made,
- in each case after the date of this Agreement; or
- (iii) the implementation, application of or compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, Basel III or CRD IV or any requests, rules, guidelines, directives, law or regulation that implements or applies the Dodd-Frank Wall Street Reform and Consumer Protection Act, Basel III or CRD IV.
- (b) In this Agreement:
- (i) **"Basel III"** means:
 - (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
 - (B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
 - (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".
 - (ii) **"CRD IV"** means:
 - (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012, as amended by Regulation (EU) 2019/876;

- (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended by Directive (EU) 2019/878; and
 - (C) any other law or regulation which implements Basel III.
- (iii) **"Increased Costs"** means:
- (A) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
 - (B) an additional or increased cost; or
 - (C) a reduction of any amount due and payable under any Finance Document,
- which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

13.2 Increased cost claims

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

13.3 Exceptions

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

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

14 OTHER INDEMNITIES

14.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a **"Sum"**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency

(the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

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

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

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

14.2 Other indemnities

- (a) Each Obligor shall within 3 Business Days of any demand, indemnify each Secured Party against any cost, loss or liability incurred by it as a result of:

- (i) the occurrence of any Event of Default;
- (ii) a failure by a Transaction Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 34 (*Sharing among the Finance Parties*);
- (iii) funding, or making arrangements to fund, its participation in an Advance requested by the Borrowers in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Secured Party alone); or
- (iv) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrowers.

- (b) Each Obligor shall, on demand, indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate (each such person for the purposes of this Clause 14.2 (*Other indemnities*) an "**Indemnified Person**"), against any cost, loss or liability incurred by that Indemnified Person pursuant to or in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry, in connection with or arising out of the entry into and the transactions contemplated by the Finance Documents, having the benefit of any Security constituted by the Finance Documents or which relates to the condition or operation of, or any incident occurring in relation to, any Ship unless such cost, loss or liability is caused by the gross negligence or wilful misconduct of that Indemnified Person.

- (c) Without limiting, but subject to any limitations set out in paragraph (b) above, the indemnity in paragraph (b) above shall cover any cost, loss or liability incurred by each Indemnified Person in any jurisdiction:

- (i) arising or asserted under or in connection with any law relating to safety at sea, the ISM Code, any Environmental Law or any Sanctions; or
 - (ii) in connection with any Environmental Claim.
- (d) Any Affiliate or any officer or employee of a Finance Party or of any of its Affiliates may rely on this Clause 14.2 (*Other indemnities*) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

14.3 Mandatory Cost

Each Borrower shall within 3 Business Days of any demand by the Facility Agent, pay to the Facility Agent for the account of the relevant Lender, such amount which any Lender certifies in a notice to the Facility Agent to be its good faith determination of the amount necessary to compensate it for complying with:

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

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

14.4 Indemnity to the Facility Agent

Each Obligor shall within 3 Business Days of any demand, indemnify the Facility Agent against:

- (a) any cost, loss or liability incurred by the Facility Agent (acting reasonably) as a result of:
 - (i) investigating any event which it reasonably believes is a Default; or
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
 - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents; and
- (b) any cost, loss or liability incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) or, in the case of any cost, loss or liability pursuant to Clause 35.11 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent in acting as Facility Agent under the Finance Documents.

14.5 Indemnity to the Security Agent

- (a) Each Obligor shall within 3 Business Days of any demand, indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them:
 - (i) in relation to or as a result of:
 - (A) any failure by a Borrower to comply with its obligations under Clause 16 (*Costs and Expenses*);
 - (B) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (C) the taking, holding, protection or enforcement of the Finance Documents and the Transaction Security;
 - (D) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law;
 - (E) any default by any Transaction Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;
 - (F) any action by any Transaction Obligor which vitiates, reduces the value of, or is otherwise prejudicial to, the Transaction Security; and
 - (G) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents;
 - (ii) acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Security Property or the performance of the terms of this Agreement or the other Finance Documents (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).
- (b) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Security Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 14.5 (*Indemnity to the Security Agent*) and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all monies payable to it.

15 MITIGATION BY THE FINANCE PARTIES

15.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrowers and following notification to the Facility Agent, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (a) (*Illegality and Sanctions affecting a Lender*), Clause 12 (*Tax Gross Up and Indemnities*), Clause 13 (*Increased Costs*) or paragraph (a) of Clause 14.3 (*Mandatory Cost*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

- (b) Each Finance party shall, following consultation with the Facility Agent, take any steps that such Finance Party considers reasonable in its sole discretion, to mitigate any circumstances which arise, and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to Clause 7.1 (*Illegality and Sanctions affecting a Lender*).
- (c) Paragraph (a) above does not in any way limit the obligations of any Transaction Obligor under the Finance Documents.

15.2 Limitation of liability

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

16 COSTS AND EXPENSES

16.1 Transaction expenses

The Obligors shall, within 3 days of any demand, pay the Facility Agent and the Security Agent the amount of all costs and expenses (including pre-agreed legal fees) reasonably incurred by any Secured Party in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

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

16.2 Amendment costs

Subject to Clause 17.4 (*Reference rate transition costs*) if:

- (a) a Transaction Obligor requests an amendment, waiver or consent; or
- (b) an amendment is required pursuant to Clause 35.9 (*Change of currency*); or
- (c) a Transaction Obligor requests, and the Security Agent agrees to, the release of all or any part of the Security Assets from the Transaction Security,

the Obligors shall, within 3 days of demand, reimburse each of the Facility Agent and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by each Secured Party in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement and preservation costs

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

16.4 Reference rate transition costs

The Borrowers shall within 3 days of demand reimburse each of the Facility Agent and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by each Secured Party in connection with:

- (a) the negotiation or entry into of any Compounded Rate Supplement or Compounding Methodology Supplement; or
- (b) any necessary amendment, waiver or consent relating to:
 - (i) the transition to the Compounded Reference Rate; or
 - (ii) any Compounded Rate Supplement or Compounding Methodology Supplement; or
 - (iii) any change arising as a result of an amendment required under Clause 44.5 (*Changes to reference rates*).

SECTION 7

GUARANTEES AND JOINT AND SEVERAL LIABILITY OF BORROWERS

17 GUARANTEE AND INDEMNITY – GUARANTOR

17.1 Guarantee and indemnity

The Guarantor irrevocably and unconditionally:

- (a) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it were the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of a Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document 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 17 (*Guarantee and Indemnity – Guarantor*) if the amount claimed had been recoverable on the basis of a guarantee.

17.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by each Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

17.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Transaction Obligor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor under this Clause 17 (*Guarantee and Indemnity – Guarantor*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

17.4 Waiver of defences

The obligations of the Guarantor under this Clause 17 (*Guarantee and Indemnity – Guarantor*) and in respect of any Transaction Security will not be affected or discharged by an act, omission, matter or thing which, but for this Clause 17.4 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under this Clause 17 (*Guarantee and Indemnity – Guarantor*) or in respect of any Transaction Security (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;

- (b) the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, or refusal or neglect to take up or enforce, or delay in taking or enforcing any rights against, or security over assets of, any Transaction Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Transaction Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

17.5 Immediate recourse

- (a) The Guarantor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person (including without limitation to commence any proceedings under any Finance Document or to enforce any Transaction Security) before claiming or commencing proceedings under this Clause 17 (*Guarantee and Indemnity – Guarantor*). This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.
- (b) The Guarantor acknowledges the rights of the Facility Agent pursuant to Clause 28.19 (*Acceleration*) to enforce or direct the Security Agent to enforce or exercise any or all of its rights, remedies powers or directions under any guarantee or indemnity contained in this Agreement.

17.6 Appropriations

Until all amounts which may be or become payable by the Transaction Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Clause 17 (*Guarantee and Indemnity – Guarantor*).

17.7 Deferral of Guarantor's rights

All rights which the Guarantor at any time has (whether in respect of this guarantee, a mortgage or any other transaction) against any Borrower, any other Transaction Obligor or their respective assets shall be fully subordinated to the rights of the Secured Parties under the Finance Documents and until the end of the Security Period and unless the Facility Agent otherwise directs, the Guarantor will not exercise any rights which it may have (whether in respect of any Finance Document to which it is a Party or any other transaction) by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 17 (*Guarantee and Indemnity – Guarantor*):

- (a) to be indemnified by a Transaction Obligor;
- (b) to claim any contribution from any third party providing security for, or any other guarantor of, any Transaction Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Clause 17.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Transaction Obligor; and/or
- (f) to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Party.

If 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 Secured Parties by the Transaction Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Facility Agent or as the Facility Agent may direct for application in accordance with Clause 35 (*Payment Mechanics*).

17.8 Additional security

This guarantee and any other Security given by the Guarantor is in addition to and is not in any way prejudiced by, and shall not prejudice, any other guarantee or Security or any other right of recourse now or subsequently held by any Secured Party or any right of set-off or netting or right to combine accounts in connection with the Finance Documents.

17.9 Applicability of provisions of Guarantee to other Security

Clauses 17.2 (*Continuing guarantee*), 17.3 (*Reinstatement*), 17.4 (*Waiver of defences*), 17.5 (*Immediate recourse*), 17.6 (*Appropriations*), 17.7 (*Deferral of Guarantor's rights*) and 17.8 (*Additional security*) shall apply, with any necessary modifications, to any Security which the Guarantor creates (whether at the time at which it signs this Agreement or at any later time) to secure the Secured Liabilities or any part of them.

18 JOINT AND SEVERAL LIABILITY OF THE BORROWERS

18.1 Joint and several liability

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

18.2 Waiver of defences

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

- (a) this Agreement being or later becoming void, unenforceable or illegal as regards any other Borrower;
- (b) any Lender or the Security Agent entering into any rescheduling, refinancing or other arrangement of any kind with any other Borrower;
- (c) any Lender or the Security Agent releasing any other Borrower or any Security created by a Finance Document; or
- (d) any time, waiver or consent granted to, or composition with any other Borrower or other person;
- (e) the release of any other Borrower or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (f) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any other Borrower or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (g) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Borrower or any other person;
- (h) any amendment, novation, supplement, extension, restatement (however fundamental, and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (i) any unenforceability, illegality or invalidity of any obligation or any person under any Finance Document or any other document or security; or
- (j) any insolvency or similar proceedings.

18.3 Principal Debtor

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

18.4 Borrower restrictions

- (a) Subject to paragraph (b) below, during the Security Period no Borrower shall:
- (i) claim any amount which may be due to it from any other Borrower whether in respect of a payment made under, or matter arising out of, this Agreement or any Finance Document, or any matter unconnected with this Agreement or any Finance Document; or
 - (ii) take or enforce any form of security from any other Borrower for such an amount, or in any way seek to have recourse in respect of such an amount against any asset of any other Borrower; or
 - (iii) set off such an amount against any sum due from it to any other Borrower; or
 - (iv) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving any other Borrower; or
 - (v) exercise or assert any combination of the foregoing.
- (b) If during the Security Period, the Facility Agent, by notice to a Borrower, requires it to take any action referred to in paragraph (a) above in relation to any other Borrower, that Borrower shall take that action as soon as practicable after receiving the Facility Agent's notice.

18.5 Deferral of Borrowers' rights

- Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been irrevocably paid in full and unless the Facility Agent otherwise directs, no Borrower will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:
- (a) to be indemnified by any other Borrower; or
 - (b) to claim any contribution from any other Borrower in relation to any payment made by it under the Finance Documents.

SECTION 8

REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19 REPRESENTATIONS

19.1 General

Each Obligor makes the representations and warranties set out in this Clause 19 (*Representations*) to each Finance Party on the date of this Agreement.

19.2 Status

- (a) Each Borrower is a limited liability company formed and validly existing and in good standing under the law of its Original Jurisdiction.
- (b) The Guarantor is a corporation incorporated and validly existing and in good standing under the law of its Original Jurisdiction.
- (c) It and each other Transaction Obligor has the power to own its assets and carry on its business as it is being conducted.

19.3 LLC shares and ownership

- (a) In the case of Borrower A, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.
- (b) In the case of Borrower B, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.
- (c) In the case of Borrower C, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.
- (d) In the case of Borrower D, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.
- (e) In the case of Borrower E, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.
- (f) In the case of Borrower F, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.
- (g) In the case of Borrower G, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.

- (h) In the case of Borrower H, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.
- (i) In the case of Borrower I, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.
- (j) In the case of Borrower J, the aggregate number of limited liability company interests that it is authorised to issue is 500 LLC Shares, all of which (being 100 per cent. of its limited liability company interests) have been issued to the relevant Shareholder.
- (k) The Guarantor is authorized to issue an aggregate of 249,000,000 common shares and 1,000,000 preferred shares, each with a par value of \$0.01.
- (l) The legal title to and beneficial interest in the LLC Shares in each Borrower is held directly by the relevant Shareholder free of any Security or any other claim, except for Permitted Security.
- (m) None of the LLC Shares in a Borrower is subject to any option to purchase, pre-emption rights or similar rights.

19.4 Binding obligations

The obligations expressed to be assumed by it in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations.

19.5 Validity, effectiveness and ranking of Security

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

19.6 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, each Transaction Document to which it is a party:

- (a) 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 or constitute a default or termination event (however described) under any such agreement or instrument.

(b) is for the corporate benefit of that Obligor.

19.7 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, each Transaction Document to which it is or will be a party and the transactions contemplated by those Transaction Documents.
- (b) No limit on its powers will be exceeded as a result of the borrowing, granting of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

19.8 Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and
 - (b) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,
- have been obtained or effected and are in full force and effect.

19.9 Governing law and enforcement

- (a) The choice of governing law of each Transaction Document to which it is a party will be recognised and enforced in its Relevant Jurisdictions.
- (b) Any judgment obtained in relation to a Transaction Document to which it is a party in the jurisdiction of the governing law of that Transaction Document and any arbitral award obtained in relation to a Transaction Document in the seat of that arbitral tribunal as specified in that Transaction Document will be recognised and enforced in its Relevant Jurisdictions.

19.10 Insolvency

No:

- (a) corporate action, legal proceeding or other similar legal procedure or similar legal step described in paragraph (a) of Clause 28.8 (*Insolvency proceedings*); or
 - (b) creditors' process described in Clause 28.9 (*Creditors' process*),
- has been taken or, to its knowledge, threatened in relation to any Transaction Obligor; and none of the circumstances described in Clause 28.7 (*Insolvency*) applies to any Transaction Obligor.

19.11 No filing or stamp taxes

Under the laws of its Relevant Jurisdictions it is not necessary that the Finance Documents to which it is a party be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents to which it is a party or the transactions contemplated by those Finance Documents except the registration of a Mortgage at the applicable ship registry of the relevant Approved Flag; which registration will be made promptly after the date of the relevant Finance Documents.

19.12 Deduction of Tax

It is not required to make any Tax Deduction from any payment it may make under any Finance Document to which it is a party.

19.13 No default

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

19.14 No misleading information

- (a) Any factual information provided by any member of the Group for the purposes of this Agreement was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (b) The financial projections contained in any such information have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) Nothing has occurred or been omitted from any such information and no information has been given or withheld that results in any such information being untrue or misleading in any material respect.

19.15 Financial Statements

- (a) The Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) The Original Financial Statements give a true and fair view of its financial condition as at the end of the relevant financial year and its results of operations during the relevant financial year.
- (c) Its most recent financial statements delivered pursuant to Clause 20.2 (*Financial statements*):
 - (i) have been prepared in accordance with Clause 20.4 (*Requirements as to financial statements*); and

(ii) fairly present its financial condition as at the end of the relevant financial year and operations during the relevant financial year (consolidated in the case of the Guarantor).

- (d) Since the date of the most recent financial statements delivered pursuant to Clause 20.2 (*Financial statements*) there has been no material adverse change in its business, assets or financial condition (or the business or consolidated financial condition of the Group, in the case of the Guarantor).

19.16 Pari passu ranking

Its payment obligations under the Finance Documents to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

19.17 No proceedings pending or threatened

- (a) No litigation, arbitration or administrative proceedings or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it or any other Transaction Obligor.
- (b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which might reasonably be expected to have a Material Adverse Effect has (to the best of its knowledge and belief (having made due and careful enquiry)) been made against it or any other Transaction Obligor.

19.18 Valuations

- (a) All information supplied by it or on its behalf to an Approved Valuer for the purposes of a valuation delivered to the Facility Agent in accordance with this Agreement was true and accurate as at the date it was supplied or (if appropriate) as at the date (if any) at which it is stated to be given.
- (b) It has not omitted to supply any information to an Approved Valuer which, if disclosed, would adversely affect any valuation prepared by such Approved Valuer.
- (c) There has been no change to the factual information provided pursuant to paragraph (a) above in relation to any valuation between the date such information was provided and the date of that valuation which, in either case, renders that information untrue or misleading in any material respect.

19.19 No breach of laws

It has not breached any applicable law or regulation which breach has a Material Adverse Effect.

19.20 Initial Charter

Each Ship is subject to the relevant Initial Charter and has been delivered to the respective Initial Charterer (to the extent delivered on the date of this Agreement).

19.21 Compliance with Environmental Laws

All Environmental Laws relating to the ownership, operation and management of each Ship and, to the best of each Obligor's knowledge, the business of each other Transaction Obligor (as now conducted and as reasonably anticipated to be conducted in the future) and the terms of all Environmental Approvals have been complied with.

19.22 No Environmental Claim

No Environmental Claim has been made or threatened against any member of the Group or any Ship which is reasonably expected to have a Material Adverse Effect.

19.23 No Environmental Incident

No Environmental Incident has occurred and no person has claimed that an Environmental Incident has occurred which is reasonably expected to have a Material Adverse Effect.

19.24 ISM and ISPS Code compliance

All requirements of the ISM Code and the ISPS Code as they relate to each Borrower, the Approved Technical Manager and each Ship have been complied with.

19.25 Taxes paid

- (a) It is not and (to the best of its knowledge and belief (having made due and careful enquiry)) no other Transaction Obligor is materially overdue in the filing of any Tax returns and it is not (and to the best of its knowledge and belief (having made due and careful enquiry)) no other Transaction Obligor is overdue in the payment of any amount in respect of Tax unless and only to the extent that (i) such payment is being contested in good faith, (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them and (iii) such payment can be lawfully withheld and failure to file such returns or pay those Taxes does not have a Material Adverse Effect.
- (b) No claims or investigations are being made or conducted against it (or (to the best of its knowledge and belief (having made due and careful enquiry)) against any other Transaction Obligor) with respect to Taxes.

19.26 Financial Indebtedness

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

19.27 Overseas companies

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

19.28 Good title to assets

It has good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted.

19.29 Ownership

- (a) Each Borrower (other than Borrower J) is the sole legal and beneficial owner of the Ship owned by it, its Earnings and its Insurances.
- (b) With effect on and from the relevant Utilisation Date, Borrower J will be the sole legal and beneficial owner of Ship J, its Earnings and its Insurances.
- (c) With effect on and from the date of its creation or intended creation, each Transaction Obligor will be the sole legal and beneficial owner of any asset that is the subject of any Transaction Security created or intended to be created by such Transaction Obligor.
- (d) The constitutional documents of each Obligor do not and could not restrict or inhibit any transfer of the LLC Shares of the Borrowers on creation or enforcement of the security conferred by the Security Documents.

19.30 Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 2015/848 on Insolvency Proceedings (recast) (the "Regulation"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in Greece and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

19.31 Place of business

- (a) No Obligor has a place of management of its business in any country other than Greece.
- (b) No Borrower is a tax resident in the Republic of the Marshall Islands, the Republic of Liberia or any other jurisdiction and each Borrower is liable to pay Greek tonnage tax in respect of the Ship belonging to it as long as that Ship is managed by an Approved Manager whose place of management of its business is Greece.

19.32 No employee or pension arrangements

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

19.33 No immunity

No Obligor nor any of its respective assets are entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceedings (which shall include, without limitation, suit, attachment prior to judgment, execution or other enforcement).

19.34 Sanctions Representations

- (a) No Transaction Obligor or Approved Manager:
 - (i) is a Prohibited Person;

- (ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Prohibited Person;
 - (iii) owns or controls a Prohibited Person; or
 - (iv) has a Prohibited Person serving as a director, member, LLC manager, officer or, to the best of its knowledge, employee.
- (b) Each Transaction Obligor and each Approved Manager which is a member of the Group has instituted and maintains policies and/or internal procedures designed to prevent violation of Sanctions.
- (c) No proceeds of any Advance or the Loan shall be made available, directly or indirectly, to or for the benefit of a Prohibited Person nor shall they be otherwise directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions.
- (d) None of the Ships is a Sanctioned Ship.

19.35 Validity and completeness of the Initial Charters

- (a) Each Initial Charter constitutes legal, valid, binding and enforceable obligations of the relevant Borrower.
- (b) The copy of each Initial Charter in respect of a Ship delivered to the Facility Agent before the date of this Agreement is a true and complete copy.
- (c) No amendments or additions to any of the Initial Charters have been agreed save as otherwise disclosed to the Facility Agent prior to the execution of this Agreement nor has any Borrower waived any of its rights under the Initial Charter to which it is a party.

19.36 Anti-bribery, anti-corruption and anti-money laundering

No Transaction Obligor nor any of their Subsidiaries, members, LLC managers, directors or officers, or, to the best of their knowledge, any affiliate, agent or employee of them, has engaged in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules in any applicable jurisdiction (including, without limitation, the US Foreign Corrupt Practices Act of 1977, as amended) and each Transaction Obligor has instituted and maintain policies and/or internal procedures designed to prevent violation of such laws, regulations and rules.

19.37 Ship status

Each Ship is:

- (a) (or, in the case of Ship J, will be with effect on and from the relevant Utilisation Date) registered in the name of the relevant Borrower under the laws and flag of the Approved Flag;
- (b) operationally seaworthy and in every way fit for service;
- (c) classed with the relevant Approved Classification free of all overdue requirements and recommendations of the relevant Approved Classification Society affecting class; and
- (d) insured in the manner required by the Finance Documents.

19.38 US Tax Obligor

No Transaction Obligor is a US Tax Obligor.

19.39 Repetition

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

20 INFORMATION UNDERTAKINGS

20.1 General

The undertakings in this Clause 20 (*Information Undertakings*) remain in force throughout the Security Period unless the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders), may otherwise permit.

20.2 Financial statements

The Guarantor shall supply to the Facility Agent in sufficient copies for all the Lenders (and, in respect of paragraphs (a), (b) and (c) below, prepared in accordance with NYSE rules (as shown and available on the website of the Guarantor)):

- (a) as soon as they become available, but in any event within 180 days after the end of each financial year of the Guarantor, the consolidated audited annual financial statements of the Guarantor (commencing with the financial statements for the financial year which ending on 31 December 2024) for that financial year;
- (b) as soon as they become available, but in any event within 120 days after the 6-month period ending on 30 June in each financial year of the Guarantor, the semi-annual consolidated unaudited financial statements of the Guarantor, for that 6-month period (commencing with the financial statements for the 6-month period ending on December 2024), duly certified as to their correctness by the chief financial officer of the Guarantor;
- (c) as soon as they become available, but in any event within 90 days after the 3-month period ending on 30 June, 30 September, 31 December and 31 March in each financial year of the Guarantor, the quarterly consolidated unaudited financial statements of the Guarantor, for that 3-month period (commencing with the financial statements for the 3-month period ending on September 2024); and
- (d) promptly after each request by the Facility Agent, such further financial or other information in respect of each Borrower, each Ship, the Guarantor and the other Transaction Obligors (including, without limitation, any information regarding any sale and purchase agreements, investment brochures, shipbuilding contracts, charter agreements, operational expenditures for the Ships and utilisation rates of the Ships) as may be requested by the Facility Agent.

20.3 Compliance Certificate

- (a) The Guarantor shall supply to the Facility Agent, on a quarterly, semi-annual and annual basis together with each set of financial statements publicly available online pursuant to paragraphs (a), (b) and (c) of Clause 20.2 (*Financial statements*), as the case may be, a Compliance

Certificate setting out (in reasonable detail) computations as to compliance with Clause 21 (*Financial Covenants*) as at the date at which those financial statements were drawn up.

- (b) Each Compliance Certificate shall be signed by the chief financial officer of the Guarantor.

20.4 Requirements as to financial statements

- (a) Each set of financial statements delivered by the Guarantor pursuant to Clause 20.2 (*Financial statements*) shall be certified by the chief financial officer of the Guarantor as giving a true and fair view (if audited) or fairly representing (if unaudited) its financial condition and operations as at the date as at which those financial statements were drawn up.
- (b) The Obligors shall procure that each set of financial statements delivered pursuant to Clause 20.2 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements unless, in relation to any set of financial statements, they notify the Facility Agent that there has been a change in GAAP, the accounting practices or reference periods and the auditors of the Guarantor deliver to the Facility Agent:
 - (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which the Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Facility Agent, to enable the Lenders to determine whether Clause 21 (*Financial Covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.

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

20.5 Information: miscellaneous

Each Obligor shall and shall procure that each other Transaction Obligor shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):

- (a) all documents relevant to this Agreement which are dispatched by it to its members (or any class of them) or its creditors upon request of the Facility Agent and copies of any relevant press releases;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect and each Borrower shall procure that all reasonable measures are taken to defend any such legal or administrative action;
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group and which might have a Material Adverse Effect;

- (d) promptly, its constitutional documents where these have been amended or varied;
- (e) promptly, such further information and/or documents regarding:
 - (i) each Ship, goods transported on each Ship, its Earnings and its Insurances;
 - (ii) the Security Assets;
 - (iii) compliance of the Transaction Obligors with the terms of the Finance Documents;
 - (iv) the financial condition, business and operations of any other Transaction Obligor;
 - (v) the Initial Charters,as any Finance Party (through the Facility Agent) may reasonably request;
- (f) promptly, information and documentation reasonably requested by any Finance Party for purposes of compliance with applicable "know your customer" requirements under the Patriot Act, the Beneficial Ownership Regulation or other applicable anti-money laundering laws; and
- (g) promptly, such further information and/or documents as any Finance Party (through the Facility Agent) may reasonably request so as to enable such Finance Party to comply with any laws applicable to it or as may be required by any regulatory authority.

20.6 Notification of Default

- (a) Each Obligor shall, and shall procure that each other Transaction Obligor shall, notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor) including, but not limited to, any early indication thereof that the financial covenants set out in Clause 21 (*Financial Covenants*) may not be met.
- (b) Promptly upon a request by the Facility Agent, each Borrower shall supply to the Facility Agent a certificate signed by an officer on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

20.7 Notification of litigation

- (a) The Obligors will provide the Facility Agent with details of any legal action (i) involving any Obligor and any other Transaction Obligor as soon as such action is instituted and (ii) on becoming aware of the same, involving any Approved Technical Manager, or any Ship, its Earnings, its Insurances unless in each case it is clear that the legal action could not reasonably be expected to have a Material Adverse Effect if adversely determined.
- (b) The Obligors shall and shall procure that any other Transaction Obligor shall supply to the Facility Agent promptly, to the extent permitted by law, details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority (in sufficient copies for all the Lenders, if the Facility Agent so requests).

20.8 Use of websites

- (a) Each Obligor may satisfy its obligation under the Finance Documents to which it is a party to deliver any information in relation to those Lenders (the "**Website Lenders**") which accept this method of communication by posting this information onto an electronic website designated by the Borrowers and the Facility Agent (the "**Designated Website**") if:

- (i) the Facility Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;
- (ii) both the relevant Obligor and the Facility Agent are aware of the address of and any relevant password specifications for the Designated Website; and
- (iii) the information is in a format previously agreed between the relevant Obligor and the Facility Agent.

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

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

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

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

20.9 "Know your customer" checks

- (a) If:

- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
- (ii) any change in the status of a Transaction Obligor (or of a Holding Company of a Transaction Obligor) (including, without limitation, a change of ownership of a Transaction Obligor or of a Holding Company of a Transaction Obligor) after the date of this Agreement; or
- (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

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

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

21 FINANCIAL COVENANTS

21.1 Borrowers' minimum liquidity

Each Borrower shall ensure that from the Utilisation Date in respect of the Advance which will finance the relevant Ship owned by it and at all times throughout the Security Period an amount of not less than \$500,000 is standing to the credit of its Earnings Account (or, alternatively the Borrowers shall ensure that an aggregate amount of no less than the product of \$500,000 and the number of Ships then subject to a Mortgage is standing to the credit of all the Earnings Accounts).

21.2 Guarantors' minimum liquidity and most favoured nations

At all times during the Security Period, the Guarantor shall:

- (a) maintain minimum liquidity in the amount of \$20,000,000 or, if agreed by all the Lenders, a lesser minimum liquidity amount; and
- (b) ensure that the Finance Parties shall receive no less favourable treatment under this Agreement in relation to any financial covenant relating to it, than any financial covenant provided or to be provided under any credit, loan facility or indenture agreement (or guarantee thereof) creating Financial Indebtedness to which the Guarantor is a party (or by way of amendment or supplement to that credit, loan facility or indenture agreement (or guarantee thereof)) or any agreement creating Financial Indebtedness to refinance or otherwise substitute any existing Financial Indebtedness of, or guarantee by, the Guarantor.

Notwithstanding paragraph (b) above, the Guarantor shall promptly advise the Facility Agent of those arrangements and covenants in advance and shall, upon the Facility Agent's request (acting on the instructions of the Majority Lenders), enter into such documentation which amends and supplements this Agreement and the other Finance Documents, as the Majority Lenders may require in order to achieve parity with the creditors under the relevant financing of the Guarantor.

21.3 Compliance Check

Compliance with the undertakings contained in this Clause 21 (*Financial Covenants*) shall be determined on each Testing Date and evidenced by the Compliance Certificate.

22 GENERAL UNDERTAKINGS

22.1 General

The undertakings in this Clause 22 (*General Undertakings*) remain in force throughout the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit (and in the case of Clauses 22.12 (*Disposals*), 22.13 (*Merger*), 22.15 (*Financial Indebtedness*), 22.19 (*Other transactions*), 22.22 (*No amendment to Initial Charters*), 22.25 (*USPP Notes*) and 22.26 (*Zim Initial Charters cash account*) such permission not to be unreasonably withheld).

22.2 Authorisations

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

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Facility Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction or the state of the Approved Flag at any time of each Ship to enable it to:

- (i) perform its obligations under the Transaction Documents to which it is a party;
- (ii) ensure the legality, validity, enforceability or admissibility in evidence in any Relevant Jurisdiction or in the state of the Approved Flag at any time of each Ship, of any Transaction Document to which it is a party; and
- (iii) own and operate each Ship (in the case of the Borrowers).

22.3 Compliance with laws

Each Obligor shall, and shall procure that each other Transaction Obligor will, comply in all respects with all laws (including, without limitation, Sanctions) and regulations to which it may be subject.

22.4 Environmental compliance

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

- (a) comply with all Environmental Laws;
- (b) obtain, maintain and ensure compliance with all requisite Environmental Approvals;
- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law, where failure to do so has a Material Adverse Effect.

22.5 Environmental Claims

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

- (a) any Environmental Claim against any Transaction Obligor which is current, pending or threatened; and
- (b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any Transaction Obligor, where the claim, if determined against that Transaction Obligor, has a Material Adverse Effect.

22.6 Taxation

- (a) Each Obligor shall, and shall procure that each other Transaction Obligor will, pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are maintained for those Taxes and the costs required to contest them and both have been disclosed in its latest financial statements delivered to the Facility Agent under Clause 20.2 (*Financial statements*); and
 - (iii) such payment can be lawfully withheld.
- (b) No Obligor shall and the Obligors shall procure that no other Transaction Obligor will, change its residence for Tax purposes.

22.7 Overseas companies

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

22.8 No change to centre of main interests

No Obligor shall change the location of its centre of main interest (as that term is used in Article 3(1) of the Regulation) from that stated in relation to it in Clause 19.30 (*Centre of main interests and establishments*) and it will create no "**establishment**" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

22.9 Pari passu ranking

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

22.10 Title

- (a) Each Borrower shall (in the case of Borrower J, with effect on and from the relevant Utilisation Date) hold the legal title to, and own the entire beneficial interest in the Ship owned by it, its Earnings and its Insurances.
- (b) With effect on and from its creation or intended creation, each Obligor shall hold the legal title to, and own the entire beneficial interest in any other assets which are the subject of any Transaction Security created or intended to be created by such Obligor.

22.11 Negative pledge

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

22.12 Disposals

- (a) No Borrower shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset (including without limitation any Ship, its Earnings or its Insurances).
- (b) Paragraph (a) above does not apply to any Charter as all Charters are subject to Clause 24.14 (*Restrictions on chartering, appointment of managers etc.*) or to a sale of any Ship provided the Borrowers comply with the prepayment obligations of Clause 7 (*Prepayment and Cancellation*) and the provisions of Clause 7.4 (*Mandatory prepayment on sale, refinancing or Total Loss*).

22.13 Merger

No Obligor shall enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction (for the purposes of this Clause 22.13 (*Merger*), each "**a process**") **Provided that** in the case of the Guarantor, such process is permitted without restrictions so long as (i) the Guarantor remains the surviving entity of any such process, (ii) no Default has occurred at the relevant time or would be triggered as a result of such process and (iii) such process does not have a Material Adverse Effect.

22.14 Change of business

- (a) The Guarantor shall procure that no substantial change is made to the general nature of its business or the Group from that carried on at the date of this Agreement **Provided that** the Guarantor may acquire through merger (in accordance with Clause 22.13 (*Merger*)) or otherwise any type of ships so long as (i) such change of its business does not have a Material Adverse Effect and (ii) no Default has occurred at the relevant time or would be triggered as a result of such change of business.
- (b) No Borrower shall engage in any business other than the ownership and operation of its Ship.

22.15 Financial Indebtedness

No Borrower shall incur or permit to be outstanding any Financial Indebtedness (including entering into any investments, any sale or leaseback agreement or any off-balance sheet transactions) except Permitted Financial Indebtedness.

22.16 Expenditure

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

22.17 LLC interests

No Borrower shall:

- (a) purchase, cancel or redeem any of its LLC Shares;
- (b) increase or reduce its authorised share capital;
- (c) issue any further LLC Shares, except to, from the relevant Shares Transfer Date and throughout the rest of the Security Period, the Guarantor, and provided such LLC Shares are issued subject to the terms of the Shares Security applicable to that Borrower immediately upon the issuance of such LLC Shares in a manner satisfactory to the Facility Agent and in compliance with the terms of the Shares Security; or
- (d) appoint any further officer of that Borrower (unless in accordance with the provisions of the Shares Security applicable to that Borrower).

22.18 Dividends

- (a) Each Borrower may declare and make a Dividend Payment only if (i) no Event of Default has occurred and is continuing or would result from such Dividend Payment and (ii) the Security Cover Ratio is at the relevant time not less than the Relevant Percentage.

- (b) The Guarantor may make a Dividend Payment only if all of the following conditions have been met to the satisfaction of the Facility Agent:
 - (i) the covenants relevant to it as set out in Clause 21 (*Financial Covenants*) are all complied with; and
 - (ii) no Event of Default has occurred and is continuing or would result from such Dividend Payment under this Agreement or no event of default or termination event has occurred and is continuing under any other credit, loan facility or indenture agreement (or guarantee thereof) to which it is a party (in any capacity, including, but not limited to, as guarantor).
- (c) For the avoidance of doubt, the Dividend Payments allowed to be made pursuant to paragraph (a) above shall be made quarterly per year.

22.19 Other transactions

No Borrower will:

- (a) be the creditor in respect of any loan or any form of credit to any person other than where such loan or form of credit is Permitted Financial Indebtedness;
- (b) give or allow 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 that Borrower assumes any liability of any other person other than (i) any guarantee or indemnity given under the Finance Documents or (ii) any guarantee or indemnity issued in the ordinary course of its business of operating, trading and chartering any of the Ships;
- (c) enter into any material agreement other than:
 - (i) the Transaction Documents; and/or
 - (ii) any other agreement expressly allowed under any other term of this Agreement; and
- (d) enter into any transaction on terms which are, in any respect, less favourable to that Borrower than those which it could obtain in a bargain made at arms' length; or
- (e) acquire any shares or other securities other than US or UK Treasury bills and certificates of deposit issued by major North American or European banks.

22.20 Unlawfulness, invalidity and ranking; Security imperilled

No Obligor shall do (or fail to do) or cause or permit another person to do (or omit to do) anything which is likely to:

- (a) make it unlawful or contrary to Sanctions for a Transaction Obligor to perform any of its obligations under the Transaction Documents;
- (b) cause any obligation of a Transaction Obligor under the Transaction Documents to cease to be legal, valid, binding or enforceable;
- (c) cause any Transaction Document to cease to be in full force and effect;
- (d) cause any Transaction Security to rank after, or lose its priority to, any other Security; and

- (e) imperil or jeopardise the Transaction Security.

22.21 Further assurance

- (a) Each Obligor shall, and shall procure that each other Transaction Obligor will, promptly, and in any event within the time period specified by the Security Agent do all such acts (including procuring or arranging any registration, notarisation or authentication or the giving of any notice) or execute or procure execution of all such documents (including assignments, transfers, mortgages, charges, notices, instructions, acknowledgments, proxies and powers of attorney), as the Security Agent may specify (and in such form as the Security Agent may require in favour of the Security Agent or its nominee(s)):
 - (i) to create, perfect, vest in favour of the Security Agent or protect the priority of the Security or any right of any kind created or intended to be created under or evidenced by the Finance Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of any of the Secured Parties provided by or pursuant to the Finance Documents or by law;
 - (ii) to confer on the Security Agent or confer on the Secured Parties Security over any property and assets of that Transaction Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Finance Documents;
 - (iii) to facilitate or expedite the realisation and/or sale of, the transfer of title to or the grant of, any interest in or right relating to the assets which are, or are intended to be, the subject of the Transaction Security or to exercise any power specified in any Finance Document in respect of which the Security has become enforceable; and/or
 - (iv) to enable or assist the Security Agent to enter into any transaction to commence, defend or conduct any proceedings and/or to take any other action relating to any item of the Security Property.
- (b) Each Obligor shall, and shall procure that each other Transaction Obligor will, take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to the Finance Documents.
- (c) At the same time as an Obligor delivers to the Security Agent any document executed by itself or another Transaction Obligor pursuant to this Clause 22.21 (*Further assurance*), that Obligor shall deliver, or shall procure that such other Transaction Obligor will deliver, to the Security Agent a certificate signed by one of that Obligor's or Transaction Obligor's officers which shall:
 - (i) set out the text of a resolution of that Obligor's or Transaction Obligor's directors or members or LLC manager, as applicable, specifically authorising the execution of the document specified by the Security Agent; and
 - (ii) state that either the resolution was duly passed at a meeting of the directors or members or LLC manager, as applicable, validly convened and held, throughout which a quorum of directors or members or LLC managers, as applicable, entitled to vote on the resolution was present, or that the resolution has been signed by all the directors or members or LLC managers and is valid under that Obligor's or Transaction Obligor's articles of association, limited liability company agreement or other constitutional documents.

22.22 No amendment to Assignable Charters

No Borrower will agree to any material amendment (including, but not limited to, the timing of payments, the governing law, arbitration provisions and the parties to the Assignable Charter (excluding any novation with an Affiliate or Subsidiary of an Initial Charterer)) or supplement to, or waive or fail to enforce, any Assignable Charter to which it is a party or any of its provisions (and, without limitation, any reduction to the charter hire rate or to the fixed duration of that Assignable Charter (without taking into account any optional extensions)), shall be considered a material amendment for the purposes of this Clause 22.22 (*No amendments to Assignable Charters*)) **provided that** that Borrower is permitted at any time to enter into an extension of the relevant Assignable Charter so long as it is on the same, or more favourable to that Borrower, terms and conditions without material amendments relating to that Borrower's rights under the relevant Assignable Charter.

22.23 Sanctions Undertakings

- (a) Each Obligor undertakes that it shall, and the Guarantor shall procure that each member of the Group will, comply with all Sanctions.
- (b) No Obligor shall, and the Guarantor shall procure that no member of the Group shall, become a Prohibited Person or act on behalf of, or as an agent of, a Prohibited Person.
- (c) Each Obligor shall procure, and the Guarantor shall procure that each member of the Group shall procure, that no proceeds from any activity or dealing with a Prohibited Person are credited to any bank account held with any Finance Party or any Affiliate of a Finance Party.
- (d) Each Obligor shall, and the Guarantor shall procure that each member of the Group will, to the extent permitted by law, promptly upon becoming aware of them supply to the Facility Agent details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority.
- (e) No Obligor shall, and the Guarantor shall procure that no member of the Group will, use any revenue or benefit derived from any activity or dealing with a Prohibited Person in discharging any obligation due or owing to the Finance Parties.

22.24 Use of proceeds

No Obligor shall, and the Guarantor shall procure that no other member of the Group shall, directly or indirectly, use, lend, contribute or otherwise make available any proceeds of the Loan or other transaction contemplated by this Agreement for the purpose of financing any trade, business or other activities (i) with any Prohibited Person or (ii) in a Sanctioned Country.

22.25 USPP Notes

The Guarantor undertakes that it shall deliver to the Facility Agent, not later than 6 months before the maturity date of the USPP Notes, its plan on the bullet amount repayment of the USPP Notes (including, without limitation, cash at hand, ships sale, refinance and scrap proceeds).

22.26 Zim Initial Charters cash account

- The Guarantor shall:
- (a) remit the relevant amounts of the charter hire under the Initial Charter in respect of each of Ship H and Ship I, on the relevant dates twice per month, from the account held by the Guarantor with UBS (the "**Guarantor's UBS Account**") to the Earnings Account of the Borrower owning that Ship, pursuant to, and subject to, the provisions of the relevant tripartite agreement made among that Borrower, Zim Integrated Shipping Services and the Guarantor in relation to that Ship **provided that** the Guarantor shall remit such amounts to the Earnings Account of the relevant Borrower owning such Ship as soon as possible and in no event no later than three months from the Utilisation Date relating to that Ship to give to the Borrower sufficient time to close the existing earnings accounts; and
 - (b) provide to the Facility Agent on a quarterly basis, and upon the Facility Agent's request at any other times, a statement of the Guarantor's UBS Account showing the outstanding balance of that account.

23 INSURANCE UNDERTAKINGS

23.1 General

The undertakings in this Clause 23 (*Insurance Undertakings*) remain in force from the date of this Agreement throughout the rest of the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit (and in the case of paragraph (a) of Clause 23.13 (*Settlement of claims*) such permission not to be unreasonably withheld).

23.2 Maintenance of obligatory insurances

- Each Borrower shall keep the Ship owned by it (and, in the case of Borrower J and its Ship, as owned by it on and from the relevant Utilisation Date) insured at its expense against:
- (a) fire and usual marine risks (including hull and machinery and excess risks);
 - (b) war risks;
 - (c) protection and indemnity risks in each case in the highest amount available as per IG P&I rules; and
 - (d) any other risks against which the Facility Agent acting on the instructions of all the Lenders considers, having regard to practices and other circumstances prevailing at the relevant time, it would be reasonable for that Borrower to insure and which are specified by the Facility Agent by notice to that Borrower.

23.3 Terms of obligatory insurances

- Each Borrower shall effect such insurances:
- (a) in dollars;
 - (b) in the case of fire and usual marine risks and war risks, in an amount on an agreed value basis at least the greater of:

- (i) an amount which when aggregated with the amounts for which the other Ships then subject to a Mortgage are insured for such risks is equal to 120 per cent. of:
 - (A) the Loan; and
 - (B) the aggregate principal amount secured by Permitted Security over the Ships then subject to a Mortgage which have a prior ranking to the Security created by the Finance Documents; and
- (ii) the Market Value of that Ship;
- (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;
- (d) in the case of protection and indemnity risks, in respect of the full tonnage of its Ship;
- (e) in relation to war risks insurance, extended to cover piracy and terrorism where excluded under the fire and usual marine risks insurance;
- (f) on approved terms; and
- (g) through Approved Brokers and with approved insurance companies and/or underwriters or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations.

23.4 Further protections for the Finance Parties

In addition to the terms set out in Clause 23.3 (*Terms of obligatory insurances*), each Borrower shall procure that the obligatory insurances effected by it shall:

- (a) subject always to paragraph (b), name that Borrower as the sole named insured unless the interest of every other named insured is limited:
 - (i) in respect of any obligatory insurances for hull and machinery and war risks;
 - (A) to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and
 - (B) to any third party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against it); and
 - (ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries it is entitled to make by way of reimbursement following discharge of any third party liability claims made specifically against it;

and every other named insured has undertaken in writing to the Security Agent (in such form as it requires) that any deductible shall be apportioned between that Borrower and every other named insured in proportion to the gross claims made or paid by each of them and that it shall do all things necessary and provide all documents, evidence and information to enable the Security Agent to collect or recover any moneys which at any time become payable in respect of the obligatory insurances and, if required by the Security Agent, that any such other named insured shall assign its rights and interest to the obligatory insurances if they are named as a co-assured party;

- (b) whenever the Facility Agent requires, name (or be amended to name) the Security Agent as additional named insured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Agent, but without the Security Agent being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;
- (c) name the Security Agent as loss payee with such directions for payment as the Facility Agent may specify;
- (d) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Agent shall be made without set off, counterclaim or deductions or condition whatsoever;
- (e) provide that the obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Security Agent or any other Finance Party; and
- (f) provide that the Security Agent may make proof of loss if that Borrower fails to do so.

23.5 Renewal of obligatory insurances

Each Borrower shall:

- (a) at least 10 days before the expiry of any obligatory insurance effected by it:
 - (i) notify the Facility Agent of the Approved Brokers (or other insurers) and any protection and indemnity or war risks association through or with which it proposes to renew that obligatory insurance and of the proposed terms of renewal; and
 - (ii) obtain the Facility Agents' approval to the matters referred to in sub-paragraph (i) above;
- (b) at least 5 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Facility Agent's approval pursuant to paragraph (a) above; and
- (c) procure that the Approved Brokers and/or the approved war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Facility Agent in writing of the terms and conditions of the renewal.

23.6 Copies of policies; letters of undertaking

Each Borrower shall ensure that the Approved Brokers provide the Security Agent with:

- (a) *pro forma* copies of all policies relating to the obligatory insurances which they are to effect or renew; and
- (b) a letter or letters or undertaking in a form required by the Facility Agent and including undertakings by the Approved Brokers that:

- (i) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 23.4 (*Further protections for the Finance Parties*);
- (ii) they will hold such policies, and the benefit of such insurances, to the order of the Security Agent in accordance with such loss payable clause;
- (iii) they will advise the Security Agent immediately of any material change to the terms of the obligatory insurances;
- (iv) they will, if they have not received notice of renewal instructions from the relevant Borrower or its agents, notify the Security Agent not less than 14 days before the expiry of the obligatory insurances;
- (v) if they receive instructions to renew the obligatory insurances, they will promptly notify the Facility Agent of the terms of the instructions;
- (vi) they will not set off against any sum recoverable in respect of a claim relating to the Ship owned by that Borrower under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Ship or otherwise, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums or other amounts and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts;
- (vii) they will provide notice for any cancellation of policies within the time line standard for industry guidelines; and
- (viii) they will arrange for a separate policy to be issued in respect of the Ship owned by that Borrower forthwith upon being so requested by the Facility Agent.

23.7 Copies of certificates of entry

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

- (a) a certified copy of the certificate of entry for that Ship;
- (b) a letter or letters of undertaking in such form as may be required by the Facility Agent acting on the instructions of the Majority Lenders; and
- (c) a certified copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to that Ship.

23.8 Deposit of original policies

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

23.9 Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances effected by it or the Security Agent, as the case may be, and produce all relevant receipts when so required by the Facility Agent or the Security Agent. The Borrowers shall indemnify the Security Agent in respect of any other insurance cover, including but not limited to cover for port risk, crew liability or any other cover required in the Security Agent's sole discretion upon a Default.

23.10 Guarantees

Each Borrower shall use its best endeavours to procure that a protection and indemnity or war risks association issues any guarantees as may be required always in accordance with their respective rules and conditions and shall further use its best endeavours to procure that such guarantees are issued as promptly as practically possible and that they remain in full force and effect.

23.11 Compliance with terms of insurances

- (a) No Borrower shall do or omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part.
- (b) Without limiting paragraph (a) above, each Borrower shall:
 - (i) take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in sub-paragraph (iii) of paragraph (b) of Clause 23.6 (*Copies of policies; letters of undertaking*)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Facility Agent has not given its prior approval;
 - (ii) not make any changes relating to the classification or classification society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;
 - (iii) make (and promptly supply copies to the Facility Agent of) all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Ship owned by it is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and
 - (iv) not employ the Ship owned by it, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

23.12 Alteration to terms of insurances

No Borrower shall make or agree to any alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance.

23.13 Settlement of claims

Each Borrower shall:

- (a) not settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty; and
- (b) do all things necessary and provide all documents, evidence and information to enable the Security Agent to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

23.14 Provision of copies of communications

Each Borrower shall provide the Security Agent, upon the Security Agent's request, with copies of all written communications between that Borrower and:

- (a) the Approved Brokers;
- (b) the approved protection and indemnity and/or war risks associations; and
- (c) the approved insurance companies and/or underwriters,

which relate directly or indirectly to:

- (i) that Borrower's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
- (ii) any credit arrangements made between that Borrower and any of the persons referred to in paragraphs (a) or (b) above relating wholly or partly to the effecting or maintenance of the obligatory insurances.

23.15 Provision of information

Each Borrower shall provide the Facility Agent (or any persons which it may designate) upon the Facility Agent's request with any information which the Facility Agent (or any such designated person) requests for the purpose of:

- (a) obtaining or preparing any report from an independent marine insurance broker as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or
 - (b) effecting, maintaining or renewing any such insurances as are referred to in Clause 23.16 (*Mortgagee's interest and additional perils insurances*) or dealing with or considering any matters relating to any such insurances,
- and the Borrowers shall, forthwith upon demand, indemnify the Security Agent in respect of all fees and other expenses incurred by or for the account of the Security Agent in connection with any such report as is referred to in paragraph (a) above.

23.16 Mortgagee's interest and additional perils insurances

- (a) The Security Agent shall be entitled from time to time to effect, maintain and renew all or any of the following insurances in such amounts, on such terms, through such insurers and generally in such manner as the Majority Lenders may from time to time consider appropriate:
 - (i) a mortgagee's interest insurance in respect of each Ship providing for the indemnification of the Finance Parties for any losses under or in connection with any Finance Document which directly or indirectly result from loss of or damage to a Ship or a liability of such Ship or of the Borrower owning that Ship, such loss or damage being *prima facie* covered by an obligatory insurance but in respect of which there is a non-payment (or reduced payment) by the underwriters by reason of, or on the basis of, an allegation concerning:

- (A) any act or omission on the part of that Borrower, of any operator, charterer, manager or sub-manager of that Ship or of any officer, employee or agent of that Borrower or of any such person, including any breach of warranty or condition or any non-disclosure relating to such obligatory insurance;
- (B) any act or omission, whether deliberate, negligent or accidental, or any knowledge or privity of that Borrower, any other person referred to in paragraph (A) above, or of any officer, employee or agent of that Borrower or of such a person, including the casting away or damaging of that Ship and/or that Ship being unseaworthy; and/or
- (C) any other matter capable of being insured against under a mortgagee's interest marine insurance policy, whether or not similar to the foregoing,

in an amount of up to 120 per cent. of the aggregate of:

- (1) the Loan; and
- (2) the aggregate principal amount secured by Permitted Security over that Ship which have a prior ranking to the Security created by the Finance Documents,

(the aggregate of (1) and (2) being the "**Aggregate Insurable Amount**");

- (ii) a mortgagee's interest additional perils insurance in respect of each Ship providing for the indemnification of the Finance Parties against, amongst other things, any possible losses or other consequences of any Environmental Claim, including the risk of expropriation, arrest or any form of detention of that Ship, the imposition of any Security over that Ship and/or any other matter capable of being insured against under a mortgagee's interest additional perils policy, whether or not similar to the foregoing, and in an amount of up to 110 per cent. of the Aggregate Insurable Amount;

- (b) The Borrowers shall upon demand fully indemnify the Security Agent in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any insurance referred to in paragraph (a) above or dealing with, or considering, any matter arising out of any such insurance.

24 GENERAL SHIP UNDERTAKINGS

24.1 General

The undertakings in this Clause 24 (*General Ship Undertakings*) remain in force on and from the date of this Agreement (an in the case of Borrower J and its Ship, as owned by it on and from the relevant Utilisation Date) and throughout the rest of the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where in the case of paragraphs (a), (b), (c) and (e) of Clause 24.14 (*Restrictions on chartering, appointment of managers etc.*) and where otherwise else specified, all the Lenders) may otherwise permit (and in the case of Clauses 24.2 (*Ship's name and registration*), 24.3 (*Repair and classification*), 24.4 (*Modifications*), 24.5 (*Removal and installation of parts*) and 24.14 (*Restrictions on chartering, appointment of managers etc.*) (other than paragraph (a) of Clause 24.14(*Restrictions on chartering, appointment of managers etc.*)) such permission not to be unreasonably withheld).

24.2 Ships' name and registration

Each Borrower shall, in respect of the Ship owned by it:

- (a) keep that Ship registered in its name under the Approved Flag from time to time at its port of registration;
- (b) not do or allow to be done anything as a result of which such registration of that Ship might be suspended, cancelled or imperilled;
- (c) not enter into any dual flagging arrangement in respect of that Ship; and
- (d) not change the name of that Ship,

provided that any change of flag of a Ship shall be subject to:

- (i) that Ship remaining subject to Security securing the Secured Liabilities created by a first priority or preferred ship mortgage on that Ship and, if appropriate, a first priority deed of covenant collateral to that mortgage (or equivalent first priority Security) on substantially the same terms as the Mortgage on that Ship and on such other terms and in such other form as the Facility Agent, acting with the authorisation of the Majority Lenders, shall approve or require; and
- (ii) the execution of such other documentation amending and supplementing the Finance Documents as the Facility Agent, acting with the authorisation of the Majority Lenders, shall approve or require.

24.3 Repair and classification

Each Borrower shall keep the Ship owned by it in a good and safe condition and state of repair:

- (a) consistent with first class ship ownership and management practice; and
- (b) so as to maintain the Approved Classification free of overdue recommendations and conditions.

24.4 Modifications

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

24.5 Removal and installation of parts

- (a) Subject to paragraph (b) below, no Borrower shall remove any material part of the Ship owned by it, or any item of equipment installed on such Ship unless:
 - (i) the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed;

- (ii) the replacement part or item is free from any Security in favour of any person other than the Security Agent; and
- (iii) the replacement part or item becomes, on installation on that Ship, the property of that Borrower and subject to the security constituted by the Mortgage on that Ship.

- (b) A Borrower may install equipment owned by a third party if the equipment can be removed without any risk of damage to the Ship owned by that Borrower.

24.6 Surveys

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

24.7 Inspection

Each Borrower shall permit the Security Agent (acting through surveyors or other persons appointed by it for that purpose) to board the Ship owned by it at all reasonable times, with prior notice reasonably in advance, without interfering with the Ship's trading schedule, to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections. The costs of such inspections shall be for the account of the Borrowers **Provided that** so long as no Event of Default has occurred and is continuing, the Borrowers shall not be obliged to pay any costs in respect of more than one inspection in relation to a maximum of two Ships in each calendar year (starting from the relevant Utilisation Date relating to each Ship).

24.8 Prevention of and release from arrest

- (a) Each Borrower shall, in respect of the Ship owned by it, promptly discharge:
 - (i) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against that Ship, its Earnings or its Insurances;
 - (ii) all Taxes, dues and other amounts charged in respect of that Ship, its Earnings or its Insurances; and
 - (iii) all other outgoings whatsoever in respect of that Ship, its Earnings or its Insurances.
- (b) Each Borrower shall as promptly as possible after receiving notice of the arrest of the Ship owned by it or of its detention in exercise or purported exercise of any lien or claim, take all steps necessary to procure its release by providing bail or otherwise as the circumstances may require.

24.9 Compliance with laws etc.

Each Borrower shall:

- (a) comply, or procure compliance with all laws or regulations:
 - (i) relating to its business generally;
 - (ii) all Sanctions; and

(iii) relating to the Ship owned by it, its ownership, employment, operation, management and registration,

including, but not limited to, the ISM Code, the ISPS Code, all Environmental Laws, all Sanctions and the laws of the Approved Flag;

(b) obtain, comply with and do all that is necessary to maintain in full force and effect any Environmental Approvals; and

(c) without limiting paragraph (a) above, not employ the Ship owned by it nor allow its employment, operation or management in any manner contrary to any law or regulation including but not limited to the ISM Code, the ISPS Code, all Environmental Laws and Sanctions.

24.10 ISPS Code

Without limiting paragraph (a) of Clause 24.9 (*Compliance with laws etc.*), each Borrower shall:

(a) procure that the Ship owned by it and the company responsible for that Ship's compliance with the ISPS Code comply with the ISPS Code; and

(b) maintain an ISSC for that Ship; and

(c) notify the Facility Agent immediately in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC.

24.11 Trading in war zones

In the event of hostilities in any part of the world (whether war is declared or not), no Borrower shall cause or permit the Ship owned by it to enter or trade to any zone which is declared a war zone by any government or by that Ship's war risks insurers unless:

(a) the prior written consent of the underwriters of that Ship has been given; and

(b) that Borrower has (at its expense) effected any special, additional or modified insurance cover (to the extent not covered by that Ship's war risks insurances) which the underwriters of that Ship may require.

24.12 Provision of information

Without prejudice to Clause 20.5 (*Information: miscellaneous*) each Borrower shall in respect of the Ship owned by it, promptly provide the Facility Agent with any information which it requests regarding:

(a) that Ship, its employment, position and engagements;

(b) the Earnings and payments and amounts due to its master and crew;

(c) any expenditure incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made by it in respect of that Ship;

(d) any towages and salvages; and

(e) its compliance, the Approved Manager's compliance and the compliance of that Ship with the ISM Code and the ISPS Code, and, upon the Facility Agent's request, promptly provide copies of any current Charter relating to that Ship, of any current guarantee of any such Charter, the Ship's Safety Management Certificate and any relevant Document of Compliance.

24.13 Notification of certain events

Each Borrower shall, in respect of the Ship owned by it, as soon as practically possible (and in respect of sub-paragraphs (a), (c) and (e) below no later than 10 Business Days) notify the Facility Agent by letter or email, of:

- (a) any casualty to that Ship which is a Major Casualty;
- (b) any occurrence as a result of which that Ship has become or is, by the passing of time or otherwise, likely to become a Total Loss;
- (c) any requisition of that Ship for hire;
- (d) any overdue requirement or recommendation made in relation to that Ship by any insurer or classification society or by any competent authority;
- (e) any arrest or detention of that Ship or any exercise or purported exercise of any lien on that Ship or the Earnings;
- (f) any intended dry docking of that Ship;
- (g) any deactivation or lay up of that Ship;
- (h) any Environmental Claim made against that Borrower or in connection with that Ship, or any Environmental Incident;
- (i) any claim for breach of the ISM Code or the ISPS Code being made against that Borrower, an Approved Manager or otherwise in connection with that Ship; or
- (j) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with,

and each Borrower shall keep the Facility Agent advised in writing on a regular basis and in such detail as the Facility Agent shall require as to that Borrower's, any such Approved Manager's or any other person's response to any of those events or matters.

24.14 Restrictions on chartering, appointment of managers etc.

No Borrower shall, in relation to the Ship owned by it:

- (a) let that Ship on demise or bareboat charter for any period;
- (b) enter into any time, voyage or consecutive voyage charter in respect of that Ship other than a Permitted Charter;
- (c) materially amend, supplement or terminate a Management Agreement;
- (d) appoint a manager of that Ship other than the Approved Commercial Manager and the Approved Technical Manager or agree to any alteration to the terms of an Approved Manager's appointment;

- (e) de activate or layup that Ship; or
- (f) put that Ship into the possession of any person for the purpose of work being done upon it in an amount exceeding or likely to exceed \$1,000,000 (or the equivalent in any other currency) unless that person has first given to the Security Agent and in terms satisfactory to it a written undertaking not to exercise any lien on that Ship or its Earnings for the cost of such work or for any other reason.

24.15 Notice of Mortgage

Each Borrower shall keep the relevant Mortgage registered against the Ship owned by it as a valid first preferred mortgage or, as the case may be, priority mortgage, and (if so required by any law or regulation of a Relevant Jurisdiction or the state of the Approved Flag of that Ship) carry on board that Ship a certified copy of the relevant Mortgage and place and maintain in a conspicuous place in the navigation room and the master's cabin of that Ship a framed printed notice stating that that Ship is mortgaged by that Borrower to the Security Agent.

24.16 Responsible Ship Recycling

If a Ship is sold for scrapping, the Borrower owning that Ship shall ensure that that Ship is sold on the basis of a memorandum of agreement that contains language that ensures that that Ship shall be dismantled in a safe, sustainable and socially and environmentally responsible way and that Borrower shall use its best endeavours to ensure performance and observance by the buyer of that Ship of its obligations and liabilities under such memorandum of agreement.

24.17 Charterparty Assignment

If a Borrower enters into any Assignable Charter (other than an Initial Charter) and subject to obtaining the prior consent of the Facility Agent in accordance with paragraph (a) or, as the case may be, paragraph (b), of Clause 24.14 (*Restrictions on chartering, appointment of managers etc.*), that Borrower shall promptly after the date of entry into such Assignable Charter:

- (a) provide the Facility Agent with a certified true copy of such Assignable Charter (or, alternatively if a copy is not then available, a copy of a binding and unconditional recapitulation of charterparty terms);
- (b) other than in respect of a demise or bareboat charter, execute in favour of the Security Agent a Charterparty Assignment in respect of that Assignable Charter (such Charterparty Assignment to be notified to the relevant charterer and any charter guarantor and use its best endeavours to procure that an executed acknowledgment of such notice from the relevant charterer and charter guarantor is obtained);
- (c) in respect of a demise charter or bareboat charter, execute and procure that the charterer executes in favour of the Security Agent a tripartite assignment in such form and substance acceptable to the Lenders;
- (d) shall deliver to the Facility Agent such other documents as it may reasonably require (including, without limitation, documents equivalent to those referred to at paragraphs 1, 5 and 6.1 of Part A of Schedule 2 (Conditions Precedent) in respect of such Charterparty Assignment or, as the case may be, such tripartite assignment).

24.18 **Sharing of Earnings**

No Borrower shall enter into any agreement or arrangement for the sharing of any Earnings other than for the purposes of this Agreement.

24.19 **Sanctions and Ship Trading**

Without limiting Clause 24.9 (*Compliance with laws etc.*), each Borrower shall procure that:

- (a) the Ship owned by it:
 - (i) shall not be used or operated by or for the benefit of a Prohibited Person;
 - (ii) shall not be used or operated in trading in any manner contrary to Sanctions (or which could be contrary to Sanctions if Sanctions were binding on each Transaction Obligor); or in any other manner that will result in a violation of Sanctions by any Transaction Obligor or any Finance Party;
 - (iii) shall not be operated used in or make a voyage to or from any Sanctioned Country, Provided that in the case of an Emergency Event, that Ship can make such voyage until the relevant Borrower or, as the case may be, the relevant Approved Manager (in each case, acting in accordance with best commercial practices in the operation of Ships) considers that there is no longer an Emergency Event,

For the purposes of this paragraph (iii) "Emergency Event" means, in relation to that Ship, any event or circumstance that a reasonable person having experience in the management and operation of ships, would consider that such event may risk the safety of a Ship or threaten the life of the crew or any other individual;
 - (iv) 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
 - (v) shall not be used in trading in any manner that results in such Ship to becoming Sanctioned Ship; and
- (b) each charterparty in respect of the Ship owned by it shall contain, for the benefit of that Borrower, language which gives effect to the provisions of paragraph (c) of Clause 24.9 (Compliance with laws etc.) as regards Sanctions and of this Clause 24.19 (*Sanctions and Ship Trading*) and which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions (or which would result in a breach of Sanctions if Sanctions were binding on each Transaction Obligor).

24.20 **Poseidon Principles**

Each Borrower shall, upon the request of any Lender and at the cost of the Borrowers, on or before 31 July in each calendar year, supply or procure the supply by the relevant Approved Classification Society (as specified by the relevant Lender) to the Facility Agent of all information necessary in order for any Lender to comply with its obligations under the Poseidon Principles or otherwise in respect of the preceding year, including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, together with a Carbon Intensity and Climate Alignment Certificate (if available), in each case relating to the Ship owned by it for the preceding calendar year provided always that no Lender shall publicly disclose such information with the identity of the relevant Ship without the prior written consent of that Borrower. For the avoidance of doubt, such information shall be "Confidential Information" for the purposes of Clause 45 (*Disclosure of Confidential Information*) but the Borrowers acknowledge that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender's portfolio climate alignment in a manner which will preserve the anonymity of the information disclosed by the Borrowers.

24.21 **Inventory of Hazardous Materials**

Each Borrower shall maintain an Inventory of Hazardous Materials in respect of the Ship owned by it.

24.22 **Notification of compliance**

Each Borrower shall promptly provide the Facility Agent from time to time with evidence (in such form as the Facility Agent requires) that it is complying with this Clause 23.16(a) (*General Ship Undertakings*) at the times and in the manner provided in this Agreement.

25 **ANTI-BOYCOTT REGULATIONS**

25.1 **Anti-Boycott Regulations**

The representations, undertakings and Events of Default relating to Sanctions shall not apply in favour of or for the benefit of any Lender that informs the Facility Agent that it is subject to the EU Blocking Regulation or Section 7 of the German Foreign Trade Ordinance (§ 7 *Außenwirtschaftsverordnung*) or a similar applicable anti-boycott law or regulation of any applicable jurisdiction (together with the EU Blocking Regulation and Section 7 of the of the German Foreign Trade Ordinance, and any similar successor EU law, the "**Anti-Boycott Regulations**"), to the extent that compliance with those provisions would violate some or all of the Anti-Boycott Regulations.

25.2 **Restricted Lender**

- (a) In connection with any amendment, waiver, determination or direction relating to any part of the representations, undertakings or Events of Default relating to Sanctions of which a Lender does not have the benefit because such benefit would result in a violation by the Lender of any Anti-Boycott Regulations (for the purpose of this paragraph (a), each a "**Restricted Lender**"), that Restricted Lender will, subject to paragraph (b) below, be excluded for the purpose of determining whether the consent of all Lenders or the Majority Lenders (whichever is required) has been obtained or whether the amendment, waiver, determination or direction by all the Lenders or the Majority Lenders (whichever is required) has been made or given.
- (b) The Facility Agent is only permitted to exclude the relevant Lender pursuant to paragraph (a), above for the purpose of determining whether the consent of all the Lenders or the Majority Lenders (whichever is required) has been obtained or whether the amendment, waiver, determination or direction by all the Lenders or the Majority Lenders (whichever is required) has been made or given, if following the Facility Agent's request for such consent, amendment, waiver, determination or direction by all the Lenders or the Majority Lenders (whichever is required) the respective Lender notifies the Facility Agent that it is a Restricted Lender for such purpose.

26 SECURITY COVER

26.1 Minimum required security cover

Clause 26.2 (*Provision of additional security; prepayment*) applies if the Facility Agent notifies the Borrowers that the Security Cover Ratio is below the Relevant Percentage.

In this Clause 26.1 (*Minimum required security cover*), "**Relevant Percentage**" means:

- (a) during the period commencing on the first Utilisation Date and ending on the date falling on the fifth anniversary of the first Utilisation Date (inclusive) (the "**Fifth Anniversary**"), 135 per cent. of the Loan; and
- (b) from the Fifth Anniversary and until the Termination Date, 140 per cent. of the Loan.

26.2 Provision of additional security; prepayment

- (a) If the Facility Agent serves a notice on the Borrowers under Clause 26.1 (*Minimum required security cover*), the Borrowers shall, on or before the date falling 30 days after the date (the "**Prepayment Date**") on which the Facility Agent's notice is served, prepay such part of the Loan as shall eliminate the shortfall.

- (b) The Borrowers may, instead of making a prepayment as described in paragraph (a) above:

- (i) provide, or ensure that a third party has provided, additional security which, in the opinion of the Facility Agent acting on the instructions of the Majority Lenders:

- (A) has a net realisable value at least equal to the shortfall;
 - (B) is in the form of cash and/or Security over a vessel; and
 - (C) is documented in such terms as the Facility Agent may approve or require; or

- (ii) provide, or ensure that a third party has provided, additional security not of the type set out in paragraph (b) (i) of this Clause which, in the opinion of the Facility Agent acting on the instruction of the Lenders:

- (A) has a net realisable value at least equal to the shortfall; and
 - (B) is documented in such terms as the Facility Agent may approve or require,

before the Prepayment Date; and conditional upon such security being provided in such manner, it shall satisfy such prepayment obligation.

26.3 Value of additional vessel security

The net realisable value of any additional security which is provided under Clause 26.2 (*Provision of additional security; prepayment*) and which consists of Security over a vessel shall be the Market Value of the vessel concerned, determined in accordance with Clause 26.7 (*Provision of valuations*).

26.4 Valuations binding

Any valuation under this Clause 26 (*Security Cover*) shall be binding and conclusive as regards each Borrower, save for any manifest error.

26.5 Provision of information

- (a) Each Borrower shall promptly provide the Facility Agent and any Approved Valuer acting under this Clause 26 (*Security Cover*) with any information which the Facility Agent or the Approved Valuer may request for the purposes of the valuation.
- (b) If a Borrower fails to provide the information referred to in paragraph (a) above by the date specified in the request, the valuation may be made on any basis and assumptions which the Approved Valuer or the Facility Agent considers prudent.

26.6 Prepayment mechanism

Any prepayment pursuant to Clause 26.2 (*Provision of additional security; prepayment*) shall be made in accordance with the relevant provisions of Clause 7 (*Prepayment and Cancellation*) and shall be applied pro rata against the then outstanding Repayment Instalments pursuant to the provisions of Clause 6.2 (*Effect of cancellation and prepayment on scheduled prepayments*).

26.7 Provision of valuations

- (a) The Facility Agent shall obtain the necessary valuations (addressed to it) of a Ship and any other vessel over which additional Security has been created in accordance with Clause 26.3 (*Value of additional vessel security*), to enable it to determine the Market Value of that Ship or any other vessel, as follows:
 - (i) prior to the first Utilisation Date, to determine the Initial Market Value of that Ship for the purpose of the Utilisation of the Loan;
 - (ii) at least semi-annually, on each of 30th June and 31st December in each calendar year; and
 - (iii) promptly following the Facility Agent's (acting on the instructions of any Lender) request:
 - (A) if an Event of Default has occurred and is continuing; and/or
 - (B) if a mandatory prepayment event has occurred under Clause 7.4 (*Mandatory prepayment on sale, refinancing or Total Loss*).
- (b) The cost of valuations obtained under Clause 26.7(a) (*Provision of valuations*) above shall be borne or reimbursed by the Borrowers.
- (c) The Lenders may at any other time or times instruct the Facility Agent to obtain valuations of the Ships other than pursuant to paragraph (a) for the purpose of ascertaining the Market Value of the Ships at such time or times. Any such further valuations obtained or provided shall be at the cost of the Lenders.

26.8 Release of additional security

If, at any time, the Security Agent holds additional security provided under this Clause 26 (*Security Cover*) and the Market Value of the Ships disregarding the value of any additional security provided pursuant to Clause 26.2 (*Provision of additional security; prepayment*) above exceeds the Security Cover Ratio required pursuant to Clause 26.1 (*Minimum required security cover*) with reference to valuations provided no more than 90 days previously, the Borrowers may, by notice to the Facility Agent, require the release and discharge of that additional security. The Facility Agent shall then promptly direct the Security Agent to release and discharge that additional security if no Event of Default is then continuing or will result from such release and discharge and, upon such release and discharge and, if so required by the Facility Agent, the Borrowers shall reimburse to the Facility Agent any costs and expenses payable under Clause 16 (*Costs and Expenses*) in relation to that release and discharge.

27 ACCOUNTS, APPLICATION OF EARNINGS

27.1 Accounts

No Borrower may, without the prior consent of the Facility Agent, maintain any bank account other than its Earnings Account and, in the case of all the Borrowers, the Retention Account; for the avoidance of doubt, the Borrowers may maintain any bank accounts they hold under the Existing Agreements, which they undertake to close within 3-month period from each relevant Utilisation Date.

27.2 Payment of Earnings

Each Borrower shall ensure that, subject only to the provisions of the General Assignment to which it is a party, all the Earnings in respect of the Ship owned by it are paid in to its Earnings Account.

27.3 Monthly retentions

The Borrowers shall ensure that, in each calendar month following (i) the first Utilisation Date relating to the Ships (other than Ship I and Ship J), (ii) the second Utilisation Date relating to Ship I and (iii) the third Utilisation Date relating to Ship J, on such dates as the Facility Agent may from time to time specify, there is transferred to the Retention Account out of the aggregate Earnings received by the Borrowers in their respective Earnings Accounts during the preceding calendar month:

- (a) one-third of the amount of any Instalment falling due under Clause 6.1 (*Repayment of Loan*) on the next Repayment Date; and
- (b) the relevant fraction of the aggregate amount of interest on the Loan which is payable under this Agreement in respect of any Interest Period then current.

The "**relevant fraction**" is a fraction of which:

- (i) the numerator is one; and
- (ii) the denominator is:
 - (A) the number of months comprised in the relevant then current Interest Period; or

- (B) if the period is shorter (than that set out in (A)), the number of months from the later of the commencement of the relevant current Interest Period or the last due date for payment of interest on the Loan or the relevant part of the Loan to the next due date for payment of interest on the Loan or the relevant part of the Loan under this Agreement.

27.4 Shortfall in Earnings

- (a) If the aggregate of the credit balances on the Earnings Accounts is insufficient in any calendar month for the required amount to be transferred to the Retention Account under Clause 27.3 (*Monthly retentions*), the Borrowers shall make up the amount of the insufficiency on demand from the Facility Agent.
- (b) Without prejudicing the Facility Agent's right to make such demand at any time, the Facility Agent may, if so authorised by the Majority Lenders, permit the Borrowers to make up all or part of the insufficiency by increasing the amount of any transfer under Clause 27.3 (*Monthly retentions*) from the Earnings received in the next or subsequent calendar months.

27.5 Application of Earnings

The Earnings on the Earnings Accounts shall be used in the following order of application:

- (a) FIRSTLY, for and towards payment of any unpaid fees, costs and expenses due to a Finance Party under this Agreement and the Finance Documents;
- (b) SECONDLY, for and towards payment of all amounts (other than principal and/or interest) due under this Agreement and the Finance Documents;
- (c) THIRDLY, for and towards making the transfers to the Retention Account required pursuant to Clause 27.3 (*Monthly retentions*);
- (d) FOURTHLY, for and towards payment of the liabilities of the Borrowers (including, but not limited to, the repayment of principal, interest, default interest and all relevant costs, expenses and indemnities) under this Agreement and the other Finance Documents to the extent not already covered by the retentions set out in paragraph (a) to (c) above;
- (e) FIFTHLY, for and towards payment of the Operating Expenses of the Ships which are due and payable at such time; and
- (f) SIXTHLY, subject to Clause 22.18 (*Dividends*) and provided that no Event of Default has occurred and is continuing at that time, any remaining amounts (in excess of the minimum liquidity required to be maintained pursuant to Clause 21.1 (*Borrowers' Minimum Liquidity*)) standing to the credit of each Earnings Account after application pursuant to the foregoing paragraphs shall be available to the Borrowers.

27.6 Application of retentions

- (a) The Security Agent has sole signing rights in relation to the Retention Account.
- (b) Until an Event of Default occurs, the Facility Agent shall instruct the Security Agent to release to it, on each Repayment Date and on each Interest Payment Date, for distribution to the Finance Parties in accordance with Clause 35.2 (*Distributions by the Facility Agent*) so much of the then balance on the Retention Account as equals:

- (i) any Repayment Instalment due on that Repayment Date;
- (ii) the amount of interest payable on that Interest Payment Date;

in discharge of the Borrowers' liability for that Repayment Instalment or that interest, as the case may be.

27.7 Interest accrued on Retention Account

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

27.8 Release of accrued interest

Interest accruing under Clause 27.7 (*Interest accrued on Retention Account*) shall be credited to the Retention Account and, to the extent not applied previously pursuant to Clause 27.6 (*Application of retentions*), shall be released to the Borrowers at the end of the Security Period.

27.9 Location of Accounts

Each Borrower shall promptly:

- (a) comply with any requirement of the Facility Agent as to the location or relocation of its Earnings Account and the Retention Account (or either of them); and
- (b) execute any documents which the Facility Agent specifies to create or maintain in favour of the Security Agent Security over (and/or rights of set-off, consolidation or other rights in relation to) the Earnings Accounts and the Retention Account (or any of them).

27.10 Administration

Whenever a payment is due to be made from any of the Earnings Accounts or the Retention Account in accordance with this Clause 27, the Borrowers shall authorise the Account Bank to pay such amounts from the Earnings Accounts (or any of them) or the Retention Account to the applicable payee unless the Facility Agent notifies the Account Bank that:

- (a) an Event of Default has occurred and is continuing or would occur as a result (wholly or partly) of such withdrawal; or
- (b) any of Earnings Accounts or the Retention Account is overdrawn or would become overdrawn as a result of such withdrawal, whereby the Account Bank will act only in accordance with the instructions given by persons authorised by the Facility Agent in respect of the Earnings Accounts and the Retention Account.

28 EVENTS OF DEFAULT

28.1 General

Each of the events or circumstances set out in this Clause 28 (*Events of Default*) is an Event of Default except for Clause 28.19 (*Acceleration*) and Clause 28.20 (*Enforcement of security*).

28.2 Non-payment

- A Transaction Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:
- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a Disruption Event; and
 - (b) payment is made within three Business Days of its due date.

28.3 Specific obligations

- A breach occurs of Clause 4.4 (*Waiver of conditions precedent*), paragraph 20.3(a) of Clause 20.3 (*Compliance Certificate*), Clause 21 (*Financial Covenants*), Clause 22.10 (*Title*), Clause 22.11 (*Negative pledge*), Clause 22.20 (*Unlawfulness, invalidity and ranking; Security imperilled*), Clause 22.22 (*No amendment to Assignable Charters*), Clause 22.23 (*Sanctions Undertakings*), Clause 23.2 (*Maintenance of obligatory insurances*), Clause 23.3 (*Terms of obligatory insurances*), Clause 23.5 (*Renewal of obligatory insurances*), Clause 24.19 (*Sanctions and Ship Trading*), Clause 22.24 (*Use of proceeds*) (in respect of a Transaction Obligor only) or Clause 25 (*Security Cover*).
- 28.4 Other obligations**
- (a) A Transaction Obligor or an Approved Manager does not comply with any provision of the Finance Documents to which it is a party (other than those referred to in Clause 28.2 (*Non-payment*) and Clause 28.3 (*Specific obligations*)).
 - (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within fifteen (15) Business Days of the Facility Agent giving notice to the Borrowers or (if earlier) any Transaction Obligor or, as the context may require, an Approved Manager, becoming aware of the failure to comply.

28.5 Misrepresentation

- Any representation or statement made or deemed to be made by a Transaction Obligor in the Finance Documents or any other document delivered by or on behalf of any Transaction Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made unless such misrepresentation or statement is determined by the Facility Agent (acting on the instructions of the Majority Lenders) to have been made in error and is rectified within five Business Days from the date of such representation or statement.
- 28.6 Cross default**
- (a) Any Financial Indebtedness of any Transaction Obligor is not paid when due (unless contested in good faith) nor within any originally applicable grace period.
 - (b) Any Financial Indebtedness of any Transaction Obligor is declared to be due and payable prior to its specified maturity as a result of an event of default (however described).

- (c) Any commitment for any Financial Indebtedness of any Transaction Obligor is cancelled or suspended by a creditor of any Transaction Obligor as a result of an event of default (however described) unless the relevant Transaction Obligor has satisfied the Facility Agent that such cancellation or suspension will not have any negative impact on the ability of that Transaction Obligor to satisfy its debts as they fall due.
- (d) Any creditor of any Transaction Obligor becomes entitled to declare any Financial Indebtedness of any Transaction Obligor due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this Clause 28.6 (*Cross default*) in respect of the Guarantor if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than \$15,000,000 (or its equivalent in any other currency).

28.7 Insolvency

- (a) A Transaction Obligor:
 - (i) is unable or admits inability to pay its debts as they fall due;
 - (ii) is declared to be unable to pay its debts under applicable law;
 - (iii) suspends or threatens to suspend making payments on any of its debts; or
 - (iv) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness,

Provided that should such Transaction Obligor, for any reason, including without limitation, any actual or anticipated financial difficulties, commences, with prior written notice to the Facility Agent, negotiations with one or more of its creditors (including the Facility Agent for account of the Lenders) with a view to rescheduling, deferring, re-organising or suspending any of its indebtedness, the negotiations themselves or the entering, as a result of such negotiations, into any agreement or contract with one or more of its creditors (including the Facility Agent for account of the Lenders) setting out terms for any rescheduling, deferral, re-organization or suspension of its indebtedness, shall not in itself constitute an Event of Default.
- (b) A moratorium is declared in respect of any indebtedness of any Transaction Obligor. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

28.8 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Transaction Obligor;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any Transaction Obligor;

- (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Transaction Obligor or any of its assets; or
- (iv) enforcement of any Security over any assets of any Transaction Obligor, or any analogous procedure or step is taken in any jurisdiction.

- (b) Paragraph (a) above shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

28.9 Creditors' process

Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of a Transaction Obligor (other than an arrest or detention of a Ship referred to in Clause 28.13 (*Arrest*)) and is not discharged within 30 days (or such longer period the Facility Agent, acting on the instructions of the Majority Lenders, may agree to).

28.10 Unlawfulness, invalidity and ranking

- (a) It is or becomes unlawful for a Transaction Obligor to perform any of its obligations under the Finance Documents.
- (b) Any obligation of a Transaction Obligor under the Finance Documents is not or ceases to be legal, valid, binding or enforceable.
- (c) Any Finance Document ceases to be in full force and effect or to be continuing or is or purports to be determined or any Transaction Security is alleged by a party to it (other than a Finance Party) to be ineffective.
- (d) Any Transaction Security proves to have ranked after, or loses its priority to, any other Security.

28.11 Security imperilled

Any Security created or intended to be created by a Finance Document is in any way imperilled or in jeopardy.

28.12 Cessation of business

Any Transaction Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

28.13 Arrest

Any arrest of a Ship or its detention in the exercise or the purported exercise of any lien or claim unless it is redelivered to the full control of the relevant Borrower within 30 days of such arrest or detention (or such longer period as may be required in the circumstances based on the assessment of the Facility Agent acting with the authorisation of the Majority Lenders).

28.14 Expropriation

The authority or ability of any Transaction Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any Transaction Obligor or any of its assets other than:

- (a) an arrest or detention of a Ship referred to in Clause 28.13 (*Arrest*); or
- (b) any Requisition.

28.15 Repudiation and rescission of agreements

Any Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document (other than an Assignable Charter where the prior approval of the Facility Agent has been obtained for rescission pursuant to the Finance Documents) or any of the Transaction Security or evidences an intention to rescind or repudiate a Transaction Document or any Transaction Security.

28.16 Litigation

Any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency are started or threatened, or any judgment or order of a court, arbitral body or agency is made, in relation to any of the Transaction Documents or the transactions contemplated in any of the Transaction Documents or against any member of the Group or its assets which has a Material Adverse Effect.

28.17 Material adverse change

Any event or circumstance occurs which has a Material Adverse Effect, including, without limitation, the withdrawal of any material license or governmental or regulatory approval in respect of a Ship, the Guarantor or a Borrower (unless such withdrawal can be contested with the effect of suspension and is in fact so contested in good faith by the Borrowers and the Guarantor).

28.18 Approved Flag

- (a) Any failure by a Borrower to keep the Ship owned by it registered under an Approved Flag.
- (b) The state of the Approved Flag of a Ship or any Relevant Jurisdiction is or becomes involved in hostilities or civil war or there are events of political risk or instability or there is a seizure of power in such state by unconstitutional means, or any other event occurs in relation to a Ship, the Mortgage on that Ship or its Approved Flag and in the opinion of the Facility Agent such event is likely to have a Material Adverse Effect and the Borrower owning that Ship fails upon the request of the Facility Agent to promptly (and in any case within such timing as may be reasonably set by the Facility Agent, acting on the instructions of the Majority Lenders) register that Ship in its name under another Approved Flag together with a first priority or first preferred ship mortgage (as the case may be and as required under the relevant state of the Approved Flag) in favour of the Security Agent and on such terms as required by the Facility Agent at the relevant time and in any case on substantially the same terms as the terms of the Mortgage.

28.19 Acceleration

On and at any time after the occurrence of an Event of Default the Facility Agent may, and shall if so directed by the Majority Lenders:

- (a) by notice to the Borrowers:
- (i) cancel the Total Commitments, whereupon they shall immediately be cancelled;
 - (ii) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon it shall become immediately due and payable; and/or
 - (iii) declare that all or part of the Loan be payable on demand, whereupon it shall immediately become payable on demand by the Facility Agent acting on the instructions of the Majority Lenders; and/or
- (b) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents,
- and the Facility Agent may serve notices under sub-paragraph (i), (ii) or (iii) of paragraph (a) above simultaneously or on different dates and any Servicing Party may take any action referred to in paragraph (b) above or Clause 28.20 (*Enforcement of security*) if no such notice is served or simultaneously with or at any time after the service of any of such notice.

28.20 Enforcement of security

On and at any time after the occurrence of an Event of Default the Security Agent may, and shall if so directed by the Majority Lenders, take any action which, as a result of the Event of Default or any notice served under Clause 28.19 (*Acceleration*), the Security Agent is entitled to take under any Finance Document or any applicable law or regulation.

SECTION 9

CHANGES TO PARTIES

29 CHANGES TO THE LENDERS

29.1 ASSIGNMENTS AND TRANSFERS BY THE LENDERS

(A) SUBJECT TO THIS CLAUSE 29 (*CHANGES TO THE LENDERS*) AND WITHOUT PREJUDICE TO ANY OTHER RIGHTS AVAILABLE TO IT AS A MATTER OF APPLICABLE LAW, A LENDER (THE "**EXISTING LENDER**") MAY AT ANY TIME:

(I) ASSIGN ANY OF ITS RIGHTS; OR

(II) TRANSFER BY NOVATION ANY OF ITS RIGHTS AND OBLIGATIONS (INCLUDING, FOR THE AVOIDANCE OF DOUBT, ITS COMMITMENT),

under the Finance Documents to:

(A) another Lender;

(B) any Affiliate of a Lender;

(C) any existing lender of the Guarantor or any Affiliate of that lender;

(D) any member of the European System of Central Banks;

(E) any fund managed by a Lender or any of its Affiliates; or

(F) any other first class bank or financial institution or insurance company which has a minimum investment grade rating for its long term senior unsecured debt by any two of the rating agencies Moody's, Fitch and Standard & Poor's or S&P, **Provided that** such entity is regularly engaged in or established for the purpose of making, purchasing or investing in shipping loans, securities or other financial assets,

(the "**New Lender**" and, following the occurrence of an Event of Default which is continuing, a New Lender may be any person other than an individual).

(b) Unless an Event of Default which is continuing, an assignment or transfer by an Existing Lender under paragraph (a) above is subject to prior consultation with the Obligors by giving the Obligors no less than 45 days' prior written notice (the "**Notice Period**"), during which the Borrowers will have the right to refinance or otherwise prepay said Lender's participation in the Facility prior to the expiry of the Notice Period (and subject to the Borrowers giving irrevocable written notice to the Facility Agent 21 days prior to the intended prepayment or refinancing).

(c) Following the occurrence of an Event of Default which is continuing, the Existing Lender may assign any of its rights or transfer any of its rights and obligations (including, for the avoidance of doubt, its Commitment) under the Finance Documents to any person other than an individual, without any notification to or consultation with the Obligors.

(d) For the avoidance of doubt, the consent of the Obligors is not required for any assignment or transfer by an Existing Lender.

- (e) No Obligor may be a New Lender.

29.2 Conditions of assignment or transfer

- (a) An assignment will only be effective on:
 - (i) receipt by the Facility Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same obligations to the other Secured Parties as it would have been under if it had been an Original Lender; and
 - (ii) performance by the Facility Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Facility Agent shall promptly notify to the Existing Lender and the New Lender.
- (b) Each Obligor on behalf of itself and each Transaction Obligor agrees that all rights and interests (present, future or contingent) which the Existing Lender has under or by virtue of the Finance Documents are assigned to the New Lender absolutely, free of any defects in the Existing Lender's title and of any rights or equities which the Borrowers or any other Transaction Obligor had against the Existing Lender.
- (c) A transfer will only be effective if the procedure set out in Clause 29.5 (*Procedure for transfer*) is complied with.
- (d) If:
 - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, a Transaction Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax Gross Up and Indemnities*) or under that Clause as incorporated by reference or in full in any other Finance Document or Clause 13 (*Increased Costs*),then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This paragraph (d) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility.
- (e) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

29.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Facility Agent (for its own account) a fee of \$5,000 unless otherwise agreed with or waived by the Facility Agent.

29.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
- (i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;
 - (ii) the financial condition of any Transaction Obligor;
 - (iii) the performance and observance by any Transaction Obligor of its obligations under the Transaction Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,
- and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties and the Secured Parties that it:
- (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Transaction Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Transaction Obligor and its related entities throughout the Security Period.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
- (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 29 (*Changes to the Lenders*); or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Transaction Obligor of its obligations under the Transaction Documents or otherwise.

29.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 29.2 (*Conditions of assignment or transfer*), a transfer is effected in accordance with paragraph (c) below when the Facility Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with this Agreement and delivered in accordance with this Agreement, execute that Transfer Certificate.

- (b) The Facility Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 29.10 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security, each of the Transaction Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");
 - (ii) each of the Transaction Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Transaction Obligor and the New Lender have assumed and/or acquired the same in place of that Transaction Obligor and the Existing Lender;
 - (iii) the Facility Agent, the Security Agent, the Arrangers, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Facility Agent, the Security Agent, the Arrangers and the Existing Lenders shall each be released from further obligations to each other under the Finance Documents; and
 - (iv) the New Lender shall become a Party as a "Lender".

29.6 Procedure for assignment

- (a) Subject to the conditions set out in Clause 29.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Facility Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) The Facility Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 29.10 (*Pro rata interest settlement*), on the Transfer Date:

- (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and
 - (iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 29.6 (*Procedure for assignment*) to assign their rights under the Finance Documents (but not, without the consent of the relevant Transaction Obligor or unless in accordance with Clause 29.5 (*Procedure for transfer*), to obtain a release by that Transaction Obligor from the obligations owed to that Transaction Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 29.2 (*Conditions of assignment or transfer*).

29.7 Copy of Transfer Certificate or Assignment Agreement to Borrowers

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrowers a copy of that Transfer Certificate or Assignment Agreement.

29.8 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 29 (*Changes to the Lenders*), each Lender may without consulting with or obtaining consent from any Transaction Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
 - (b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,
- except that no such charge, assignment or Security shall:
- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
 - (ii) require any payments to be made by a Transaction Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

29.9 Syndication and Securitisation

The Obligors shall assist the Mandated Lead Arrangers in achieving a successful syndication or securitisation (or similar transaction) in respect of the Facility and the Finance Documents. The Obligors shall, if requested by any Mandated Lead Arranger or the Facility Agent, provide such information as may be required to produce a customary information memorandum (subject to Clause 45.2 (*Disclosure of Confidential Information*)) and also make available members of senior management for any meetings that potential syndicate lenders may request.

29.10 Pro rata interest settlement

- (a) If the Facility Agent has notified the Lenders that it is able to distribute interest payments on a "*pro rata*" basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 29.5 (*Procedure for transfer*) or any assignment pursuant to Clause 29.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):
 - (i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than three Months, on the next of the dates which falls at three Monthly intervals after the first day of that Interest Period); and
 - (ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
 - (A) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
 - (B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 29.10 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.
- (b) In this Clause 29.10 (*Pro rata interest settlement*) references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.
- (c) An Existing Lender which retains the right to the Accrued Amounts pursuant to this Clause 29.10 (*Pro rata interest settlement*) but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.

30 CHANGES TO THE TRANSACTION OBLIGORS

30.1 Assignment or transfer by Transaction Obligors

No Transaction Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents, without the prior written consent of the Facility Agent.

30.2 Release of security

- (a) If a disposal of any asset subject to security created by a Security Document is made in the following circumstances:

- (i) the disposal is permitted by the terms of any Finance Document;
- (ii) the Majority Lenders agree to the disposal;
- (iii) the disposal is being made at the request of the Security Agent in circumstances where any security created by the Security Documents has become enforceable; or
- (iv) the disposal is being effected by enforcement of a Security Document,

the Security Agent may release the asset(s) being disposed of from any security over those assets created by a Security Document. However, the proceeds of any disposal (or an amount corresponding to them) must be applied in accordance with the requirements of the Finance Documents (if any).

- (b) If the Security Agent is satisfied that a release is allowed under this Clause 30.2 (*Release of security*) (at the request and expense of the Borrowers) each Finance Party must enter into any document and do all such other things which are reasonably required to achieve that release. Each other Finance Party irrevocably authorises the Security Agent to enter into any such document. Any release will not affect the obligations of any other Transaction Obligor under the Finance Documents.

30.3 Subordinated Creditors

- (a) The Borrowers may request that any person becomes a Subordinated Creditor, with the prior approval of the Facility Agent, by delivering to the Facility Agent:

- (i) a duly executed Subordination Agreement;
- (ii) a duly executed Subordinated Debt Security; and
- (iii) such constitutional documents, corporate authorisations and other documents and matters as the Facility Agent may reasonably require, in form and substance satisfactory to the Facility Agent, to verify that the person's obligations are legally binding, valid and enforceable and to satisfy any applicable legal and regulatory requirements.

- (b) A person referred to in paragraph (a) above will become a Subordinated Creditor on the date the Security Agent enters into the Subordination Agreement and the Subordinated Debt Security delivered under paragraph (a) above.

THE FINANCE PARTIES

31 THE FACILITY AGENT AND THE ARRANGERS

31.1 APPOINTMENT OF THE FACILITY AGENT

- (A) EACH OF THE ARRANGERS AND THE LENDERS APPOINTS THE FACILITY AGENT TO ACT AS ITS AGENT UNDER AND IN CONNECTION WITH THE FINANCE DOCUMENTS.
- (B) EACH OF THE ARRANGERS AND THE LENDERS AUTHORISES THE FACILITY AGENT TO PERFORM THE DUTIES, OBLIGATIONS AND RESPONSIBILITIES AND TO EXERCISE THE RIGHTS, POWERS, AUTHORITIES AND DISCRETIONS SPECIFICALLY GIVEN TO THE FACILITY AGENT UNDER, OR IN CONNECTION WITH, THE FINANCE DOCUMENTS TOGETHER WITH ANY OTHER INCIDENTAL RIGHTS, POWERS, AUTHORITIES AND DISCRETIONS.

31.2 INSTRUCTIONS

- (A) THE FACILITY AGENT SHALL:
 - (I) UNLESS A CONTRARY INDICATION APPEARS IN A FINANCE DOCUMENT, EXERCISE OR REFRAIN FROM EXERCISING ANY RIGHT, POWER, AUTHORITY OR DISCRETION VESTED IN IT AS FACILITY AGENT IN ACCORDANCE WITH ANY INSTRUCTIONS GIVEN TO IT BY:
 - (A) ALL LENDERS IF THE RELEVANT FINANCE DOCUMENT STIPULATES THE MATTER IS AN ALL LENDER DECISION; AND
 - (B) IN ALL OTHER CASES, THE MAJORITY LENDERS; AND
 - (II) NOT BE LIABLE FOR ANY ACT (OR OMISSION) IF IT ACTS (OR REFRAINS FROM ACTING) IN ACCORDANCE WITH SUB-PARAGRAPH (I) ABOVE (OR, IF THIS AGREEMENT STIPULATES THE MATTER IS A DECISION FOR ANY OTHER FINANCE PARTY OR GROUP OF FINANCE PARTIES, IN ACCORDANCE WITH INSTRUCTIONS GIVEN TO IT BY THAT FINANCE PARTY OR GROUP OF FINANCE PARTIES).
- (B) THE FACILITY AGENT SHALL BE ENTITLED TO REQUEST INSTRUCTIONS, OR CLARIFICATION OF ANY INSTRUCTION, FROM THE MAJORITY LENDERS (OR, IF THE RELEVANT FINANCE DOCUMENT STIPULATES THE MATTER IS A DECISION FOR ANY OTHER FINANCE PARTY OR GROUP OF FINANCE PARTIES, FROM THAT FINANCE PARTY OR GROUP OF FINANCE PARTIES) AS TO WHETHER, AND IN WHAT MANNER, IT SHOULD EXERCISE OR REFRAIN FROM EXERCISING ANY RIGHT, POWER, AUTHORITY OR DISCRETION AND THE FACILITY AGENT MAY REFRAIN FROM ACTING UNLESS AND UNTIL IT RECEIVES ANY SUCH INSTRUCTIONS OR CLARIFICATION THAT IT HAS REQUESTED.
- (C) SAVE IN THE CASE OF DECISIONS STIPULATED TO BE A MATTER FOR ANY OTHER FINANCE PARTY OR GROUP OF FINANCE PARTIES UNDER THE RELEVANT FINANCE DOCUMENT AND UNLESS A CONTRARY INDICATION APPEARS IN A FINANCE DOCUMENT, ANY INSTRUCTIONS GIVEN TO THE FACILITY AGENT BY THE MAJORITY LENDERS SHALL OVERRIDE ANY CONFLICTING INSTRUCTIONS GIVEN BY ANY OTHER PARTIES AND WILL BE BINDING ON ALL FINANCE PARTIES.
- (D) PARAGRAPH (A) ABOVE SHALL NOT APPLY:
 - (I) WHERE A CONTRARY INDICATION APPEARS IN A FINANCE DOCUMENT;
 - (II) WHERE A FINANCE DOCUMENT REQUIRES THE FACILITY AGENT TO ACT IN A SPECIFIED MANNER OR TO TAKE A SPECIFIED ACTION;

(iii) in respect of any provision which protects the Facility Agent's own position in its personal capacity as opposed to its role of Facility Agent for the relevant Finance Parties.

- (e) If giving effect to instructions given by the Majority Lenders would in the Facility Agent's opinion have an effect equivalent to an amendment or waiver referred to in Clause 44 (*Amendments and Waivers*), the Facility Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Facility Agent) whose consent would have been required in respect of that amendment or waiver.
- (f) In exercising any discretion to exercise a right, power or authority under the Finance Documents where it has not received any instructions as to the exercise of that discretion the Facility Agent shall do so having regard to the interests of all the Finance Parties.
- (g) The Facility Agent may refrain from acting in accordance with any instructions of any Finance Party or group of Finance Parties until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.
- (h) Without prejudice to the remainder of this Clause 31.2 (*Instructions*), in the absence of instructions, the Facility Agent shall not be obliged to take any action (or refrain from taking action) even if it considers acting or not acting to be in the best interests of the Finance Parties. The Facility Agent may act (or refrain from acting) as it considers to be in the best interest of the Finance Parties.
- (i) The Facility Agent is not authorised to act on behalf of a Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (i) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security or Security Documents.

31.3 Duties of the Facility Agent

- (a) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.
- (c) Without prejudice to Clause 29.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrower*), paragraph (b) above shall not apply to any Transfer Certificate or any Assignment Agreement.
- (d) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) If the Facility Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

- (f) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent, an Arranger or the Security Agent) under this Agreement, it shall promptly notify the other Finance Parties.
- (g) The Facility Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

31.4 Role of an Arranger

Except as specifically provided in the Finance Documents, no Arranger has any obligations of any kind to any other Party under or in connection with any Finance Document.

31.5 No fiduciary duties

- (a) Nothing in any Finance Document constitutes the Facility Agent or an Arranger as a trustee or fiduciary of any other person.
- (b) Neither the Facility Agent nor any Arranger shall be bound to account to other Finance Party for any sum or the profit element of any sum received by it for its own account.

31.6 Application of receipts

Except as expressly stated to the contrary in any Finance Document, any moneys which the Facility Agent receives or recovers in its capacity as Facility Agent shall be applied by the Facility Agent in accordance with Clause 35.5 (*Application of receipts; partial payments*).

31.7 Business with the Group

The Facility Agent and an Arranger may accept deposits from, lend money to, and generally engage in any kind of banking or other business with, any member of the Group.

31.8 Rights and discretions

- (a) The Facility Agent may:
 - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
 - (ii) assume that:
 - (A) any instructions received by it from the Majority Lenders, any Finance Parties or any group of Finance Parties are duly given in accordance with the terms of the Finance Documents; and
 - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
 - (iii) rely on a certificate from any person:
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

- (b) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Finance Parties) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 28.2 (*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and
 - (iii) any notice or request made by any Borrower (other than a Utilisation Request or a Selection Notice) is made on behalf of and with the consent and knowledge of all the Transaction Obligors.
- (c) The Facility Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Facility Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Facility Agent (and so separate from any lawyers instructed by the Lenders) if the Facility Agent in its reasonable opinion deems this to be desirable.
- (e) The Facility Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Facility Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Facility Agent may act in relation to the Finance Documents and the Security Property through its officers, employees and agents and shall not:
 - (i) be liable for any error of judgment made by any such person; or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,unless such error or such loss was directly caused by the Facility Agent's gross negligence or wilful misconduct.
- (g) Unless a Finance Document expressly provides otherwise the Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under the Finance Documents.
- (h) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor any Arranger is obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

- (i) Notwithstanding any provision of any Finance Document to the contrary, the Facility Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.9 Responsibility for documentation

Neither the Facility Agent nor any Arranger is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, an Arranger, a Transaction Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or
- (c) any determination as to whether any information provided or to be provided to any Finance Party or Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

31.10 No duty to monitor

The Facility Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Transaction Obligor of its obligations under any Transaction Document; or
- (c) whether any other event specified in any Transaction Document has occurred.

31.11 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to paragraph (e) of Clause 35.11 (*Disruption to Payment Systems etc.*) or any other provision of any Finance Document excluding or limiting the liability of the Facility Agent), the Facility Agent will not be liable for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Transaction Document or the Security Property, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Transaction Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or

- (iii) any shortfall which arises on the enforcement or realisation of the Security Property; or
- (iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (b) No Party other than the Facility Agent may take any proceedings against any officer, employee or agent of the Facility Agent in respect of any claim it might have against the Facility Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property and any officer, employee or agent of the Facility Agent may rely on this Clause subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Facility Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Facility Agent or an Arranger to carry out:
 - (i) any "know your customer" or other checks in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party,on behalf of any Finance Party and each Finance Party confirms to the Facility Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent or the Arrangers.
- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Facility Agent's liability, any liability of the Facility Agent arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Facility Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Facility Agent at any time which increase the amount of that loss. In no event shall the Facility Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Facility Agent has been advised of the possibility of such loss or damages.

31.12 Lenders' indemnity to the Facility Agent

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 35.11 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) in acting as Facility Agent under the Finance Documents (unless the Facility Agent has been reimbursed by a Transaction Obligor pursuant to a Finance Document).
- (b) Subject to paragraph (c) below, the Borrowers shall immediately on demand reimburse any Lender for any payment that Lender makes to the Facility Agent pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Facility Agent to an Obligor.

31.13 Resignation of the Facility Agent

- (a) The Facility Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrowers.
- (b) Alternatively, the Facility Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrowers, in which case the Majority Lenders may appoint a successor Facility Agent.
- (c) If the Majority Lenders have not appointed a successor Facility Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Facility Agent may appoint a successor Facility Agent.
- (d) If the Facility Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Facility Agent is entitled to appoint a successor Facility Agent under paragraph (c) above, the Facility Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Facility Agent to become a party to this Agreement as Facility Agent) agree with the proposed successor Facility Agent amendments to this Clause 31 (*The Facility Agent and the Arrangers*) and any other term of this Agreement dealing with the rights or obligations of the Facility Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Facility Agent's normal fee rates and those amendments will bind the Parties.
- (e) The retiring Facility Agent shall make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents. The Borrowers shall, within three Business Days of demand, reimburse the retiring Facility Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

- (f) The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.
- (g) Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 14.4 (*Indemnity to the Facility Agent*) and this Clause 31 (*The Facility Agent and the Arrangers*) and any other provisions of a Finance Document which are expressed to limit or exclude its liability (or to indemnify it) in acting as Facility Agent. Any fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (h) The Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with paragraph (b) above. In this event, the Facility Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (e) above shall be for the account of the Borrowers.
- (i) The consent of any Borrower (or any other Transaction Obligor) is not required for an assignment or transfer of rights and/or obligations by the Facility Agent.

31.14 Confidentiality

- (a) In acting as Facility Agent for the Finance Parties, the Facility Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by a division or department of the Facility Agent other than the division or department responsible for complying with the obligations assumed by it under the Finance Documents, that information may be treated as confidential to that division or department, and the Facility Agent shall not be deemed to have notice of it nor shall it be obliged to disclose such information to any Party.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor any Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

31.15 Relationship with the other Finance Parties

- (a) Subject to Clause 29.10 (*Pro rata interest settlement*), the Facility Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Facility Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (b) Each Finance Party shall supply the Facility Agent with any information that the Security Agent may reasonably specify (through the Facility Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent.
- (c) Any Lender may by notice to the Facility Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address and, where communication by electronic mail or other electronic means is permitted under Clause 38.5 (*Electronic communication*), electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 38.2 (*Addresses*) and sub-paragraph (ii) of paragraph (a) of Clause 38.5 (*Electronic communication*) and the Facility Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

31.16 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Transaction Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Finance Party confirms to the Facility Agent and each Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under, or in connection with, any Transaction Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under, or in connection with, any Transaction Document, the Security Property, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (d) the adequacy, accuracy or completeness of any information provided by the Facility Agent, any Party or by any other person under, or in connection with, any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and

- (e) the right or title of any person in or to or the value or sufficiency of any part of the Security Assets, the priority of any of the Transaction Security or the existence of any Security affecting the Security Assets.

31.17 Deduction from amounts payable by the Facility Agent

If any Party owes an amount to the Facility Agent under the Finance Documents, the Facility Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

31.18 Full freedom to enter into transactions

Without prejudice to Clause 31.7 (*Business with the Group*) or any other provision of a Finance Document and notwithstanding any rule of law or equity to the contrary, the Facility Agent shall be absolutely entitled:

- (a) to enter into and arrange banking, derivative, investment and/or other transactions of every kind with or affecting any Transaction Obligor or any person who is party to, or referred to in, a Finance Document (including, but not limited to, any interest or currency swap or other transaction, whether related to this Agreement or not, and acting as syndicate agent and/or security agent for, and/or participating in, other facilities to such Transaction Obligor or any person who is party to, or referred to in, a Finance Document);
 - (b) to deal in and enter into and arrange transactions relating to:
 - (i) any securities issued or to be issued by any Transaction Obligor or any other person; or
 - (ii) any options or other derivatives in connection with such securities; and
 - (c) to provide advice or other services to any Borrower or any person who is a party to, or referred to in, a Finance Document,
- and, in particular, the Facility Agent shall be absolutely entitled, in proposing, evaluating, negotiating, entering into and arranging all such transactions and in connection with all other matters covered by paragraphs (a), (b) and (c) above, to use (subject only to insider dealing legislation) any information or opportunity, howsoever acquired by it, to pursue its own interests exclusively, to refrain from disclosing such dealings, transactions or other matters or any information acquired in connection with them and to retain for its sole benefit all profits and benefits derived from the dealings transactions or other matters.

32 THE SECURITY AGENT

32.1 Trust

- (a) The Security Agent declares that it holds the Security Property on trust for the Secured Parties on the terms contained in this Agreement and shall deal with the Security Property in accordance with this Clause 32 (*The Security Agent*) and the other provisions of the Finance Documents.

- (b) Each other Finance Party authorises the Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under, or in connection with, the Finance Documents together with any other incidental rights, powers, authorities and discretions.
- 32.2 Parallel Debt (Covenant to pay the Security Agent)**
- (a) Each Obligor irrevocably and unconditionally undertakes to pay to the Security Agent its Parallel Debt which shall be amounts equal to, and in the currency or currencies of, its Corresponding Debt.
- (b) The Parallel Debt of an Obligor:
- (i) shall become due and payable at the same time as its Corresponding Debt;
 - (ii) is independent and separate from, and without prejudice to, its Corresponding Debt.
- (c) For purposes of this Clause 32.2 (*Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent:
- (i) is the independent and separate creditor of each Parallel Debt;
 - (ii) acts in its own name and not as agent, representative or trustee of the Finance Parties and its claims in respect of each Parallel Debt shall not be held on trust; and
 - (iii) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).
- (d) The Parallel Debt of an Obligor shall be:
- (i) decreased to the extent that its Corresponding Debt has been irrevocably and unconditionally paid or discharged; and
 - (ii) increased to the extent that its Corresponding Debt has increased,
- and the Corresponding Debt of an Obligor shall be decreased to the extent that its Parallel Debt has been irrevocably and unconditionally paid or discharged,
- in each case provided that the Parallel Debt of an Obligor shall never exceed its Corresponding Debt.
- (e) All amounts received or recovered by the Security Agent in connection with this Clause 32.2 (*Parallel Debt (Covenant to pay the Security Agent)*) to the extent permitted by applicable law, shall be applied in accordance with Clause 35.5 (*Application of receipts; partial payments*).
- (f) This Clause 32.2 (*Parallel Debt (Covenant to pay the Security Agent)*) shall apply, with any necessary modifications, to each Finance Document.

32.3 Enforcement through Security Agent only

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Security Documents except through the Security Agent.

32.4 Instructions

- (a) The Security Agent shall:
 - (i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by:
 - (A) all Lenders (or the Facility Agent on their behalf) if the relevant Finance Document stipulates the matter is an all Lender decision; and
 - (B) in all other cases, the Majority Lenders (or the Facility Agent on their behalf); and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with sub-paragraph (i) above (or if this Agreement stipulates the matter is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).
- (b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or the Facility Agent on their behalf) (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Security Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) Paragraph (a) above shall not apply:
 - (i) where a contrary indication appears in a Finance Document;
 - (ii) where a Finance Document requires the Security Agent to act in a specified manner or to take a specified action;
 - (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the relevant Secured Parties;
 - (iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:

- (A) Clause 32.27 (*Application of receipts*);
 - (B) Clause 32.28 (*Permitted Deductions*); and
 - (C) Clause 32.29 (*Prospective liabilities*).
- (e) If giving effect to instructions given by the Majority Lenders would in the Security Agent's opinion have an effect equivalent to an amendment or waiver referred to in Clause 44 (*Amendments and Waivers*), the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that amendment or waiver.
- (f) In exercising any discretion to exercise a right, power or authority under the Finance Documents where either:
- (i) it has not received any instructions as to the exercise of that discretion; or
 - (ii) the exercise of that discretion is subject to sub-paragraph (iv) of paragraph (d) above,
- the Security Agent shall do so having regard to the interests of all the Secured Parties.
- (g) The Security Agent may refrain from acting in accordance with any instructions of any Finance Party or group of Finance Parties until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.
- (h) Without prejudice to the remainder of this Clause 32.4 (*Instructions*), in the absence of instructions, the Security Agent may (but shall not be obliged to) take such action in the exercise of its powers and duties under the Finance Documents as it considers in its discretion to be appropriate.
- (i) The Security Agent is not authorised to act on behalf of a Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (i) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security or Security Documents.

32.5 Duties of the Security Agent

- (a) The Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) The Security Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party.
- (c) Except where a Finance Document specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Security Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

- (e) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

32.6 No fiduciary duties

- (a) Nothing in any Finance Document constitutes the Security Agent as an agent, trustee or fiduciary of any Transaction Obligor.
- (b) The Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

32.7 Business with the Group

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with, any member of the Group.

32.8 Rights and discretions

- (a) The Security Agent may:
 - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
 - (ii) assume that:
 - (A) any instructions received by it from the Majority Lenders, any Finance Parties or any group of Finance Parties are duly given in accordance with the terms of the Finance Documents;
 - (B) unless it has received notice of revocation, that those instructions have not been revoked;
 - (C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Finance Documents for so acting have been satisfied; and
 - (iii) rely on a certificate from any person:
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Security Agent shall be entitled to carry out all dealings with the other Finance Parties through the Facility Agent and may give to the Facility Agent any notice or other communication required to be given by the Security Agent to any Finance Party.
- (c) The Security Agent may assume (unless it has received notice to the contrary in its capacity as security agent for the Secured Parties) that:

- (i) no Default has occurred;
 - (ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and
 - (iii) any notice or request made by any Borrower (other than a Utilisation Request or a Selection Notice) is made on behalf of and with the consent and knowledge of all the Transaction Obligors.
- (d) The Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (e) Without prejudice to the generality of paragraph (c) above or paragraph (f) below, the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Security Agent (and so separate from any lawyers instructed by the Facility Agent or the Lenders) if the Security Agent in its reasonable opinion deems this to be desirable.
- (f) The Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (g) The Security Agent may act in relation to the Finance Documents and the Security Property through its officers, employees and agents and shall not:
- (i) be liable for any error of judgment made by any such person; or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,
- unless such error or such loss was directly caused by the Security Agent's gross negligence or wilful misconduct.
- (h) Unless a Finance Document expressly provides otherwise the Security Agent may disclose to any other Party any information it reasonably believes it has received as security agent under the Finance Documents.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (j) Notwithstanding any provision of any Finance Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

32.9 Responsibility for documentation

None of the Security Agent, any Receiver or Delegate is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, an Arranger, a Transaction Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property;
- (c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

32.10 No duty to monitor

The Security Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Transaction Obligor of its obligations under any Transaction Document; or
- (c) whether any other event specified in any Transaction Document has occurred.

32.11 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate), none of the Security Agent nor any Receiver or Delegate will be liable for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Transaction Document or the Security Property, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Transaction Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or
 - (iii) any shortfall which arises on the enforcement or realisation of the Security Property; or
 - (iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party other than the Security Agent, that Receiver or that Delegate (as applicable) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Security Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Security Agent if the Security Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Security Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Security Agent to carry out:
 - (i) any "know your customer" or other checks in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party,

on behalf of any Finance Party and each Finance Party confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate, any liability of the Security Agent or any Receiver or Delegate arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent, Receiver or Delegate or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Agent, any Receiver or Delegate at any time which increase the amount of that loss. In no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, the Receiver or Delegate has been advised of the possibility of such loss or damages.

32.12 Lenders' indemnity to the Security Agent

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Security Agent and every Receiver, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the Security Agent's or Receiver's gross negligence or wilful misconduct) in acting as Security Agent or Receiver under the Finance Documents (unless the Security Agent or Receiver has been reimbursed by a Transaction Obligor pursuant to a Finance Document).

- (b) Subject to paragraph (c) below, the Borrowers shall within three days of any demand reimburse any Lender for any payment that Lender makes to the Security Agent pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Security Agent to an Obligor.

32.13 Resignation of the Security Agent

- (a) The Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrowers.
 - (b) Alternatively, the Security Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrowers, in which case the Majority Lenders may appoint a successor Security Agent.
 - (c) If the Majority Lenders have not appointed a successor Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent may appoint a successor Security Agent.
 - (d) The retiring Security Agent shall make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents. The Borrowers shall, within three Business Days of demand, reimburse the retiring Security Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
 - (e) The Security Agent's resignation notice shall only take effect upon:
 - (i) the appointment of a successor; and
 - (ii) the transfer, by way of a document expressed as a deed, of all the Security Property to that successor.
 - (f) Upon the appointment of a successor, the retiring Security Agent shall be discharged, by way of a document executed as a deed, from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of Clause 32.24 (*Winding up of trust*) and paragraph (d) above) but shall remain entitled to the benefit of Clause 14.5 (*Indemnity to the Security Agent*) and this Clause 32 (*The Security Agent*) and any other provisions of a Finance Document which are expressed to limit or exclude its liability (or to indemnify it) in acting as Security Agent. Any fees for the account of the retiring Security Agent shall cease to accrue from (and shall be payable on) that date. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
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- (g) The Majority Lenders may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Borrowers.
- (h) The consent of any Borrower (or any other Transaction Obligor) is not required for an assignment or transfer of rights and/or obligations by the Security Agent.

32.14 Confidentiality

- (a) In acting as Security Agent for the Finance Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by a division or department of the Security Agent other than the division or department responsible for complying with the obligations assumed by it under the Finance Documents, that information may be treated as confidential to that division or department, and the Security Agent shall not be deemed to have notice of it nor shall it be obliged to disclose such information to any Party.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

32.15 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Transaction Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Finance Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under, or in connection with, any Transaction Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under, or in connection with, any Transaction Document, the Security Property, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (d) the adequacy, accuracy or completeness of any information provided by the Security Agent, any Party or by any other person under, or in connection with, any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and

- (e) the right or title of any person in or to the value or sufficiency of any part of the Security Assets, the priority of any of the Transaction Security or the existence of any Security affecting the Security Assets.

32.16 Reliance and engagement letters

Each Secured Party confirms that the Security Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Security Agent) the terms of any reliance letter or engagement letters or any reports or letters provided by accountants, auditors or providers of due diligence reports in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

32.17 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Transaction Obligor to any of the Security Assets;
- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Finance Document or the Transaction Security;
- (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Transaction Security;
- (d) take, or to require any Transaction Obligor to take, any step to perfect its title to any of the Security Assets or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or
- (e) require any further assurance in relation to any Finance Document.

32.18 Insurance by Security Agent

- (a) The Security Agent shall not be obliged:
 - (i) to insure any of the Security Assets;
 - (ii) to require any other person to maintain any insurance; or
 - (iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document,and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.
- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Majority Lenders request it to do so in writing and the Security Agent fails to do so within 14 days after receipt of that request.

32.19 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

32.20 Delegation by the Security Agent

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.
- (b) That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.
- (c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of any such delegate or sub delegate.

32.21 Additional Security Agents

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:
 - (i) if it considers that appointment to be in the interests of the Secured Parties; or
 - (ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant; or
 - (iii) for obtaining or enforcing any judgment in any jurisdiction,and the Security Agent shall give prior notice to the Borrowers and the Finance Parties of that appointment.
- (b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Finance Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.
- (c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

32.22 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Transaction Obligor may have to any of the Security Assets and shall not be liable for or bound to require any Transaction Obligor to remedy any defect in its right or title.

32.23 Releases

Upon a disposal of any of the Security Assets pursuant to the enforcement of the Transaction Security by a Receiver, a Delegate or the Security Agent, the Security Agent is irrevocably authorised (at the cost of the Obligors and without any consent, sanction, authority or further confirmation from any other Secured Party) to release, without recourse or warranty, that property from the Transaction Security and to execute any release of the Transaction Security or other claim over that asset and to issue any certificates of non-crystallisation of floating charges that may be required or desirable.

32.24 Winding up of trust

If the Security Agent, with the approval of the Facility Agent determines that:

- (a) all of the Secured Liabilities and all other obligations secured by the Security Documents have been fully and finally discharged; and
- (b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Transaction Obligor pursuant to the Finance Documents, then
 - (i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Security Documents; and
 - (ii) any Security Agent which has resigned pursuant to Clause 32.13 (*Resignation of the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

32.25 Powers supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

32.26 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement and the other Finance Documents. Where there are any inconsistencies between (i) the Trustee Acts 1925 and 2000 and (ii) the provisions of this Agreement and any other Finance Document, the provisions of this Agreement and any other Finance Document shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement and any other Finance Document shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

32.27 Application of receipts

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document, under Clause 32.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or in connection with the realisation or enforcement of all or any part of the Security Property (for the purposes of this Clause 32 (*The Security Agent*), the "**Recoveries**") shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law and subject to the remaining provisions of this Clause 32 (*The Security Agent*), in the following order of priority:

- (a) in discharging any sums owing to the Security Agent (in its capacity as such) (other than pursuant to Clause 32.2 (*Parallel Debt (Covenant to pay the Security Agent)*)) or any Receiver or Delegate;
- (b) in payment or distribution to the Facility Agent, on its behalf and on behalf of the other Secured Parties, for application towards the discharge of all sums due and payable by any Transaction Obligor under any of the Finance Documents in accordance with Clause 35.5 (*Application of receipts; partial payments*);
- (c) if none of the Transaction Obligors is under any further actual or contingent liability under any Finance Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Transaction Obligor; and
- (d) the balance, if any, in payment or distribution to the relevant Transaction Obligor.

32.28 Permitted Deductions

The Security Agent may, in its discretion:

- (a) set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Agreement; and
- (b) pay all Taxes which may be assessed against it in respect of any of the Security Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

32.29 Prospective liabilities

Following enforcement of any of the Transaction Security, the Security Agent may, in its discretion, or at the request of the Facility Agent, hold any Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later payment to the Facility Agent for application in accordance with Clause 32.27 (*Application of receipts*) in respect of:

- (a) any sum to the Security Agent, any Receiver or any Delegate; and

- (b) any part of the Secured Liabilities,

that the Security Agent or, in the case of paragraph (b) only, the Facility Agent, reasonably considers, in each case, might become due or owing at any time in the future.

32.30 Investment of proceeds

Prior to the payment of the proceeds of the Recoveries to the Facility Agent for application in accordance with Clause 32.27 (*Application of receipts*) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the payment from time to time of those moneys in the Security Agent's discretion in accordance with the provisions of Clause 32.27 (*Application of receipts*).

32.31 Currency conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to another, at a market rate of exchange.
- (b) The obligations of any Transaction Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

32.32 Good discharge

- (a) Any payment to be made in respect of the Secured Liabilities by the Security Agent may be made to the Facility Agent on behalf of the Secured Parties and any payment made in that way shall be a good discharge, to the extent of that payment, by the Security Agent.
- (b) The Security Agent is under no obligation to make the payments to the Facility Agent under paragraph (a) above in the same currency as that in which the obligations and liabilities owing to the relevant Finance Party are denominated.

32.33 Amounts received by Obligors

If any of the Obligors receives or recovers any amount which, under the terms of any of the Finance Documents, should have been paid to the Security Agent, that Obligor will hold the amount received or recovered on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement.

32.34 Full freedom to enter into transactions

Without prejudice to Clause 32.7 (*Business with the Group*) or any other provision of a Finance Document and notwithstanding any rule of law or equity to the contrary, the Security Agent shall be absolutely entitled:

- (a) to enter into and arrange banking, derivative, investment and/or other transactions of every kind with or affecting any Transaction Obligor or any person who is party to, or referred to in, a Finance Document (including, but not limited to, any interest or currency swap or other transaction, whether related to this Agreement or not, and acting as syndicate agent and/or security agent for, and/or participating in, other facilities to such Transaction Obligor or any person who is party to, or referred to in, a Finance Document);

- (b) to deal in and enter into and arrange transactions relating to:
 - (i) any securities issued or to be issued by any Transaction Obligor or any other person; or
 - (ii) any options or other derivatives in connection with such securities; and
- (c) to provide advice or other services to the Borrowers or any person who is a party to, or referred to in, a Finance Document, and, in particular, the Security Agent shall be absolutely entitled, in proposing, evaluating, negotiating, entering into and arranging all such transactions and in connection with all other matters covered by paragraphs (a), (b) and (c) above, to use (subject only to insider dealing legislation) any information or opportunity, howsoever acquired by it, to pursue its own interests exclusively, to refrain from disclosing such dealings, transactions or other matters or any information acquired in connection with them and to retain for its sole benefit all profits and benefits derived from the dealings transactions or other matters.

33 CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

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

34 SHARING AMONG THE FINANCE PARTIES

34.1 Payments to Finance Parties

If a Finance Party (a **"Recovering Finance Party"**) receives or recovers any amount from a Transaction Obligor other than in accordance with Clause 35 (*Payment Mechanics*) (a **"Recovered Amount"**) and applies that amount to a payment due to it under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Facility Agent;
- (b) the Facility Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facility Agent and distributed in accordance with Clause 35 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Facility Agent in relation to the receipt, recovery or distribution; and

- (c) the Recovering Finance Party shall, within three Business Days of demand by the Facility Agent, pay to the Facility Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Facility Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 35.5 (*Application of receipts; partial payments*).
- 34.2 Redistribution of payments**
- The Facility Agent shall treat the Sharing Payment as if it had been paid by the relevant Transaction Obligor and distribute it among the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 35.5 (*Application of receipts; partial payments*) towards the obligations of that Transaction Obligor to the Sharing Finance Parties.
- 34.3 Recovering Finance Party's rights**
- On a distribution by the Facility Agent under Clause 34.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from a Transaction Obligor, as between the relevant Transaction Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Transaction Obligor.
- 34.4 Reversal of redistribution**
- If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:
- (a) each Sharing Finance Party shall, upon request of the Facility Agent, pay to the Facility Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and
 - (b) as between the relevant Transaction Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Transaction Obligor.
- 34.5 Exceptions**
- (a) This Clause 34 (*Sharing among the Finance Parties*) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Transaction Obligor.
 - (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified that other Finance Party of the legal or arbitration proceedings; and
 - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

SECTION 11

ADMINISTRATION

35 PAYMENT MECHANICS

35.1 Payments to the Facility Agent

- (a) On each date on which a Transaction Obligor or a Lender is required to make a payment under a Finance Document, that Transaction Obligor or Lender shall make an amount equal to such payment available to the Facility Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Facility Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or London, as specified by the Facility Agent) and with such bank as the Facility Agent, in each case, specifies.

35.2 Distributions by the Facility Agent

Each payment received by the Facility Agent under the Finance Documents for another Party shall, subject to Clause 35.3 (*Distributions to a Transaction Obligor*) and Clause 35.4 (*Clawback and pre-funding*) be made available by the Facility Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facility Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London), as specified by that Party or, in the case of the Advance, to such account of such person as may be specified by the Borrowers in a Utilisation Request.

35.3 Distributions to a Transaction Obligor

The Facility Agent may (with the consent of the Transaction Obligor or in accordance with Clause 36 (*Set-Off*)) apply any amount received by it for that Transaction Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Transaction Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

35.4 Clawback and pre-funding

- (a) Where a sum is to be paid to the Facility Agent under the Finance Documents for another Party, the Facility Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Facility Agent pays an amount to another Party and it proves to be the case that the Facility Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest

on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.

- (c) If the Facility Agent has notified the Lenders that it is willing to make available amounts for the account of the Borrowers before receiving funds from the Lenders then if and to the extent that the Facility Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Borrowers:
 - (i) the Facility Agent shall notify the Borrowers of that Lender's identity and the Borrowers shall on demand refund it to the Facility Agent; and
 - (ii) the Lender by whom those funds should have been made available or, if the Lender fails to do so, the Borrowers shall on demand pay to the Facility Agent the amount (as certified by the Facility Agent) which will indemnify the Facility Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

35.5 Application of receipts; partial payments

- (a) If the Facility Agent receives a payment that is insufficient to discharge all the amounts then due and payable by a Transaction Obligor under the Finance Documents, the Facility Agent shall apply that payment towards the obligations of that Transaction Obligor under the Finance Documents in the following order:
 - (i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of, and any other amounts owing to, the Facility Agent, the Security Agent, any Receiver or any Delegate under the Finance Documents;
 - (ii) **secondly**, in or towards payment *pro rata* of:
 - (A) any accrued interest and fees due but unpaid to the Lenders under this Agreement;
 - (iii) **thirdly**, in or towards payment *pro rata* of:
 - (A) any principal due but unpaid to the Lenders under this Agreement;
 - (iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Facility Agent shall, if so directed by the Lenders, vary, or instruct the Security Agent to vary (as applicable), the order set out in sub-paragraphs (ii) to (iv) of paragraph (a) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by a Transaction Obligor.

35.6 No set-off by Transaction Obligors

All payments to be made by a Transaction Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

35.7 Business Days

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

35.8 Currency of account

- (a) Subject to paragraphs (b) and (c) below, dollars is the currency of account and payment for any sum due from a Transaction Obligor under any Finance Document.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (c) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

35.9 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facility Agent (after consultation with the Borrowers); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facility Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Facility Agent (acting reasonably and after consultation with the Borrowers) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

35.10 Currency Conversion

- (a) For the purpose of, or pending any payment to be made by any Servicing Party under any Finance Document, such Servicing Party may convert any moneys received or recovered by it from one currency to another, at a market rate of exchange.
- (b) The obligations of any Transaction Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

35.11 Disruption to Payment Systems etc.

If either the Facility Agent determines (in its discretion) that a Disruption Event has occurred or the Facility Agent is notified by a Borrower that a Disruption Event has occurred:

- (a) the Facility Agent may, and shall if requested to do so by a Borrower, consult with the Borrowers with a view to agreeing with the Borrowers such changes to the operation or administration of the Facility as the Facility Agent may deem necessary in the circumstances;
- (b) the Facility Agent shall not be obliged to consult with the Borrowers in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Facility Agent and the Borrowers shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 44 (*Amendments and Waivers*);
- (e) the Facility Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 35.11 (*Disruption to Payment Systems etc.*); and
- (f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

36 SET-OFF

A Finance Party may set off any matured obligation due from a Transaction Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Transaction Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

37 BAIL-IN

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

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

38 NOTICES

38.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by letter.

38.2 Addresses

The 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 the Finance Documents are:

(a) in the case of the Borrowers, that specified in Schedule 1 (*The Parties*);

(b) in the case of each Lender or any other Obligor, that specified in Schedule 1 (*The Parties*) or, if it becomes a Party after the date of this Agreement, that notified in writing to the Facility Agent on or before the date on which it becomes a Party;

(c) in the case of the Facility Agent, that specified in Schedule 1 (*The Parties*);

(d) in the case of the Security Agent, that specified in Schedule 1 (*The Parties*); and

(e) in the case of the Account Bank, that specified in Schedule 1 (*The Parties*),

or any substitute address or department or officer as the Party may notify to the Facility Agent (or the Facility Agent may notify to the other Parties, if a change is made by the Facility Agent) by not less than five Business Days' notice.

38.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under Clause 38.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to a Servicing Party will be effective only when actually received by that Servicing Party and then only if it is expressly marked for the attention of the department or officer of that Servicing Party specified in Schedule 1 (*The Parties*) (or any substitute department or officer as that Servicing Party shall specify for this purpose).

- (c) All notices from or to a Transaction Obligor shall be sent through the Facility Agent unless otherwise specified in any Finance Document.
- (d) Any communication or document made or delivered to the Borrowers in accordance with this Clause will be deemed to have been made or delivered to each of the Transaction Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

38.4 Notification of address

Promptly upon receipt of notification of an address or change of address pursuant to Clause 38.2 (*Addresses*) or changing its own address, the Facility Agent shall notify the other Parties.

38.5 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- (c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Facility Agent or the Security Agent only if it is addressed in such a manner as the Facility Agent or the Security Agent shall specify for this purpose.
- (d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 38.5 (*Electronic communication*).

38.6 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:

- (i) in English; or
- (ii) if not in English, and if so required by the Facility Agent, accompanied by a certified English translation prepared by a translator approved by the Facility Agent and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

39 CALCULATIONS AND CERTIFICATES

39.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

39.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

39.3 Day count convention and interest calculation

- (a) Any interest, commission or fee accruing under a Finance Document will accrue from day to day and the amount of any such interest, commission or fee is calculated:
 - (i) on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice; and
 - (ii) subject to paragraph (b) below, without rounding.
- (b) The aggregate amount of any accrued interest, commission or fee which is, or becomes, payable by an Obligor under a Finance Document shall be rounded to 2 decimal places.

40 PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

41 REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of a Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

42 SETTLEMENT OR DISCHARGE CONDITIONAL

Any settlement or discharge under any Finance Document between any Finance Party and any Transaction Obligor shall be conditional upon no security or payment to any Finance Party by any Transaction Obligor or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

43 IRREVOCABLE PAYMENT

If the Facility Agent considers that an amount paid or discharged by, or on behalf of, a Transaction Obligor or by any other person in purported payment or discharge of an obligation of that Transaction Obligor to a Secured Party under the Finance Documents is capable of being avoided or otherwise set aside on the liquidation or administration of that Transaction Obligor or otherwise, then that amount shall not be considered to have been unconditionally and irrevocably paid or discharged for the purposes of the Finance Documents.

44 AMENDMENTS AND WAIVERS

44.1 Required consents

- (a) Subject to Clause 44.2 (*All Lender matters*) and Clause 44.3 (*Other exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and, in the case of an amendment, the Obligors and any such amendment or waiver will be binding on all Parties.
- (b) The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 44 (*Amendments and Waivers*).
- (c) Without prejudice to the generality of Clause 31.8 (*Rights and discretions*), the Facility Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.
- (d) Paragraph (c) of Clause 29.10 (*Pro rata interest settlement*) shall apply to this Clause 44 (*Amendments and Waivers*).

44.2 All Lender matters

Subject to Clause 44.5 (*Changes to reference rates*), an amendment of or waiver or consent in relation to any term of any Finance Document that has the effect of changing or which relates to:

- (a) the definitions of "Majority Lenders" and "Sanctions" in Clause 1.1 (*Definitions*);
- (b) a postponement to or extension of the date of payment of any amount under the Finance Documents;
- (c) a reduction in the Margin or the amount of any payment of principal, interest, fees or commission payable;
- (d) a change in currency of payment of any amount under the Finance Documents;

- (e) an increase in any Commitment or the Total Commitments, an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments rateably under the Facility;
- (f) a change to any Obligor other than in accordance with Clause 30 (*Changes to the Transaction Obligors*);
- (g) any provision which expressly requires the consent of all the Lenders;
- (h) this Clause 44 (*Amendments and Waivers*);
- (i) any change to the preamble (Background), Clause 2 (*The Facility*), Clause 3 (*Purpose*), Clause 5 (*Utilisation*), Clause 6.2 (*Effect of cancellation and prepayment on scheduled repayments*), Clause 7.1 (*Illegality and Sanctions affecting a Lender*), Clause 7.4 (*Mandatory prepayment on sale, refinancing or Total Loss*), Clause 7.5 (*Change of Control*), Clause 8 (*Interest*), Clause 19.34 (*Sanctions Representations*), Clause 19.36 (*Anti-bribery, anti-corruption and anti-money laundering*), Clause 22.24 (*Use of Proceeds*), Clause 24.9 (*Compliance with laws etc.*), Clause 22.23 (*Sanctions Undertakings*), Clause 23.2 (*Maintenance of obligatory insurances*), Clause 23.3 (*Terms of obligatory insurances*), Clause 23.5 (*Renewal of obligatory insurances*); Clause 24.19 (*Sanctions and Ship trading*), Clause 27 (*Accounts and application of Earnings*), Clause 29 (*Changes to the Lenders*), Clause 34 (*Sharing among the Finance Parties*), Clause 45.4 (*Data Protection*), Clause 49 (*Governing Law*) or Clause 50 (*Enforcement*);
- (j) any release of, or material variation to, any Transaction Security, guarantee, indemnity or subordination arrangement set out in a Finance Document (except in the case of a release of Transaction Security as it relates to the disposal of an asset which is the subject of the Transaction Security and where such disposal is expressly permitted by the Majority Lenders or otherwise under a Finance Document);
- (k) (other than as expressly permitted by the provisions of any Finance Document), the nature or scope of:
 - (i) the guarantees and indemnities granted under Clause 17 (*Guarantee and Indemnity – Guarantor*);
 - (ii) the joint and several liability of the Borrowers under Clause 18 (*Joint and Several Liability of the Borrowers*);
 - (iii) the Security Assets; or
 - (iv) the manner in which the proceeds of enforcement of the Transaction Security are distributed,(except in the case of sub-paragraphs (iii) and (iv) above, insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document);
- (l) the release of the guarantees and indemnities granted under Clause 17 (*Guarantee and Indemnity – Guarantor*) or the release of the joint and several liability of the Borrowers under Clause 18 (*Joint and Several Liability of the Borrowers*) or of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document, shall not be made, or given, without the prior consent of all the Lenders.

44.3 Excluded Commitments

- (a) If any Lender fails to respond to a request for an amendment or waiver described in Clause 44.2 (*All Lender matters*) above within twenty Business Days (or such longer time period in relation to any request which the Borrowers and the Facility Agent may agree) of that request being made:
 - (i) its Commitment or its participation in the Loan (as the case may be) shall not be taken into account for the purpose of calculating the Total Commitments or the amount of the Loan (as applicable) when ascertaining whether any relevant percentage of Total Commitments or the aggregate of participations in the Loan (as applicable) has been obtained to approve that request; and
 - (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

44.4 Other exceptions

- (a) An amendment or waiver which relates to the rights or obligations of a Servicing Party or an Arranger (its capacity as such) may not be effected without the consent of that Servicing Party or that Arranger, as the case may be.
- (b) The Borrowers and the Facility Agent, an Arranger or the Security Agent, as applicable, may amend or waive a term of a Fee Letter to which they are a party.

44.5 Changes to reference rates

- (a) Subject to Clause 44.4 (*Other exceptions*), if a Published Rate Replacement Event has occurred in relation to a Published Rate, any amendment or waiver which relates to:
 - (i) providing for the use of a Replacement Reference Rate in place of (or in addition to) that Published Rate; and
 - (ii)
 - (A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;
 - (B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);
 - (C) implementing market conventions applicable to that Replacement Reference Rate;
 - (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or

- (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Borrowers.

- (b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on a Compounded Rate Loan under this Agreement to any recommendation of a Relevant Nominating Body which:

- (i) relates to the use of the RFR on a compounded basis in the international or any relevant domestic syndicated loan markets; and
- (ii) is issued on or after the date of this Agreement,

may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Borrowers.

- (c) If any Lender fails to respond to a request for an amendment or waiver described in paragraphs (a) or (b) above within 10 Business Days (or such longer time period in relation to any request which the Borrowers and the Facility Agent may agree) of that request being made:

- (i) its Commitment or its participation in the Loan (as the case may be) shall not be included for the purpose of calculating the Total Commitments or the amount of the Loan (as applicable) when ascertaining whether any relevant percentage of Total Commitments or the aggregate of participations in the Loan (as applicable) has been obtained to approve that request; and
- (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

- (d) In this Clause 44.5 (*Changes to reference rates*):

"Published Rate" means:

- (a) the RFR; or
- (b) Term SOFR for any Quoted Tenor.

"Published Rate Contingency Period" means, in relation to:

- (a) Term SOFR (all Quoted Tenors), 10 RFR Banking Days; and
- (b) RFR, 10 RFR Banking Days.

"Published Rate Replacement Event" means, in relation to a Published Rate:

- (a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Majority Lenders, and the Borrowers materially changed;
- (b)
 - (i)
 - (A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,
provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (ii) the administrator of that Published Rate publicly announces that it has ceased or will cease, to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or
- (c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrowers) temporary; or
 - (ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period which is no less than the applicable Published Rate Contingency Period; or
- (d) in the opinion of the Majority Lenders and the Borrowers, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"Replacement Reference Rate" means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Published Rate by:
 - (i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or
 - (ii) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under sub-paragraph (ii) above;
- (b) in the opinion of the Majority Lenders and the Borrowers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to a Published Rate; or
- (c) in the opinion of the Majority Lenders and the Borrowers, an appropriate successor or alternative to a Published Rate.

44.6 Obligor Intent

Without prejudice to the generality of Clauses 1.2 (*Construction*) and 17.4 (*Waiver of defences*), 18.2 (*Waiver of defences*), each Obligor expressly confirms that it intends that any guarantee contained in this Agreement or any other Finance Document and any Security created by any Finance Document shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

45 CONFIDENTIAL INFORMATION

45.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 45.2 (*Disclosure of Confidential Information*) and Clause 45.3 (*Disclosure to numbering service providers*) and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

45.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information

(b) to any person:

- (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer, including for the purposes of Clause 29.9 (*Syndication and Securitisation*)) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Facility Agent or Security Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives, professional advisers and broker or provider for the purpose of credit protection;
- (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Transaction Obligors and to any of that person's Affiliates, Related Funds, Representatives, professional advisers and broker or provider for the purpose of credit protection;
- (iii) appointed by any Finance Party or by a person to whom sub-paragraph (i) or (ii) of paragraph (b) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 31.15 (*Relationship with the other Finance Parties*));
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (i) or (ii) of paragraph (b) above;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitrations, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 29.8 (*Security over Lenders' rights*);
- (viii) which is a classification society or other entity which a Lender has engaged to make the calculations necessary to enable that Lender to comply with its reporting obligations under the Poseidon Principles;
- (ix) who is a Party, a member of the Group or any related entity of a Transaction Obligor;

(x) as a result of the registration of any Finance Document as contemplated by any Finance Document or any legal opinion obtained in connection with any Finance Document; or

(xi) with the consent of the Guarantor;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to sub-paragraphs (i), (ii) and (iii) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
 - (B) in relation to sub-paragraphs (iv) and (viii) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
 - (C) in relation to sub-paragraphs (v), (vi) and (vii) of paragraph (b) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;
- (c) to any person appointed by that Finance Party or by a person to whom sub-paragraph (i) or (ii) of paragraph (b) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered in to a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/ Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrowers and the relevant Finance Party;
- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Transaction Obligors.

45.3 Disclosure to numbering service providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Transaction Obligors the following information:
- (i) names of Transaction Obligors;
 - (ii) country of domicile of Transaction Obligors;

- (iii) place of formation of Transaction Obligors;
- (iv) date of this Agreement;
- (v) Clause 49 (*Governing Law*);
- (vi) the names of the Facility Agent and the Arrangers;
- (vii) date of each amendment and restatement of this Agreement;
- (viii) amount of Total Commitments;
- (ix) currency of the Facility;
- (x) type of Facility;
- (xi) ranking of Facility;
- (xii) Termination Date for Facility;
- (xiii) changes to any of the information previously supplied pursuant to sub-paragraphs (i) to (xii) above; and
- (xiv) such other information agreed between such Finance Party and the Borrowers,

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

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Transaction Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) Each Obligor represents, on behalf of itself and the other Transaction Obligors, that none of the information set out in sub-paragraphs (i) to (xiv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

45.4 Whistleblower Policy

For the avoidance of doubt, nothing herein and in the other Finance Documents prohibits any individual acting on behalf of an Obligor from (i) communicating or disclosing information regarding suspected violations of laws, rules, or regulations to a governmental, regulatory, or self-regulatory authority without any notification to any person and (ii) complying with the GSL Policy.

45.5 Data protection

45.6 Entire agreement

This Clause 45 (*Confidential Information*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

45.7 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

45.8 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrowers:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (v) of paragraph (b) of Clause 45.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 45 (*Confidential Information*).

45.9 Continuing obligations

The obligations in this Clause 45 (*Confidential Information*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

46 CONFIDENTIALITY OF FUNDING RATES

46.1 Confidentiality and disclosure

- (a) The Facility Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.
- (b) The Facility Agent may disclose:
 - (i) any Funding Rate to the Borrowers pursuant to Clause 8.5 (*Notification of rates of interest*); and
 - (ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Facility Agent and the relevant Lender.

- (c) The Facility Agent may disclose any Funding Rate, and each Obligor may disclose any Funding Rate, to:
- (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives, if any person to whom that Funding Rate is to be given pursuant to this sub-paragraph (i) is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;
 - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and
 - (iv) any person with the consent of the relevant Lender.

46.2 Related obligations

- (a) The Facility Agent and each Obligor acknowledge that each Funding Rate is or may be price sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Facility Agent and each Obligor undertake not to use any Funding Rate for any unlawful purpose.
- (b) The Facility Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender:
 - (i) of the circumstances of any disclosure made pursuant to sub-paragraph (ii) of paragraph (c) of Clause 46.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 46 (*Confidentiality of Funding Rates*).

46.3 No Event of Default

No Event of Default will occur under Clause 28.4 (*Other obligations*) by reason only of an Obligor's failure to comply with this Clause 46 (*Confidentiality of Funding Rates*).

47 **COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

48 **ELECTRONIC EXECUTION**

This Agreement may be executed and delivered by facsimile signature or other electronic or digital means (including without limitation portable document format ("**PDF**")). Any such signature shall be of the same force and effect as an original signature, it being the express intent of the Parties to create a valid and legally enforceable contract between them. The exchange and delivery of this Agreement via facsimile or as an attachment to electronic mail (including in PDF) shall constitute effective execution and delivery by the Parties and may be used by the Parties for all purposes. Notwithstanding the foregoing, at the request of either Party, the Parties hereto agree to exchange inked original replacement signature pages as soon thereafter as reasonably practicable.

SECTION 12

GOVERNING LAW AND ENFORCEMENT

49 GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

50 ENFORCEMENT

50.1 Jurisdiction

- (a) Unless specifically provided in another Finance Document in relation to that Finance Document, the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with any Finance Document (including a dispute regarding the existence, validity or termination of any Finance Document or any non-contractual obligation arising out of or in connection with any Finance Document) (a "**Dispute**").
- (b) The Obligors accept that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Obligor will argue to the contrary.
- (c) This Clause 50.1 (*Jurisdiction*) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

50.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor:
 - (i) irrevocably appoints Saville & Co., currently at 11 Old Jewry, London EC2R 8DU, United Kingdom, as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
 - (ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrowers (on behalf of all the Obligors) must immediately (and in any event within three days of such event taking place) appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent may appoint another agent for this purpose.

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

SCHEDULE 1

THE PARTIES

PART A

THE OBLIGORS

Borrower	Name of Borrower	Place of Formation	Registration number (or equivalent, if any)	Address for Communication
Borrower A	Ikaros Marine LLC	Marshall Islands	961979	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr
Borrower B	Leonidas Marine LLC	Marshall Islands (also registered as a Foreign Maritime Entity in the Republic of Liberia)	961847	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr
Borrower C	Hector Marine LLC	Marshall Islands	961978	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr

Borrower D	Aristoteles Marine LLC	Marshall Islands	962290	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr
Borrower E	Menelaos Marine LLC	Marshall Islands	962291	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr
Borrower F	Philippos Marine LLC	Marshall Islands	961953	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr
Borrower G	Alexander Marine LLC	Marshall Islands	961945	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr

Borrower H	Penelope Marine LLC	Marshall Islands (also registered as a Foreign Maritime Entity in the Republic of Liberia)	962563	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr
Borrower I	Laertis Marine LLC	Marshall Islands (also registered as a Foreign Maritime Entity in the Republic of Liberia)	962564	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr
Borrower J	Telemachus Marine LLC	Marshall Islands (also registered as a Foreign Maritime Entity in the Republic of Liberia)	962562	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: legalconfidential@technomar.gr with a copy to: finance@technomar.gr

Name of Guarantor	Place of Formation	Registration number (or equivalent, if any)	Address for Communication
Global Ship Lease, Inc.	Marshall Islands	28891	c/o Technomar Shipping Inc. 3-5 Menandrou Street 145 61 Kifissia Greece Fax no: +30 210 80 84 224 Email: mdanezi@technomar.gr tpsaropoulos@technomar.gr

PART B

THE LENDERS

Name of Original Lender	Commitment	Address for Communication
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK	\$125,000,000	12 place des Etats-Unis 92547 Montrouge Cedex France Fax: +33 1 41 89 19 34 Attn: Ship Finance / Typhaine Hirgorom Email: typhaine.hirgorom@ca-cib.com; Copy: Ship Finance – Representative Office Piraeus, Greece Nicoletta Panayiotopoulos/George Gkanasoulis Email: nicoletta.panayiotopoulos@ca-cib.com; george.gkanasoulis@ca-cib.com
ABN AMRO BANK N.V.	\$100,000,000	Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands Attention: Despoina Pavlidou despoina.pavlidou@gr.abnamro.com
BANK OF AMERICA, N.A.	\$75,000,000	Bank of America Corporate Center 100 North Tryon Street Charlotte NC 28255 United States of America Attention: Loan Lease and Trade Operations, Address: Bank of America N.A. 600 Peachtree Street NE Atlanta, GA 30308-2265 robert.h.thomas@bofa.com Copy: Leasing Ops bal.emea.agent.notices@bofa.com alfred.lau@bofa.com

THE BOOKRUNNERS

Name	Address for Communication
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK	12 place des Etats-Unis 92547 Montrouge Cedex France Fax: +33 1 41 89 19 34 Attn: FCS-ATM / Clementine Costil/Rosine Serra-Joannides/Romy Roussel Email: clementine.costil@ca-cib.com; rosine.serra-joannides@ca-cib.com; romy.rousseau@ca-cib.com Copy: Ship Finance – Representative Office Piraeus, Greece Nicoletta Panayiotopoulos/George Gkanasoulis Email: nicoletta.panayiotopoulos@ca-cib.com; george.gkanasoulis@ca-cib.com
ABN AMRO BANK N.V.	Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands Attention: Danai Kotsia danai.kotsia@gr.abnamro.com
BANK OF AMERICA, N.A.	Bank of America Corporate Center 100 North Tryon Street Charlotte NC 28255 United States of America Attention: Loan Lease and Trade Operations, Address: Bank of America N.A. 600 Peachtree Street NE Atlanta, GA 30308-2265 robert.h.thomas@bofa.com Copy: Leasing Ops bal.emea.agent.notices@bofa.com alfred.lau@bofa.com

THE ARRANGERS

Name

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

Address for Communication

12 place des Etats-Unis
92547
Montrouge Cedex
France
Fax: +33 1 41 89 19 34

Attn: FCS-ATM / Clementine Costil/Rosine Serra-Joannides/Romy Roussel

Email: clementine.costil@ca-cib.com; rosine.serra-joannides@ca-cib.com; romy.rousseau@ca-cib.com

Copy: Ship Finance – Representative Office Piraeus, Greece
Nicoletta Panayiotopoulos/George Gkanasoulis
Email: nicoletta.panayiotopoulos@ca-cib.com; george.gkanasoulis@ca-cib.com

ABN AMRO BANK N.V.

Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Attention: Danai Kotsia/Despoina Pavlidou
danai.kotsia@gr.abnamro.com/ lendingssupport.specialized.1@nl.abnamro.com

BANK OF AMERICA, N.A.

Bank of America Corporate Center
100 North Tryon Street
Charlotte NC 28255
United States of America

Attention: Loan Lease and Trade Operations,
Address: Bank of America N.A.
600 Peachtree Street NE
Atlanta, GA 30308-2265
robert.h.thomas@bofa.com

Copy:
Leasing Ops
bal.emea.agent.notices@bofa.com
alfred.lau@bofa.com

THE MANDATED LEAD ARRANGERS

Name	Address for Communication
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK	12 place des Etats-Unis 92547 Montrouge Cedex France Fax: +33 1 41 89 19 34 Attn: FCS-ATM / Clementine Costil/Rosine Serra-Joannides/Romy Roussel Email: clementine.costil@ca-cib.com; rosine.serra-joannides@ca-cib.com; romy.rousseau@ca-cib.com Copy: Ship Finance – Representative Office Piraeus, Greece Nicoletta Panayiotopoulos/George Gkanasoulis Email: nicoletta.panayiotopoulos@ca-cib.com; george.gkanasoulis@ca-cib.com
ABN AMRO BANK N.V.	Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands Attention: Danai Kotsia danai.kotsia@gr.abnamro.com
BANK OF AMERICA, N.A.	Bank of America Corporate Center 100 North Tryon Street Charlotte NC 28255 United States of America Attention: Loan Lease and Trade Operations, Address: Bank of America N.A. 600 Peachtree Street NE Atlanta, GA 30308-2265 robert.h.thomas@bofa.com Copy: Leasing Ops bal.emea.agent.notices@bofa.com alfred.lau@bofa.com

PART C

THE SERVICING PARTIES

Name of Facility Agent

Crédit Agricole Corporate and Investment Bank

Address for Communication

12 place des Etats-Unis
92547
Montrouge Cedex
France
Fax: +33 1 41 89 19 34

Attn: FCS-ATM / Clementine Costil/Rosine Serra-Joannides/Romy Roussel

Email: clementine.costil@ca-cib.com; rosine.serra-joannides@ca-cib.com; romy.rousseau@ca-cib.com

Copy: Ship Finance – Representative Office Piraeus, Greece
Nicoletta Panayiotopoulos/George Gkanasoulis
Email: nicoletta.panayiotopoulos@ca-cib.com; george.gkanasoulis@ca-cib.com

Name of Security Agent

Crédit Agricole Corporate and Investment Bank

Address for Communication

12 place des Etats-Unis
92547
Montrouge Cedex
France
Fax: +33 1 41 89 19 34

Attn: FCS-ATM / Clementine Costil/Rosine Serra-Joannides/Romy Roussel

Email: clementine.costil@ca-cib.com; rosine.serra-joannides@ca-cib.com; romy.rousseau@ca-cib.com

Copy: Ship Finance, Representative Office Piraeus
Nicoletta Panayiotopoulos/George Gkanasoulis
Email: nicoletta.panayiotopoulos@ca-cib.com; george.gkanasoulis@ca-cib.com

PART D

THE ACCOUNT BANK

Name of Account Bank

Crédit Agricole Corporate and Investment Bank

Address for Communication

12 place des Etats-Unis
92547
Montrouge Cedex
France
Fax: +33 1 41 89 19 34

Attn: FCS-ATM / Clementine Costil/Rosine Serra-Joannides/Romy Roussel

Email: clementine.costil@ca-cib.com; rosine.serra-joannides@ca-cib.com; romy.rousseau@ca-cib.com

Copy: Ship Finance, Representative Office Piraeus

Nicoletta Panayiotopoulos/George Gkanasoulis

Email: nicoletta.panayiotopoulos@ca-cib.com; george.gkanasoulis@ca-cib.com

SCHEDULE 2

CONDITIONS PRECEDENT

PART A

CONDITIONS PRECEDENT TO A UTILISATION REQUEST

- 1 Obligors**
- 1.1 A copy of the constitutional documents of each Transaction Obligor (including, without limitation, any corporate register excerpts and the group structure chart).
- 1.2 A copy of a resolution of the members or managers or board of directors, as applicable, of each Transaction Obligor:
- (a) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
- (b) authorising a specified person or persons to execute the Finance 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 despatch all documents and notices (including, if relevant, a Utilisation Request and each Selection Notice) to be signed and/or despatched by it under, or in connection with, the Finance Documents to which it is a party.
- 1.3 An original of the power of attorney of any Transaction Obligor authorising a specified person or persons to execute the Finance Documents to which it is a party.
- 1.4 A specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2 above.
- 1.5 A copy of a resolution signed by the holder(s) of the issued LLC Shares in each Borrower, approving the terms of, and the transactions contemplated by, the Finance Documents to which that Borrower is a party.
- 1.6 A certificate of each Transaction Obligor (signed by an officer or an officer or its director or indirect member and manager) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on that Transaction Obligor to be exceeded.
- 1.7 A certificate of each Transaction Obligor that is incorporated outside the UK (signed by an officer) certifying either that (i) it has not delivered particulars of any UK Establishment to the Registrar of Companies as required under the Overseas Regulations or (ii) it has a UK Establishment and specifying the name and registered number under which it is registered with the Registrar of Companies.
- 1.8 A certificate of an authorised signatory of the relevant Transaction Obligor certifying that each copy document relating to it specified in this Part A of Schedule 2 (*Conditions Precedent*) is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2 Other Documents

- 2.1 A copy of each Initial Charter (or a binding and unconditional recapitulation of charterparty terms) certified as true and complete together all documents signed or issued by the relevant Borrower or the relevant Initial Charterer (or both of them) under or in connection with it.

3 Finance Documents

- 3.1 A duly executed original of any Subordination Agreement and copies of any relevant Subordinated Finance Document (if applicable).
- 3.2 A duly executed original of any Finance Document not otherwise referred to in this Schedule 2 (*Conditions Precedent*).
- 3.3 A duly executed original of any other document required to be delivered by each Finance Document if not otherwise referred to in this Schedule 2 (*Conditions Precedent*).

4 Security

- 4.1 A duly executed original of the Account Security in relation to each Account (and of each document to be delivered pursuant to it).
- 4.2 A duly executed original of the Subordinated Debt Security (if applicable).

5 Legal opinions

- 5.1 A legal opinion of Watson Farley & Williams LLP, legal advisers to the Arrangers, the Facility Agent and the Security Agent in England, substantially in the form distributed to the Original Lenders before signing this Agreement.
- 5.2 If a Transaction Obligor is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Arrangers, the Facility Agent and the Security Agent in the relevant jurisdiction, substantially in the form distributed to the Original Lenders before signing this Agreement.

6 Other documents and evidence

- 6.1 Evidence that any process agent referred to in Clause 50.2 (*Service of process*), if not an Obligor, has accepted its appointment.
- 6.2 Two valuations of each Ship, in each case addressed to the Facility Agent on behalf of the Finance Parties, stated to be for the purposes of this Agreement and dated not later than 15 days before the first Utilisation Date, each from an Approved Valuer.
- 6.3 A copy of any other Authorisation or other document, opinion or assurance which the Facility Agent considers to be necessary or desirable (if it has notified the Borrowers accordingly) in connection with the entry into and performance of the transactions contemplated by any Transaction Document or for the validity and enforceability of any Transaction Document.
- 6.4 The Original Financial Statements.
- 6.5 The original of any mandates or other documents required in connection with the opening or operation of the Accounts.

- 6.6 Evidence that the fees, costs and expenses then due from the Borrowers pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and Expenses*) have been paid or will be paid by the first Utilisation Date (or at any such later date as the Facility Agent may agree to, acting on the authorisation of the Majority Lenders).
- 6.7 Such evidence as the Facility Agent may require for the Finance Parties to be able to satisfy each of their "know your customer" or similar identification procedures in relation to the transactions contemplated by the Finance Documents.

PART B

CONDITIONS PRECEDENT TO UTILISATION OF AN ADVANCE

References to a Ship and to a Borrower are references to the Ship being financed by the relevant Advance and to the Borrower that will own such Ship respectively.

1 Borrowers

A certificate of an authorised signatory of each Obligor certifying that each copy document which it is required to provide under this Part B of Schedule 2 (*Conditions Precedent*) is correct, complete and in full force and effect as at the relevant Utilisation Date.

2 Release of Existing Security

An original of each Deed of Release relating to an Obligor and a Ship and of each document to be delivered under or pursuant to it, together with evidence satisfactory to the Facility Agent of its due execution by the parties to it.

3 Shares Security

A duly executed original of the Shares Security in relation to a Borrower (and of each document to be delivered pursuant to it).

4 Ship and other security

4.1 A duly executed original of the Mortgage, the General Assignment and the Charterparty Assignment in respect of a Ship and of each document to be delivered under or pursuant to each of them together with documentary evidence that the Mortgage has been duly registered as a valid first preferred or, as the case may, priority ship mortgage in accordance with the laws of the jurisdiction of its Approved Flag.

4.2 Documentary evidence that a Ship:

- (a) is definitively and permanently registered in the name of the relevant Borrower under the Approved Flag applicable to that Ship;
- (b) is in the absolute and unencumbered ownership of the relevant Borrower save as contemplated by the Finance Documents;
- (c) maintains the Approved Classification with the Approved Classification Society free of all overdue recommendations and conditions of the Approved Classification Society; and
- (d) is insured in accordance with the provisions of this Agreement and all requirements in this Agreement in respect of insurances have been complied with.

4.3 Documents establishing that a Ship will, as from the Utilisation Date relating to that Ship, be managed commercially by the Approved Commercial Manager and managed technically by the Approved Technical Manager on terms acceptable to the Facility Agent, together with:

- (a) a Manager's Undertaking for each of the Approved Technical Manager and the Approved Commercial Manager in relation to a Ship; and

- (b) copies of the Inventory of Hazardous Materials relating to the Ship, the Approved Technical Manager's Document of Compliance and of a Ship's Safety Management Certificate (together with any other details of the applicable Safety Management System which the Facility Agent requires) and of any other documents required under the ISM Code and the ISPS Code in relation to a Ship including, without limitation, an ISSC.
- 4.4 At the cost of a Borrower, an opinion from an independent insurance consultant acceptable to the Facility Agent on such matters relating to the Insurances as the Facility Agent may require.
- 5 Legal opinions**
- Legal opinions of the legal advisers to the Arrangers, the Facility Agent and the Security Agent in the jurisdiction of the Approved Flag of each Ship and such other relevant jurisdictions as the Facility Agent may require.
- 6 Other documents and evidence**
- 6.1 Documentary evidence satisfactory to the Facility Agent that the Shares Transfer relating to a Borrower has been completed.
- 6.2 Evidence that the fees, costs and expenses then due from the Borrowers pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and Expenses*) have been paid or will be paid by the Utilisation Date (or at any such later date as the Facility Agent may agree to, acting on the authorisation of the Majority Lenders).
- 6.3 Evidence satisfactory to the Facility Agent that the minimum liquidity required to be maintained by the Borrowers pursuant to Clause 21.1 (*Borrowers' Minimum Liquidity*) is standing to the credit of the Earnings Accounts.
- 6.4 A copy of any other Authorisation or other document, opinion or assurance which the Lenders consider to be necessary or desirable (if they have notified the Borrowers accordingly) in connection with the entry into and performance of the transactions contemplated by any Transaction Document referred to in paragraph 3 (*Ship and other security*) above or for the validity and enforceability of any such Transaction Document.

Each of the documents specified in paragraphs 1.2, 1.3 and 1.5 of Part A shall be notarised or legalised by a competent authority acceptable to the Facility Agent and every other copy document delivered under this Schedule shall be certified as a true and up to date copy by the secretary (or equivalent officer) of the relevant Borrower.

SCHEDULE 3
REQUESTS
PART A
UTILISATION REQUEST

From: IKAROS MARINE LLC
LEONIDAS MARINE LLC
HECTOR MARINE LLC
ARISTOTELES MARINE LLC
MENELAOS MARINE LLC
PHILIPPOS MARINE LLC
ALEXANDER MARINE LLC
PENELOPE MARINE LLC
LAERTIS MARINE LLC
TELEMACHUS MARINE LLC

To: Crédit Agricole Corporate and Investment Bank

Dated: [●]

Dear Sirs

IKAROS MARINE LLC, LEONIDAS MARINE LLC, HECTOR MARINE LLC, ARISTOTELES MARINE LLC, MENELAOS MARINE LLC, PHILIPPOS MARINE LLC, ALEXANDER MARINE LLC, PENELOPE MARINE LLC, LAERTIS MARINE LLC and TELEMACHUS MARINE LLC – US\$300,000,000 Facility Agreement dated [●] 2024 (the "Agreement")

- 1

We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
- 2

We wish to borrow Advance [A][B][C] on the following terms:

Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)

Amount: \$[●] or, if less, the Available Facility

Interest Period for the Advance: [●]
- 3

You are authorised and requested to deduct from the Advance prior to funds being remitted the following amounts set out against the following items:

Deductible Items \$

Commitment Fee

Net proceeds of Advance _____

- 4

We confirm that each condition specified in Clause 4.1 (*Initial conditions precedent*) and Clause 4.2 (*Further conditions precedent*) of the Agreement as they relate to the Advance to which this Utilisation Request refers is satisfied on the date of this Utilisation Request.
- 5

The net proceeds of the Advance should be credited to [account].
- 6

This Utilisation Request is irrevocable.

Yours faithfully

[•]

authorised signatory for
Ikaros Marine LLC

[•]

authorised signatory for
Leonidas Marine LLC

[•]

authorised signatory for
Hector Marine LLC

[•]

authorised signatory for
Aristoteles Marine LLC

[•]

authorised signatory for
Menelaos Marine LLC

[●]
authorised signatory for
Philippos Marine LLC

[●]
authorised signatory for
Alexander Marine LLC

[●]
authorised signatory for
Penelope Marine LLC

[●]
authorised signatory for
Laertis Marine LLC

[●]
authorised signatory for
Telemachus Marine LLC

PART B

SELECTION NOTICE

From: IKAROS MARINE LLC
LEONIDAS MARINE LLC
HECTOR MARINE LLC
ARISTOTELES MARINE LLC
MENELAOS MARINE LLC
PHILIPPOS MARINE LLC
ALEXANDER MARINE LLC
PENELOPE MARINE LLC
LAERTIS MARINE LLC
TELEMACHUS MARINE LLC

To: Crédit Agricole Corporate and Investment Bank

Dated: [●]

Dear Sirs

IKAROS MARINE LLC, LEONIDAS MARINE LLC, HECTOR MARINE LLC, ARISTOTELES MARINE LLC, MENELAOS MARINE LLC, PHILIPPOS MARINE LLC, ALEXANDER MARINE LLC, PENELOPE MARINE LLC, LAERTIS MARINE LLC and TELEMACHUS MARINE LLC – US\$300,000,000 Facility Agreement dated [●] 2024 (the "Agreement")

- 1 We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
- 2 We request [that the next Interest Period for the Loan be [●]] OR [an Interest Period for a part of the Loan in an amount equal to [●] (which is the amount of the Repayment Instalment next due) ending on [●] (which is the Repayment Date relating to that Repayment Instalment) and that the Interest Period for the remaining part of the Loan shall be [●]].
- 3 This Selection Notice is irrevocable.

Yours faithfully

[●]
authorised signatory for
Ikaros Marine LLC

[•]
authorised signatory for
Leonidas Marine LLC

[•]
authorised signatory for
Hector Marine LLC

[•]
authorised signatory for
Aristoteles Marine LLC

[•]
authorised signatory for
Menelaos Marine LLC

[•]
authorised signatory for
Philippos Marine LLC

[•]
authorised signatory for
Alexander Marine LLC

[●]
authorised signatory for
Penelope Marine LLC

[●]
authorised signatory for
Laertis Marine LLC

[●]
authorised signatory for
Telemachus Marine LLC

SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

To: Crédit Agricole Corporate and Investment Bank as Facility Agent

From: [The Existing Lender] (the "**Existing Lender**") and [The New Lender] (the "**New Lender**")

Dated: [●]

Dear Sirs

IKAROS MARINE LLC, LEONIDAS MARINE LLC, HECTOR MARINE LLC, ARISTOTELES MARINE LLC, MENELAOS MARINE LLC, PHILIPPOS MARINE LLC, ALEXANDER MARINE LLC, PENELOPE MARINE LLC, LAERTIS MARINE LLC and TELEMACHUS MARINE LLC – US\$300,000,000 Facility Agreement dated [●] 2024(the "**Agreement**")

- 1 We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
- 2 We refer to Clause 29.5 (*Procedure for transfer*) of the Agreement:
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all of the Existing Lender's rights and obligations under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment and participation in the Loan under the Agreement as specified in the Schedule in accordance with Clause 29.5 (*Procedure for transfer*) of the Agreement.
 - (b) The proposed Transfer Date is [●].
 - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 38.2 (*Addresses*) of the Agreement are set out in the Schedule.
- 3 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 29.4 (*Limitation of responsibility of Existing Lenders*) of the Agreement.
- 4 This Transfer Certificate 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 Transfer Certificate.
- 5 This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 6 This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details

for notices and account details for payments.]

[Existing Lender] [New Lender]

By: [●] By: [●]

This Transfer Certificate is accepted by the Facility Agent and the Transfer Date is confirmed as [●].

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

By: [●]

SCHEDULE 5

FORM OF ASSIGNMENT AGREEMENT

To: Crédit Agricole Corporate and Investment Bank as Facility Agent and Ikaros Marine LLC, Leonidas Marine LLC, Hector Marine LLC, Aristoteles Marine LLC, Menelaos Marine LLC, Philippos Marine LLC, Alexander Marine LLC, Penelope Marine LLC, Laertis Marine LLC and Telemachus Marine LLC as Borrowers, for and on behalf of each Transaction Obligor

From: [the Existing Lender] (the "**Existing Lender**") and [the New Lender] (the "**New Lender**")

Dated: [●]

Dear Sirs

IKAROS MARINE LLC, LEONIDAS MARINE LLC, HECTOR MARINE LLC, ARISTOTELES MARINE LLC, MENELAOS MARINE LLC, PHILIPPOS MARINE LLC, ALEXANDER MARINE LLC, PENELOPE MARINE LLC, LAERTIS MARINE LLC and TELEMACHUS MARINE LLC – US\$300,000,000 Facility Agreement dated [●] 2024 (the "Agreement")

- 1 We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.
- 2 We refer to Clause 29.6 (*Procedure for assignment*) of the Agreement:
 - (a) the Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender's Commitment and participations in the Loan under the Agreement as specified in the Schedule;
 - (b) the Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and participations in the Loan under the Agreement specified in the Schedule;
 - (c) the New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above;
 - (d) all rights and interests (present, future or contingent) which the Existing Lender has under or by virtue of the Finance Documents are assigned to the New Lender absolutely, free of any defects in the Existing Lender's title and of any rights or equities which the Borrower or any other Transaction Obligor had against the Existing Lender.
- 3 The proposed Transfer Date is [●].
- 4 On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender.
- 5 The Facility Office and address, fax, number and attention details for notices of the New Lender for the purposes of Clause 38.2 (*Addresses*) of the Agreement are set out in the Schedule.

- 6 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 29.4 (*Limitation of responsibility of Existing Lenders*) of the Agreement.
- 7 This Assignment Agreement acts as notice to the Facility Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 29.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrowers*) of the Agreement, to the Borrowers (on behalf of each Transaction Obligor) of the assignment referred to in this Assignment Agreement.
- 8 This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.
- 9 This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 10 This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

Note: The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment rights and obligations to be transferred by assignment, release and accession

[insert relevant details]

[Facility office address, fax number and attention details for notices
and account details for payments]

[Existing Lender] [New Lender]

By: [●] By: [●]

This Assignment Agreement is accepted by the Facility Agent and the Transfer Date is confirmed as [●].

Signature of this Assignment Agreement by the Facility Agent constitutes confirmation by the Facility Agent of receipt of notice of the assignment referred to herein, which notice the Facility Agent receives on behalf of each Finance Party.

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

By:

SCHEDULE 6

FORM OF COMPLIANCE CERTIFICATE

To: Crédit Agricole Corporate and Investment Bank as Facility Agent

From: Global Ship Lease, Inc.

Dated: [●]

Dear Sirs

IKAROS MARINE LLC, LEONIDAS MARINE LLC, HECTOR MARINE LLC, ARISTOTELES MARINE LLC, MENELAOS MARINE LLC, PHILIPPOS MARINE LLC, ALEXANDER MARINE LLC, PENELOPE MARINE LLC, LAERTIS MARINE LLC and TELEMACHUS MARINE LLC – US\$300,000,000 Facility Agreement dated [●] 2024 (the "Agreement")

- 1 We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- 2 We confirm that:
- (a) the aggregate minimum liquidity of the Borrowers standing to the credit of the Earnings Accounts pursuant to clause 21.1 (*Borrowers' Minimum Liquidity*) of the Agreement, is \$[●];
 - (b) the aggregate minimum liquidity of the Guarantor is \$[●]; and
 - (c) the Security Cover Ratio is [●] per cent.
- 3 [We confirm that no Default is continuing.]

Signed: _____
Chief Financial Officer
of
GLOBAL SHIP LEASE, INC.

SCHEDULE 7
DETAILS OF THE SHIPS

Ship name	Name of the Borrower	Type	IMO Number	Approved Flag	Approved Society	Classification	Approved Classification
Costa Rica Express	Ikaros Marine LLC	Container ship	9641235	Marshall Islands	Rina Services		C +; Container ship; unrestricted navigation; AUT-UMS; BWM-E – sequential; INWATERSURVEY; LASHING; MON-SHAFT; ROUTE DEPENDENT LASHING
Agios Dimitrios	Leonidas Marine LLC	Container ship	9349605	Liberian	Bureau Veritas		+ Hull + MACH; Container ship; Unrestricted navigation; + VeriSTAR-Hull; + AUT-UMS; + SYS-NEQ; INWATERSURVEY; LASHING-WW; MON-SHAFT
Kristina	Hector Marine LLC	Container ship	9641223	Marshall Islands	DNV GL		+ 100 A5 IW RSD BWM(D1) DG IW LC RSCS RSD + MC AUT CM-PS
Alexis	Aristoteles Marine LLC	Container ship	9686900	Marshall Islands	DNV GL		100 A5 Container ship BWM (D2) DG IW RSD (F25) + MC AUT CM-PS EP-D
Olivia I	Menelaos Marine LLC	Container ship	9686912	Marshall Islands	DNV GL		100 A5 Container ship BWM (D2) DG IW LC RSCS RSD (F25) + MC AUT CM-PS EP-D
Alexandra	Philippos Marine LLC	Container ship	9635676	Marshall Islands	Rina Services		C +; Container Ship; Unrestricted Navigation; + AUT-UMS; BWM-E – sequential; INWATERSURVEY; LASHING; MON-SHAFT; ROUTE DEPENDENT LASHING
Colombia Express	Alexander Marine LLC	Container ship	9635664	Marshall Islands	Rina Services		C +; Container Ship; Unrestricted Navigation; + AUT-UMS; BWM-E – sequential; INWATERSURVEY; LASHING; MON-SHAFT; ROUTE DEPENDENT LASHING
Zim Xiamen	Penelope Marine LLC	Container ship	9710232	Liberian	DNV GL		100 A5 Container ship BWM (D2) DG HLP IW LC RSCS RSD(F25) MC AUT CM-PS EP-D
Zim Norfolk	Laertis Marine LLC	Container ship	9710220	Liberian	DNV GL		100 A5 Container ship BWM (D2) DG HLP IW LC RSCS RSD(F25) MC AUT CM-PS EP-D
Anthea Y	Telemachus Marine LLC	Container ship	9710244	Liberian	DNV GL		100 A5 Container ship BWM (D2) DG HLP IW LC RSCS RSD(F25) MC AUT CM-PS EP-D

SCHEDULE 8

ACCOUNTS

Account	Account Number	Party
Earnings Account	00 260 537 829	IKAROS MARINE LLC
Earnings Account	00 260 537 926	LEONIDAS MARINE LLC
Earnings Account	00 259 440 274	HECTOR MARINE LLC
Earnings Account	00 259 994 144	ARISTOTELES MARINE LLC
Earnings Account	00 259 994 241	MENELAOS MARINE LLC
Earnings Account	00 259 994 047	PHILIPPOS MARINE LLC
Earnings Account	00 260 538 120	ALEXANDER MARINE LLC
Earnings Account	00 261 325 857	PENELOPE MARINE LLC
Earnings Account	00 263 273 617	LAERTIS MARINE LLC
Earnings Account	00 263 273 714	TELEMACHUS MARINE LLC
Retention Account	00 263 273 811	Borrowers

SCHEDULE 9

TIMETABLES

Delivery of a duly completed Utilisation Request (Clause 5.1 (<i>Delivery of a Utilisation Request</i>)) or a Selection Notice (Clause 9.1 (<i>Selection of Interest Periods</i>))	Two Business Days before the intended Utilisation Date (Clause 5.1 (<i>Delivery of a Utilisation Request</i>)) or the expiry of the preceding Interest Period (Clause 9.1 (<i>Selection of Interest Periods</i>))
Facility Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (<i>Lenders' participation</i>)	Two Business Days before the intended Utilisation Date.
Term SOFR is fixed	Noon on the Quotation Day

SCHEDULE 10

BENCHMARK TERMS

Cost of funds as a fallback

cost of funds will apply as a fallback.

Definitions

Break Costs:

Any cost or amount which is incurred or suffered by a Lender (as reasonably determined by that Lender) to the extent that it is attributable to a payment by the Borrowers to the Facility Agent of any amount of principal due or which would have become due under this Agreement prior to the date upon which such amount should have been repaid in accordance with the terms and conditions of this Agreement.

Business Day Conventions (definition of "Month" and Clause 9.3 (*Non-Business Days*)):

- (a) If any period is expressed to accrue by reference to a Month or any number of Months then, in respect of the last Month of that period:
- (i) subject to sub-paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
 - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
 - (iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

- (b) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Central Bank Rate:

- (a) The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or
- (b) if that target is not a single figure, the arithmetic mean of:
 - (i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and
 - (ii) the lower bound of that target range.

Central Bank Rate Adjustment:

In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day, the 20 per cent trimmed arithmetic mean calculated by the Facility Agent (or by any other Finance Party which agrees to determine that mean in place of the Facility Agent), of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR is available.

Central Bank Rate Spread

In relation to any RFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Facility Agent (or by any other Finance Party which agrees to calculate that rate in place of the Facility Agent) of:

- (a) the RFR for that RFR Banking Day; and
- (b) the Central Bank Rate prevailing at close of business on that RFR Banking Day.

Compounded Market Disruption Rate:

The percentage rate per annum which is the Cumulative Compounded RFR Rate for the Interest Period of the relevant Compounded Rate Loan.

Daily Rate:

The "**Daily Rate**" for any RFR Banking Day is:

- (a) the RFR for that RFR Banking Day; or
- (b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:
 - (i) the Central Bank Rate for that RFR Banking Day; and
 - (ii) the applicable Central Bank Rate Adjustment; or

- (c) if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:
- (i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and
 - (ii) the applicable Central Bank Rate Adjustment,
- rounded, in either case, to five decimal places and if, in either case, that rate is less than zero, the Daily Rate shall be deemed to be zero.

Lookback Period:	Five RFR Banking Days.
Reporting Day:	The Business Day which follows the day which is the Lookback Period prior to the last day of the Interest Period.
Reporting Times	
Deadline for Lenders to report market disruption in accordance with Clause 10.3 (<i>Market disruption</i>)	Close of business in London on the Reporting Day for the relevant Compounded Rate Loan.
Deadline for Lenders to report their cost of funds in accordance with Clause 10.4 (<i>Cost of funds</i>)	Close of business on the date falling two Business Days after the Reporting Day for the relevant Compounded Rate Loan (or, if earlier, on the date falling three Business Days before the date on which interest is due to be paid in respect of the Interest Period for that Compounded Rate Loan).

SCHEDULE 11

DAILY NON-CUMULATIVE COMPOUNDED RFR RATE

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

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

where:

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

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

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

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

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

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

where:

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

SCHEDULE 12

CUMULATIVE COMPOUNDED RFR RATE

The "**Cumulative Compounded RFR Rate**" for any Interest Period for a Compounded Rate Loan is the percentage rate per annum (rounded to the same number of decimal places as is specified in the definition of "**Annualised Cumulative Compounded Daily Rate**" in Schedule 11 (*Daily Non-Cumulative Compounded RFR Rate*)) calculated as set out below:

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

where:

"**d₀**" means the number of RFR Banking Days during the Interest Period;

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

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

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

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

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

BORROWERS

Witness' signature:	/s/ Aikaterini C. Emmanouil	)
Witness' name:	Aikaterini C. Emmanouil	)
Witness' address:	13, Deifteras Merarchias Street Piraeus 18535, Greece	)

Witness' signature:	/s/ Aikaterini C. Emmanouil	)
Witness' name:	Aikaterini C. Emmanouil	)
Witness' address:	13, Defterias Merarchias Street Piraeus 18535, Greece	)

Witness' signature:	/s/ Aikaterini C. Emmanouil	)
Witness' name:	Aikaterini C. Emmanouil	)
Witness' address:	13, Defteras Merarchias Street Piraeus 18535, Greece	)

SIGNED

by

Attorney-in-fact

for and on behalf of

ARISTOTELES MARINE LLC

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Filanthi Katsafadou

Filanthi Katsafadou

/s/ Aikaterini C. Emmanouil

Aikaterini C. Emmanouil

13, Defteras Merarchias Street Piraeus 18535, Greece

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SIGNED

by

Attorney-in-fact

for and on behalf of

MENELAOS MARINE LLC

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Filanthi Katsafadou

Filanthi Katsafadou

/s/ Aikaterini C. Emmanouil

Aikaterini C. Emmanouil

13, Defteras Merarchias Street Piraeus 18535, Greece

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SIGNED

by

Attorney-in-fact

for and on behalf of

PHILIPPOS MARINE LLC

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Filanthi Katsafadou

Filanthi Katsafadou

/s/ Aikaterini C. Emmanouil

Aikaterini C. Emmanouil

13, Defteras Merarchias Street Piraeus 18535, Greece

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SIGNED

by

Attorney-in-fact

for and on behalf of

ALEXANDER MARINE LLC

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Filanthi Katsafadou

Filanthi Katsafadou

/s/ Aikaterini C. Emmanouil

Aikaterini C. Emmanouil

13, Defteras Merarchias Street Piraeus 18535, Greece

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SIGNED

by

Attorney-in-fact

for and on behalf of

PENELOPE MARINE LLC

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Filanthi Katsafadou

Filanthi Katsafadou

/s/ Aikaterini C. Emmanouil

Aikaterini C. Emmanouil

13, Defteras Merarchias Street Piraeus 18535, Greece

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SIGNED

by

Attorney-in-fact

for and on behalf of

LAERTIS MARINE LLC

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Filanthi Katsafadou

Filanthi Katsafadou

/s/ Aikaterini C. Emmanouil

Aikaterini C. Emmanouil

13, Defteras Merarchias Street Piraeus 18535, Greece

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SIGNED

by

Attorney-in-fact

for and on behalf of

TELEMACHUS MARINE LLC

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Filanthi Katsafadou

Filanthi Katsafadou

/s/ Aikaterini C. Emmanouil

Aikaterini C. Emmanouil

13, Defteras Merarchias Street Piraeus 18535, Greece

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GUARANTOR

SIGNED

by

Attorney-in-fact

for and on behalf of

GLOBAL SHIP LEASE, INC.

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Filanthi Katsafadou

Filanthi Katsafadou

/s/ Aikaterini C. Emmanouil

Aikaterini C. Emmanouil

13, Defteras Merarchias Street Piraeus 18535, Greece

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ORIGINAL LENDERS

SIGNED

by

Attorney-in-fact

for and on behalf of

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Charikleia Mavromati

Charikleia Mavromati

/s/ Angelos Michas

Angelos Michas

348 Syngrou Avenue Kallithea 17674 Athens - Greece

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SIGNED

by

Attorney-in-fact

for and on behalf of

ABN AMRO BANK N.V.

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Charikleia Mavromati

Charikleia Mavromati

/s/ Angelos Michas

Angelos Michas

348 Syngrou Avenue Kallithea 17674 Athens - Greece

)

)

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)

ORIGINAL LENDERS

SIGNED
by
Attorney-in-fact
for and on behalf of
BANK OF AMERICA, N.A.
in the presence of:

/s/ Rhys Thomas	)
Rhys Thomas	)
	)
	)
	)
	)
Witness' signature:	)
Witness' name:	)
Witness' address:	)
	)

BOOKRUNNERS

SIGNED

by

Attorney-in-fact

for and on behalf of

CREDIT AGRICOLE CORPORATE

AND INVESTMENT BANK

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

SIGNED

by

Attorney-in-fact

for and on behalf of

ABN AMRO BANK N.V.

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

BOOKRUNNERS

SIGNED
by
Attorney-in-fact
for and on behalf of
BANK OF AMERICA, N.A.
in the presence of:

/s/ Rhys Thomas	)
Rhys Thomas	)
	)
	)
	)
	)
Witness' signature:	)
Witness' name:	)
Witness' address:	)
	)

ARRANGERS

SIGNED
by
Attorney-in-fact
for and on behalf of
CREDIT AGRICOLE CORPORATE
AND INVESTMENT BANK
in the presence of:

/s/ Charikleia Mavromati
Charikleia Mavromati

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)

Witness' signature:
Witness' name:
Witness' address:

/s/ Angelos Michas
Angelos Michas
348 Syngrou Avenue Kallithea 17674 Athens - Greece

)
)
)

SIGNED
by
Attorney-in-fact
for and on behalf of
ABN AMRO BANK N.V.
in the presence of:

/s/ Charikleia Mavromati
Charikleia Mavromati

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)

Witness' signature:
Witness' name:
Witness' address:

/s/ Angelos Michas
Angelos Michas
348 Syngrou Avenue Kallithea 17674 Athens - Greece

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)
)

MANDATED LEAD ARRANGERS

SIGNED
by
Attorney-in-fact
for and on behalf of
CREDIT AGRICOLE CORPORATE
AND INVESTMENT BANK
in the presence of:

/s/ Charikleia Mavromati
Charikleia Mavromati

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)

Witness' signature:
Witness' name:
Witness' address:

/s/ Angelos Michas
Angelos Michas
348 Syngrou Avenue Kallithea 17674 Athens - Greece

)
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)

ARRANGERS

SIGNED

by

Attorney-in-fact

for and on behalf of

BANK OF AMERICA, N.A.

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Rhys Thomas

Rhys Thomas

/s/ Marcus Palmer

19 Knatchbull Road

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)

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MANDATED LEAD ARRANGERS

SIGNED

by

Attorney-in-fact

for and on behalf of

ABN AMRO BANK N.V.

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Charikleia Mavromati

Charikleia Mavromati

/s/ Angelos Michas

Angelos Michas

348 Syngrou Avenue Kallithea 17674 Athens - Greece

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FACILITY AGENT

SIGNED

by

Attorney-in-fact

for and on behalf of

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Charikleia Mavromati

Charikleia Mavromati

/s/ Angelos Michas

Angelos Michas

348 Syngrou Avenue Kallithea 17674 Athens - Greece

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SIGNED

by

Attorney-in-fact

for and on behalf of

BANK OF AMERICA, N.A.

in the presence of:

Witness' signature:

Witness' name:

Witness' address:

/s/ Rhys Thomas

Rhys Thomas

/s/ Marcus Palmer

19 Knatchbull Road

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SECURITY AGENT

SIGNED	/s/ Charikleia Mavromati	)
by	Charikleia Mavromati	)
Attorney-in-fact		)
for and on behalf of		)
CREDIT AGRICOLE CORPORATE		)
AND INVESTMENT BANK		)
in the presence of:		)
Witness' signature:	/s/ Angelos Michas	)
Witness' name:	Angelos Michas	)
Witness' address:	348 Syngrou Avenue Kallithea 17674 Athens - Greece	)

ACCOUNT BANK

SIGNED	/s/ Charikleia Mavromati	)
by	Charikleia Mavromati	)
Attorney-in-fact		)
for and on behalf of		)
CREDIT AGRICOLE CORPORATE		)
AND INVESTMENT BANK		)
in the presence of:		)
Witness' signature:	/s/ Angelos Michas	)
Witness' name:	Angelos Michas	)
Witness' address:	348 Syngrou Avenue Kallithea 17674 Athens - Greece	)

1. Shipbroker Not Applicable	BIMCO STANDARD BAREBOAT CHARTER CODE NAME:"BARECON 2001"  PART I	
3. Owners/Place of Business (Cl. 1) OCEAN JING SHIPPING LIMITED, a company incorporated and existing under the laws of the Hong Kong Special Administrative Region of the People's Republic of China with Business Registration Number 62833516 and having its registered office at Units 904-907, 9/F, Dah Sing Financial Centre, 248 Queen's Road East, Hong Kong, China (also registered as a Foreign Maritime Entity in Liberia)	4. Bareboat Charterers/Place of business (Cl. 1) GLOBAL SHIP LEASE 77 LLC, a limited liability company incorporated and existing under the laws of the Republic of Liberia with Registration Number LLC-960401 and having its registered office at 80 Broad Street, Monrovia, Liberia	
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: BREMERHAVEN EXPRESS IMO No.: 9723253 Flag: Republic of Liberia		
6. Type of Vessel Container Ship	7. GT/NT 94684 / 55975	
8. When/Where built 2015 / Hanjin Heavy Industries and Construction (Philippines), Zambales, Philippines	9. Total DWT (abt.) in metric tons on summer freeboard As per Class certificates	
10. Classification Society (Cl. 3) DNV	11. Date of last special survey by the Vessel's classification society As per Class certificates	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) See Vessel's Class certificates		
13. Port or Place of delivery (Cl. 3) See Additional Clause 35 (Delivery)	14. Time for delivery (Cl. 4) See Additional Clause 35 (Delivery)	15. Cancelling date (Cl. 5) Not applicable
16. Port or Place of redelivery (Cl. 15) See Additional Clause 42 (Redelivery)	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) 	
18. Running days' notice if other than stated in Cl. 4 Not Applicable	19. Frequency of dry-docking (Cl. 10(g)) Not Applicable	
20. Trading Limits (Cl. 6) Trading worldwide, always safe/afloat, always within International Navigation Limits and subject to exclusions as per Joint War Risks Committee (JWC) Listed Areas (save as in accordance with clause 41 (Insurances) and any other country, port, place or zone prohibited by the Flag State and/or any of the Sanction Authorities (as defined in the Rider Clauses). Cargo Limits as per Vessel's classification society's requirement and the Vessel's specifications. Always subject to the terms and conditions contained in this Charter.		
21. Charter period (Cl. 2) One Hundred and Twenty (120) months, subject to terms of this Charter	22. Charter hire (Cl. 11) See Additional Clause 40 (Hire)	
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29) (Cl. 10(a)(ii)) Not Applicable		
24. Rate of interest payable acc. to Cl. 11(f) and, if applicable, acc. to PART IV Default Interest Rate as defined in the Additional Clauses See Additional Clauses	25. Currency and method of payment (Cl. 11) US\$ See Additional Clauses	

(continued)

"BARECON 2001" STANDARD BAREBOAT CHARTER

PART I

26. Place of payment; also state beneficiary and bank account (Cl. 11) See Additional Clause 40(d) (Payment account information)	27. Bank guarantee/bond (sum and place) (Cl.24) (optional) Not Applicable
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 Additional Clauses	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 Additional Clause 41 (Insurance)
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, (Cl. 14(g)) Not Applicable	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b)) or, if applicable, (Cl. 14(g)) See Additional Clause 41 (Insurance)
32. Latent defects (only to be filled in if period other than stated in Cl. 3) Not Applicable	33. Brokerage commission and to whom payable (Cl. 27) Not Applicable
34. Grace period (state number of clear banking days)(Cl. 28) See Additional Clauses	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration <u>must</u> be stated (Cl. 30) See Additional Clause 74 (Arbitration)
36. War cancellation (indicate countries agreed) (Cl. 26(f)) Not Applicable	
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)
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)
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) No (See Additional Clauses)	43. Bareboat Charter Registry (indicate with "yes" or "no" whether Part V applies) (optional) No (See Additional Clauses)
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if Part V applies)	45. Country of the Underlying Registry (only to be filled in if Part V applies)
46. Number of additional clauses covering special provisions, if agreed Additional Clauses 32 to 77 (both inclusive) and Schedules 1 - 3, as attached hereto, form integral part of this Charter. In the event of any conflict or inconsistency between the terms of Part I and Part II of this Charter with the terms of the Additional Clauses, the terms of the Additional Clauses shall prevail.	

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 the 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.

EXECUTION PAGE

Signature (Owners)

For and on behalf of
OCEAN JING SHIPPING LIMITED

Name: Huang Mei
Title: Director

Signature (Charterers)

For and on behalf of
GLOBAL SHIP LEASE 77 LLC

Name:
Title:

1. Definitions (See Also Additional Clauses)

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.
“Financial Instrument” means ~~the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28~~ any of the Finance Documents as defined in Additional Clause 32.
Any other defined terms shall have the meaning given to it in the Additional Clause.

2. Charter Period (See Additional Clauses)

~~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 Additional Clause 35)

~~(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 the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter. 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.~~
- ~~(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 for at least the number of months agreed in Box 12.~~
- ~~(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 Additional Clause 35)

~~(not applicable when Part III applies, as indicated in Box 37).~~

~~The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers’ consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15. 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 keep the Charterers closely advised of possible changes in the Vessel’s position.~~

5. Cancelling (Not Applicable)

~~(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, 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.~~
- ~~(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.~~

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 Vessel's P&I Club Owners’ prior approval has been obtained to loading thereof and upon the Owners' request the Charterers shall provide the Owners with a copy of such approval from the Vessel's P&I Club.

7. Surveys on Delivery and Redelivery (See Additional Clause)

~~(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.~~

8. Inspection (See Also Additional Clauses 48(r))

~~The Owners shall have the right at any time 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.~~

- (a) ~~to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. 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 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) ~~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.

~~The Charterers shall also permit the Owners to inspect the Vessel's logbooks 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 (See Additional Clause 37)

~~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 at the Owners' request. 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.~~

Within three (3) months from the Actual Delivery Date, the Charterers shall prepare and deliver to the Owners an inventory of the Vessel's major spare parts for the Main Engine, Diesel Generators and E.R. Auxiliary Machinery on board the Vessel.

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 **for vessels of this type** and ~~except as provided for in Clause 14(f), 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 **free of overdue recommendations and conditions** 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, the cost of compliance and time used in relation thereto shall be for the sole account of the Charterers, 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 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.

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. **See also Additional Clause 57 (Operational notifiable events).**

(d) Flag and Name of Vessel

~~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. See also Additional Clause 39 (Structural changes and alterations), paragraph (p) of Additional Clause 47 and Additional Clause 51 (Name of Vessel).~~

(e) Changes to the Vessel (See Additional Clause 39(a))

~~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 **in accordance with the Vessel's Classification Society's guidelines**. 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 at their expense and risk but **title to such additional equipment shall be deemed to have automatically passed to the Owners immediately upon such fitting** and the Charterers shall **at their expenses** remove such equipment **without damage to the Vessel at the time of redelivery end of the period** 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/indemnify** the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.

(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 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, ~~whichever is shorter.~~

11. Hire (See Additional Clause 40)

(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 in the amount indicated in Box 22 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 in cash without discount 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, shall be calculated proportionally according to the number of days and hours remaining before redelivery 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 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 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.~~

12. Mortgage (See Additional Clause 45)

(only to apply if Box 28 has been appropriately filled in)

Notwithstanding anything to the contrary in this Charter, no obligations will be imposed on the Charterers as a result of Owners entering into the Finance Documents which are more onerous than those imposed on the Charterers pursuant to this Charter.

~~*(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 (Also see Additional Clause 41)

(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~~ shall 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 **reasonably** 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, 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 the moneys between the Owners and Charterers according to their respective interests. 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 (See Additional Clauses)

(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.~~
- (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.~~

- (I) ~~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 Additional Clauses 42 and 43)

~~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.~~

~~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.~~

16. Non-Lien (See also Additional Clauses)

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by their agents, which might have priority over the title and interest of the Owners in the Vessel **(other than the Permitted Encumbrances)**. 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 (See Additional Clause 58)

- (a) The Charterers shall indemnify the Owners against any loss, damage or **documented** 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 **(save for any liens caused directly by the Owners)** 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 **which is not attributable to any Obligor**, 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)~~ as a direct consequence of such arrest or detention **but, for the avoidance of doubt, in such circumstances, the Charterers shall continue to pay Hire.**

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 Additional Clauses)

- (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, 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-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.~~

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 (See Additional Clauses)

- (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".~~

26. War (See Also Additional Clauses)

- (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, **provided that copies of such applicable additional insurance cover shall be provided to the Owners upon the Owners' reasonable request, 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 **unless copies of such applicable additional insurance cover are provided to the Owners upon the Owners' reasonable request.**
- (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.~~
- (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, 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 debarrd under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, 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. In all cases, hire shall continue to be paid in accordance with Clause 14 and except as aforesaid all other provisions of this Charter shall apply until redelivery.~~

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 (See Additional Clauses)

- (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;
 - (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 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 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 fourteen (14) running 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
This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromise 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 (See Additional Clauses)

In the event of the termination of this Charter in accordance with the applicable provisions of this Charter 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 and the Additional Clauses, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners and the Charterer shall procure that the Master and crew follow the orders and directions of 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 (See Additional Clauses)

- (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 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;
 - ~~(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 (See Additional Clauses)

- (a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.
- (b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively

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 Charterer 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 amount 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)
- (b) 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 by 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.
- (c) 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 Owner 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.
- (e) 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 re-delivery.

Without prejudice to Clause 15 (Part H), 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 date of hire per day or pro rata.

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.

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.~~

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**ADDITIONAL CLAUSES
TO BAREBOAT CHARTER FOR "BREMERHAVEN EXPRESS"**

32. Definitions

In this Charter:

"Account Bank" means ABN AMRO Bank N.V. at Gustav Mahlerlaan 10, Postbus 283, 1000 EA Amsterdam (BIC: ABNANL2A) or such other first-class international bank or financial institution as nominated by the Charterers and approved by the Owners in writing from time to time (acting reasonably).

"Account Security" means the deed of charge or pledge or other legal instrument executed or to be executed by the Charterers in Agreed Form in favour of the Security Trustee conferring a Security Interest over the Earnings Account and all amounts from time to time standing to the credit to the Earnings Account.

"Actual Delivery Date" means the date of delivery of the Vessel by the Owners to the Charterers under this Charter.

"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.

"Agreed Form" means in relation to any document, that document in the form approved in writing by the Owners and agreed with the Charterers.

"Agreement Term" means the period commencing on the date of this Charter and terminating on the later of:

- (a) the expiration of the Charter Period; and
- (b) the date on which all money of any nature owed by the Obligor to the Owners under the Transaction Documents or otherwise in connection with the Vessel have been paid in full to the Owners and no obligations of the Obligor of any nature to the Owners or otherwise in connection with the Transaction Documents, the Related Transaction Documents or with the Vessel or the Related Vessels remain unperformed or undischarged.

"Anniversary" means each anniversary of the Actual Delivery Date.

"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 applicable jurisdictions including and without limitation, the United States of America, the European Union and the People's Republic of China and which in each case are:

- (a) issued, administered or enforced by any governmental agency having jurisdiction over any Obligor, the Owners or the Security Trustee; and
- (b) of any jurisdiction in which any Obligor, the Owners or the Trustee conduct business; or Security Interest to which any Obligor, the Owners or the Security Trustee is subjected or subject to.

"Anti-Terrorism Financing Laws" means all applicable anti-terrorism laws, statutes (including all applicable rules and regulations thereunder) and all applicable related or similar rules, regulations, guidelines, of any applicable 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, the Owners or the Security Trustee;

- (b) of any jurisdiction in which any Obligor, the Owners or the Security Trustee conducts business; or
- (c) to which any Obligor, the Owners or the Security Trustee is subjected or subject to.

"**Approved Insurer**" means, in respect of the Vessel, a first-class international insurance broker, underwriter or association acceptable to the Owners (acting reasonably).

"**Approved Manager**" means:

- (a) with respect to the technical management of the Vessel, TECHNOMAR SHIPPING INC., a company incorporated and existing under the laws of the Republic of Liberia with Registration Number C-76029 and having its registered office at 80 Broad Street, Monrovia, Liberia; and
- (b) with respect to the commercial management of the Vessel, CONCHART COMMERCIAL INC., a company incorporate 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, Republic of the Marshall Islands MH 96960; or
- (c) such other first class reputable ship technical and/or commercial manager acceptable to the Owners.

"**Approved Valuer**" means each of BRS Shipbrokers, MB Shipbrokers, Kontiki Shipbrokers, Howe Robinson and any other reputable and independent ship brokers proposed by the Charterers and approved by the Owners (acting reasonably).

"**Arrangement Fee**" has the meaning given to the term in Clause 55(a)(a)(a), being a sum of US\$445,000 (Dollars Four Hundred Forty Five Thousand only).

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

"**Break Costs**" means all costs, losses, premiums or penalties incurred by the Owners as a result of (i) the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the due date for payment of the sum in question and/or (ii) the Termination Payment Date does not fall on a Hire Payment Date (in each case, including any Break Costs incurred under the Finance Documents).

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks and financial markets are open for business:

- (a) in relation to any date for payment, in Amsterdam, Athens, Beijing and New York; and
- (b) for all other purposes, in Beijing and Athens.

"**Business Ethics Laws**" means any laws, regulations and/or other legally binding requirements or determinations in relation to bribery, corruption, fraud, money-laundering, terrorism, collusion bid-rigging or anti-trust, human rights violations (including forced labour and human trafficking) which are applicable to an Obligor or to any jurisdiction where activities are performed and which shall include: (i) the United Kingdom Bribery Act 2010, (ii) the United States Foreign Corrupt Practices Act 1977 and (iii) Prevention of Bribery Ordinance (Cap. 201) of the Laws of Hong Kong.

"**Cancellation Date**" means 31 January 2025 or such later date as the Owners may in their sole discretion approve in writing.

"**Cash Collateral**" has the meaning given to such term in Clause 4832..1(bb) (*Value maintenance*).

"**Charter Group**" means the Charterers, the Charter Guarantor and, the Subsidiaries of each of them from time to time.

"**Charter Guarantee**" means the deed of guarantee and indemnity executed or to be executed by the Charter Guarantor in favour of the Security Trustee in the Agreed Form.

"**Charter Guarantor**" means GLOBAL SHIP LEASE, INC., a corporation incorporated and existing under the laws of the Republic of Marshall Islands with corporation number 28891 and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH 96960, being the sole member and manager of the Charterers.

"**Charter Guarantor Change of Control Event**" means any of the following events:

- (i) the Charterer is not or ceases to be a wholly-owned direct or indirect Subsidiary of the Charter Guarantor;
- (ii) Mr George Giouroukos ceases to own at least 1 per cent. of the shares in the Charter Guarantor (either directly or through one or more of his affiliates);
- (iii) Mr George Giouroukos ceases to be the Executive Chairman of (or to hold an equivalent executive officer position in) the Charter Guarantor other than by reason of death or other incapacity in managing his affairs; or
- (iv) any person(s) own(s) more than 15 per cent. of the shares in the Charter Guarantor, other than Mr George Giouroukos (either directly or through one or more of his affiliates).

"**Charter Period**" means, subject to Clause 40(i) (*Illegality*), Clauses 49 (*Termination Events*), 52 (*Transfer of title*) and 53 (*Total Loss*), the period of One Hundred Twenty (120) months commencing from the Actual Delivery Date.

"**Charterers' Assignment**" means the deed of assignment executed or to be executed (as the case may be) by the Charterers in favour of the Security Trustee in the Agreed Form in relation to certain of the Charterers' rights and interest in and to (among other things) the (a) the Earnings, (b) the Insurances, and (c) the Requisition Compensation and (d) the Initial Sub-Charter and any other Sub-Charter (if any) which have a duration of twelve (12) months or more (including any option to renew or extend).

"**Classification Society**" means the vessel classification society referred to in Box 10 (*Classification Society*) of this Charter, or such other reputable classification society which is a member of the International Association of Classification Societies as the Charterers may select and the Owners may approve from time to time (acting reasonably).

"**Co-Assured Undertakings**" means an undertaking in respect of the Insurances by a party named as an assured or co-assured (as the case may be) on any of the Insurances (other than the Charterers, the Approved Managers, the Owners and the Finance Parties) in favour of the Owners and the Security Trustee.

"**Debt**" means the aggregate from time to time of all sums of any nature (together with all accrued unpaid interest on any of those sums) payable by any Obligor to the Owners under all or any of the Transaction Documents.

"**Default Interest Rate**" means a rate equivalent to the applicable Interest Rate plus two per cent. (2%) per annum (on a 360-day year basis).

"**Default Termination**" means a termination of the Charter Period pursuant to the provisions of Clause 49 (*Termination Events*).

"Delivery Costs" means the aggregate amount of all documented charges, fees, costs (including legal fees) and expenses whatsoever (with the only exception of the MOA Purchase Price) reasonably incurred and/or arising out of and/or in relation to:

- (i) the Owners' taking delivery of the Vessel under the MOA;
- (ii) the delivery of the Vessel by the Owners to the Charterers under this Charter; and
- (iii) the Registration Costs.

"Earnings" means all hires, freights, pool income and other sums payable to or for the account of the Charterers in respect of the Vessel including (without limitation) all remuneration for salvage and towage services, demurrage and detention moneys, contributions in general average, compensation in respect of any requisition for hire, and damages and other payments (whether awarded by any court or arbitral tribunal or by agreement or otherwise) for breach, termination or variation of any contract for the operation, employment or use of the Vessel.

"Earnings Account" means the account in the name of the Charterers (IBAN: NL73ABNA0139181539) opened with the Account Bank and subject to the Account Security acceptable to the Owners, and includes any sub-account thereof and such account which is designated by the Owners as the earnings account for the purposes of this Charter.

"Environmental Claim" means any claim by any person which arises out of an Environmental Incident which relates to any Environmental Law.

"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 arrested, attached, detained or enjoined and/or the Vessel and/or the Owners and/or the Charterers and/or any Approved Manager and/or any operator or manager of the Vessel is at fault or otherwise liable to any legal action; or
- (c) any other incident 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 Approved Manager and/or any operator or manager of the Vessel is at fault or otherwise liable to any legal action.

"Environmental Law" means any law or regulation having the force of law applicable to the Vessel or the use and employment of the Vessel by the Owners and the Charterers relating to pollution or protection of the environment, to the carriage of Environmentally Sensitive Material or to actual releases of Environmentally Sensitive Material.

"Environmental Permits" means any permit and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the Vessel.

"Environmentally Sensitive Material" means oil, oil products and any other substance (including any chemical, gas or other hazardous or noxious substance) which is polluting, toxic or hazardous.

"EU ETS Mandate Letter" means the mandate letter in respect of the Vessel addressed to the relevant entities charged with administering compliance with the EU-ETS Regulations and duly executed by the Owners and the Charterers and the Approved Manager nominated by the Charterers, mandating the Approved Manager as nominated by the Charterers and approved by the Owners as the party required to comply with and be responsible for compliance with the EU-ETS Regulations in place of the Owners.

"EU-ETS Regulations" means:

- (a) EU Emissions Trading Scheme (Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system as amended by Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023) and the Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 as the same may be amended, supplemented, superseded or readopted from time to time (whether with or without modifications); and
- (b) any applicable law implementing the above Directive and/or Implementing Regulation.

"**Finance Document**" means any facility agreement, security document, fee letter and any other document designated as such by the Finance Parties and the Owners, and which have been or may be (as the case may be) entered into between the Finance Parties and the Owners for the purpose of, among other things, financing or (as the case may be) refinancing all or any part of the Outstanding Principal.

"**Finance Party**" means any bank or financial institution which is or will be party to a Finance Document (other than the Owners and other entities which may have agreed or be intended as debtors and/or obligors thereunder) and "**Finance Parties**" means two or more of them.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in 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 amount raised under any other transaction (including any forward sale or hire purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"Financial Institution" means any bank or financial institution, 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.

"Fixed Hire" means in respect of each Hire Payment Date, an amount of US\$862,500 (Dollars Eight Hundred Sixty Two Thousand Five Hundred Only).

"GAAP" means generally accepted accounting principles in the United States or the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board, in either case as in effect from time to time.

"Head MOA" means the memorandum of agreement and its addendum no.1 both dated 29 November 2024 made by and between the Head Selles as sellers and the Charterers as buyers for the sale and purchase of the Vessel.

"Head Sellers" means Minsheng Zhi He (Tianjin) Shipping Leasing Company Limited, a company incorporated and existing under the laws of the People's Republic of China and having its registered office at Room 202, No.6262, Australia Road, Dongjiang Free Trade Pilot Zone, Tianjin (DJBS Free Trade Zone Branch No. 2509), China.

"Hire" means, in relation to each Hire Period, the aggregate amount of (A) the Fixed Hire and (B) the Variable Hire for that Hire Period.

"Hire Payment Date" means in relation to the Hire for each Hire Period, the last day of that Hire Period.

"Hire Period" means

- (a) in relation to the first Hire Period, the period commencing on the MOA Payment Date and ending on the last day of three (3) months of the Actual Delivery Date; and
- (b) in relation to each and every successive Hire Period, each and every consecutive three (3)-month period during the Charter Period commencing forthwith upon the expiration of the immediately previous Hire Period, provided that the last and final Hire Period shall end on the last day of the Charter Period.

"Holding Company" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"Hong Kong" means the Hong Kong Special Administrative Region of The People's Republic of China.

"IAPPC" means a valid international air pollution prevention certificate for the Vessel issued under Annex VI (Regulations for the Prevention of Air Pollution from Ships) to the International Convention for the Prevention of Pollution from Ships 1973 (as modified in 1978 and 1997).

"Indemnitee" has the meaning given to such term in Clause 58 (*Further indemnities*).

"Initial Sub-Charter" means the time charterparty dated 8 January 2021 in respect of the Vessel with the Initial Sub-Charterers as charterers, as amended, supplemented and novated from time to time, in particular, pursuant to the Initial Sub-Charter Novation Agreement.

"Initial Sub-Charter Novation Agreement" means the novation agreement to the Initial Sub-Charter entered into or to be entered into by and between the Initial Sub-Charterers as charterers, the Head Sellers as original owners and the Charterers as new owners, whereby subject and pursuant to the terms and conditions therein contained, with effect from the time and date of delivery of the Vessel by the Head Sellers to the Charterers under the Head MOA, all the rights and obligations of the Head Sellers (as owners) under the Initial Sub-Charter shall be novated to and assumed by the Charterers.

"**Initial Sub-Charterers**" means Hapag-Lloyd Aktiengesellschaft of Ballindamm 25, Hamburg, Germany.

"**Innocent Owners' Interest Insurances**" means all policies and contracts of innocent owners' interest insurance and innocent owners' additional perils insurance from time to time taken out by the Owners in relation to the Vessel.

"**Insurances**" means all policies and contracts of insurance which are from time to time taken out or entered into by the Charterers in respect of the Vessel or her earnings or otherwise in connection with the Vessel or her earnings.

"**Interest Rate**" means the rate of interest applicable for each Hire Period and any other period for which an interest rate is to be determined is the percentage rate per annum which is the aggregate of:

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

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

- (a) either:
 - (i) the applicable Term SOFR (as of the Quotation Day) for the longest period (for which Term SOFR is available) which is less than three (3) months; or
 - (ii) if no such Term SOFR is available for a period less than three (3) months, SOFR for the day which is three (3) US Government Securities Business Days before the Quotation Day; and
- (b) the applicable Term SOFR (as of the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds 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) (as amended by MSC 104 (73)) and A.913(22) (superseding Resolution A.788 (19)), as the same may be amended, supplemented or superseded from time to time (and the terms "safety management system", "Safety Management Certificate" and "Document of Compliance" have the same meanings as are given to them in the ISM Code).

"**ISPS Code**" means the International Ship and Port Facility Security Code adopted by the International Maritime Organisation (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.

"**Legal Opinions**" means the legal opinions provided to the Owners under Clause 36.(b)(vi) (*Conditions precedent and conditions subsequent*).

"**Legal Reservations**"

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against nonpayment of UK stamp duty may be void and defences of set-off or counterclaim;

- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"Manager's Undertakings" means the deed of undertaking executed or to be executed by each Approved Manager in favour of the Owners and the Security Trustee in the Agreed Form.

"Margin" means two point five per cent. (2.5%) per annum.

"Market Value" means the Market Value determined pursuant to Clause 4832..1(bb) (*Value maintenance*).

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

- (a) the business, operations, property, financial condition of the Charter Group taken as a whole; or
- (b) the ability of any Obligor to perform its or his obligations under the Transaction Documents to which it is a party; or
- (c) the effectiveness or ranking of any Security Interest granted pursuant to any of the Transaction Documents or the rights or remedies of the Owners or the Security Trustee under any Transaction Document.

"MOA" has the meaning given to such term in Clause 34 (*Background*).

"MOA Payment Date" means the date on which the Owners remit the MOA Purchase Price to the client account of the Escrow Agent (as defined in the MOA) pursuant to Clause 3.2 (*Preposition*) of the MOA.

"MOA Purchase Price" means the purchase price as stated in clause 1 (*Purchase price*) of the MOA, being US\$44,500,000 (Dollars Forty Four Million Five Hundred Thousand Only).

"month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last day in that calendar month.

"Mortgagees' Interest Insurances" means all policies and contracts of mortgagees' interest insurance, mortgagees' additional perils insurance taken out by any Finance Party in relation to the Vessel.

"Obligors" means the Charterers, the Charter Guarantor and the Related Charterers.

"Original Principal" means an amount equal to the MOA Purchase Price, being US\$44,500,000 (Dollars Forty Four Million Five Hundred Thousand Only).

"Outstanding Principal" means, at any relevant time during the Agreement Term, an amount equal to the Original Principal as may be reduced by payment of Fixed Hire in accordance with Clause 40(a) (*Hire*) and prepayment of the Purchase Obligation Price in accordance with Clause 48(bb) (*Value maintenance*).

"Owners' Account" means, subject to Clause 40(d) (*Payment account information*), the Owner's bank account described in Box 26 (*Place of payment; also state beneficiary and bank account*) of this Charter.

"Party" means each of the Owners and the Charterers.

"Perfection Requirements" means any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration for the relevant Transaction Documents set out as perfection requirements (howsoever described) for such Transaction Documents in any legal opinion referred to under Clause 36 (*Conditions precedent and conditions subsequent*).

"PDA" means the protocol of delivery and acceptance in relation to the Vessel to be executed between the Owners and the Charterers, substantially in the form of Schedule 1 (*Form of Protocol of Delivery and Acceptance*) hereto.

"Permitted Security" means:

- (a) any Security Interest created pursuant to any Finance Document or otherwise created with the prior written consent of the Owners;
- (b) any liens for unpaid master's, officer's and crew's wages in accordance with usual maritime practice and are discharged within thirty (30) days;
- (c) any liens for salvage;
- (d) any liens for master's disbursements incurred in the ordinary course of trading and are discharged within thirty (30) days;
- (e) any other lien arising (i) by operation of law or (ii) otherwise in the ordinary course of operation, repair or maintenance of the Vessel and not as a result of any default or omission of any Obligor not exceeding an aggregate amount of US\$1,500,000 (Dollars One Million Five Hundred Thousand); or
- (f) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the Owners are prosecuting or defending such action in good faith by appropriate steps.

"Potential Termination Event" means, an event or circumstance specified in Clause 49 (*Termination Event*) which would, with the expiry of any applicable grace period, the giving of any notice, the lapse of time, a determination under the Transaction Documents or any combination of the foregoing, be a Termination Event.

"PRC" means the People's Republic of China.

"Purchase Obligation Price" means the amount due and payable by the Charterers to the Owners pursuant to paragraph (c) of Clause 52 (*Transfer of title*), being an amount of US\$10,000,000 (Dollars Ten Million only).

"Purchase Option Date" means any Hire Payment Date as specified in the Purchase Option Notice served in accordance with paragraph (a) of Clause 52 (*Transfer of title*), which shall be a Business Day falling on or after the 3rd Anniversary.

"Purchase Option Notice" has the meaning given to such term in Clause 52 (*Transfer of title*).

"Purchase Option Fee" means an amount equal to five per cent. (5%) of the Outstanding Principal as at the Purchase Option Date.

"Purchase Option Price" means the amount due and payable by the Charterers to the Owners pursuant to paragraph (b) of Clause 52 (*Transfer of title*), being the aggregate of:

- (a) the Outstanding Principal as at the Purchase Option Date;
- (b) the applicable Purchase Option Fee;
- (c) any Variable Hire which has accrued but is unpaid up to the Purchase Option Date (inclusive); and

- (d) all legal costs and expenses and other reasonable documented costs and expenses incurred by the Owners relating to exercise by the Charterers of their purchase option right pursuant to Clause 52 (*Transfer of title*).

"Quotation Day" means, in relation to any Hire Period and any other period for which an interest rate is to be determined, three (3) US Government Securities Business Days before the first day of that Hire Period (as the case may be) (unless the Owners, in their reasonable opinion, consider 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).

"Reference Rate" means, in relation to any Outstanding Principal:

- (a) the applicable Term SOFR as of the Quotation Day for a period of three (3) months; or
(b) as otherwise determined pursuant to Clause 40(l) (*Unavailability of Term SOFR*),

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

"Registration Costs" means any documented costs and expenses (including fees and taxes) in respect of:

- (a) the registration (or, as the case may be, any re-registration) of title to the Vessel in the Owners' name;
(b) the registration of the Owners as a foreign maritime entity (or similar) under the laws of the flag state (if applicable);
(c) the financing charter recordation in respect of this Charter with the shipping registry or other competent authority of the flag state or other relevant jurisdiction (if applicable);
(d) the bareboat charter registration in the name of the Charterers with the shipping registry or other competent authority of the flag state or other relevant jurisdiction (if applicable); and
(e) the maintenance of any of the aforementioned registrations and recordation on the Actual Delivery Date and for the duration of the Charter Period,

and without prejudice to the generality of the foregoing, the Registration Costs shall include all documented costs and expenses (including, not limited to, notarisation and legalisation or apostille cost and reasonable legal fees) incurred by the Owners in preparing and provision of instruments and documents required for effecting, maintaining and perfecting the aforesaid registration and recordation and all fees and charges and tonnage tax charged by the relevant ship registry or other authorities.

"Relevant Jurisdiction" means, in relation to an Obligor:

- (a) its jurisdiction of incorporation or formation (as the case may be);
(b) any jurisdiction where any asset subject to or intended to be subject to a Security Document to be executed by it is situated;
(c) any jurisdiction where it principally conducts its business; and
(d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"Related Charter" means,

- (a) each bareboat charter party entered into or to be entered into the same day as this Charter or at any time after the date hereof, the details of which are listed in Schedule 3 hereto (*Related Charter and relevant information*); and
- (b) the bareboat charter party of any ship which may be entered into from time to time between the Owners or any Affiliate of the Owners (as owners) and a member of the Charter Group (as charterers).

"Related Charterers" means the charterers under any Related Charter.

"Related Owners" means the owners under any Related Charter.

"Related Transaction Document" means any "Transaction Document" as defined in each Related Charter.

"Requisition Compensation" means all compensation or other money which may from time to time be payable to the Charterers as a result of the Vessel being requisitioned for title or in any other way compulsorily acquired (other than by way of requisition for hire).

"Restricted Countries" means those countries subject to country-wide or territory-wide Sanctions and/or trade embargoes, in particular but not limited to pursuant to the U.S.'s Office of Foreign Asset Control of the U.S. Department of Treasury ("**OFAC**") at the date of this Charter, Cuba, Crimea, Iran, North Korea and Syria and any additional countries based on respective country-wide or territory-wide Sanctions being imposed by OFAC or any of the regulative bodies referred to in the definition of Restricted Person.

"Restricted Person" means a person or entity that is (a) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List; (b) a national of, incorporated under the laws of, or owned 50% or more or (directly or indirectly) controlled by, or acting on behalf of, a person organised under the laws of a country or territory that is a Restricted Country; or (c) otherwise a target of Sanctions ("**target of Sanctions**" signifying a person with whom a US person or other national of Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities); provided that provided that, in the case of a person or entity that is targeted only by "sectoral sanctions," or other Sanctions that do not generally prohibit transactions with such person, such person or entity shall be a Restricted Person with respect to a transaction only to the extent that a Party or any other person or entity organised or resident in the jurisdiction of a Sanctions Authority would be prohibited by the law of any such applicable jurisdiction from entering into, directly or indirectly, such transaction with such person.

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

- (a) imposed by law or regulation of (i) the United States government; (ii) the United Nations; (iii) the European Union; (iv) the People's Republic of China; (v) the United Kingdom; or (vi) the United Nations Security Council, the Office of Foreign Assets Control of the US Department of Treasury ("**OFAC**"), the United States Department of State, the Council of the European Union, the European Commission, and His Majesty's Treasury ("**HMT**") (together, the "**Sanctions Authorities**"); or
- (b) otherwise imposed by any law or regulation by which any Obligor is bound (which shall include without limitation, any extra-territorial sanctions imposed by law or regulation of the United States of America) or as regards a regulation, compliance with which is reasonable in the ordinary course of business of any Obligor,

against any state, natural or legal person, body or entity.

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by the OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"**Security Documents**" means, in relation to the Vessel, the following:

- (a) the Account Security;
- (b) the Charterers' Assignment;
- (c) any Manager's Undertaking;
- (d) the Share Security;
- (e) the Security Documents under any Related Charter; and
- (f) any document designated by the Owners and the Charterers as a Security Document;

and "**Security Document**" means any one of them.

"**Security Interest**" means a mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, trust arrangement, title retention or other security interest or arrangement of any kind whatsoever.

"**Security Trust Deed**" means the deed executed or to be executed by (amongst others) the Security Trustee, the Owners, the Related Owners, the Charterers, the Related Charterers and the Charter Guarantor.

"**Security Trustee**" means OCEAN RAINBOW SHIPPING LIMITED, a company incorporated and existing under the laws of Hong Kong with Business Registration Number 62836611 and having its registered office at Units 904-907, 9/F Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong, China.

"**Settlement Date**" means, following a Total Loss of the Vessel, the earliest of:

- (a) the date which falls One Hundred (100) days after the date of occurrence of the Total Loss or, if such date is not a Business Day, the immediately preceding Business Day; and
- (b) the date on which the Owners receive the Total Loss Proceeds in respect of the Total Loss; and
- (c) the expiry date of the Charter Period.

"**Share Security**" means the deed of charge or pledge over all the limited liability company interests in the Charterers executed or (as the case may be) to be executed by the Charter Guarantor as chargor in favour of the Security Trustee.

"**Ship Management Agreement**" means any agreement made or to be made between the Charterers and any Approved Manager in respect of the technical and/or commercial management of the Vessel on such terms and conditions reasonably acceptable to the Owner.

"**Sub-Charter**" means, any charterparty in respect of the Vessel entered into by the Charterers (as disponent owners) for the employment of the Vessel.

"**Sub-Charterers**" means, in respect of the Vessel, any sub-charterers which are or will be parties to a Sub-Charter.

"**Subsidiary**" means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

- (b) more than half the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being "controlled" by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Tax**" or "**tax**" means, other than taxes imposed on the overall net income of the Owners, their Holding Company, their group and/or the Finance Parties, any FATCA Deduction, any present and future tax (including, without limitation, value added tax, consumption tax or any other tax in respect of added value or any income), levy, impost, duty or other charge or withholding of any nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and "**Taxes**", "**Taxation**" and "**taxation**" shall be construed accordingly.

"**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 each of the events specified in paragraph (a) of Clause 49 (*Termination Events*).

"**Termination Notice**" has the meaning given to such term in 40(i) (*Illegality*) and Clause 49(b) (*Owners' options after occurrence of a Termination Event*).

"**Termination Payment Date**" means:

- (a) in respect of a termination of this Charter in accordance with Clause 40(i) (*Illegality*), the date specified in the Termination Notice served on the Charterers pursuant to that Clause;
- (b) in respect of a termination of this Charter in accordance with Clause 40(j) (*Increased Costs*), the date specified in the Termination Notice served on the Charterers pursuant to that Clause;
- (c) in respect of a Default Termination, fifteen (15) days after the date on which the Termination Notice is served on the Charterers pursuant to paragraph (b) of Clause 49 (*Termination Events*) in respect of such Default Termination;
- (d) in respect of a Total Loss Termination, the Settlement Date in respect of the Total Loss which gives rise to such Total Loss Termination.

"**Termination Sum**" means an amount representing the Owners' losses as a result of the early termination of this Charter prior to the expiry of the Charter Period, which both parties acknowledge as a genuine and reasonable pre-estimate of the Owners' losses in the event of such termination and shall consist of the following:

- (a) the Outstanding Principal as at the Termination Payment Date;
- (b) an amount equal to six per cent. (6%) of the Outstanding Principal as at the Termination Payment Date, provided such amount shall not be payable and shall not form part of the Termination Sum in the event this Charter is terminated:
 - (A) as a result of a Total Loss Termination; or
 - (B) pursuant to the provisions of Clause 40(i) (*Illegality*) solely for the reason that it is unlawful or it is prohibited for the Owners (but not the Charterers) to charter the Vessel under this Charter; or

(C) pursuant to the provisions of Clause 40(j) (*Increased Costs*) at any time on or after the 3rd Anniversary of the Actual Delivery Date.

- (c) any Variable Hire which has accrued, but is unpaid, up to (and including) the Termination Payment Date;
- (d) any and all Unpaid Sums due and payable together with interest accrued thereon pursuant to Clause 40(g) (*Default Interest*);
- (e) any Break Costs; and
- (f) all liabilities, documented costs and expenses reasonably incurred by the Owners (including, without limitation, legal expenses).

"**Test Date**" means each of the following dates on which the Valuation Reports shall be provided to the Owners in accordance with Clause 4832..1(aa) (*Valuation Reports*):

- (i) 30 June and 31 December in each year during the Charter Period (each such Valuation Report to be at the Charterers' cost); and
- (ii) following the occurrence of a Termination Event and whilst the same is continuing, each other date as the Owners may require in their absolute discretion (with not less than 30 days prior notice to the Charterers) (each such additional Valuation Report shall be at the cost of the Charterers).

"**Third Parties Act**" means the Contracts (Rights of Third Parties) Act 1999.

"**Threshold Amount**" means **US\$1,500,000 (Dollars One Million Five Hundred Thousand only)** or the equivalent in any other currency.

"**Title Transfer PDA**" means the protocol of delivery and acceptance in relation to the Vessel to be executed between the Owners and the Charterers, substantially in the form of Schedule 2 (*Form of Title Transfer Protocol of Delivery and Acceptance*) hereto.

"**Total Loss**" means during the Charter Period:

- (a) actual or constructive or compromised or agreed or arranged total loss of the Vessel and for clarity, 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; or
- (b) the requisition for title or compulsory acquisition of the Vessel by any government or other competent authority (other than by way of requisition for hire) unless the Vessel is released and returned to the possession of the Owners or the Charterers within sixty (60) days after the requisition for title or compulsory acquisition in question; or
- (c) the capture, seizure, hijacking, theft, condemnation as prize, confiscation or forfeiture of the Vessel (not falling within paragraph (b) of this definition), unless the Vessel is released and returned to the possession of the Owners or the Charterers within ninety (90) days after the capture, seizure, arrest, detention, hijacking, theft, condemnation as prize, confiscation or forfeiture in question (for the avoidance of confusion, always excluding any arrest or detention or similar incident through judicial procedures or legal proceedings or, by reason of or in connection with maritime lien or any claim against an Obligor or arising out of or in relation to the use, operation, maintenance or management of the Vessel or, otherwise caused by or attributable to an Obligor), and for the purpose of this Charter, (i) an actual Total Loss of the Vessel shall be deemed to have occurred at the date and time when the Vessel was lost but if the date of the loss is unknown the actual Total Loss shall be deemed to have occurred on the date on which the Vessel was last reported, (ii) a constructive Total Loss shall be deemed to have occurred at the date and time at which a notice of abandonment of the Vessel is given to the insurers of the Vessel and (iii) a compromised, agreed or arranged Total Loss shall be deemed to have occurred on the date of the relevant compromise, agreement or arrangement.

"Total Loss Proceeds" means the proceeds of the Insurances or any other compensation of any description in respect of a Total Loss unconditionally received and retained by or on behalf of the Owners in respect of a Total Loss.

"Total Loss Termination" means a termination of the Charter Period pursuant to the provisions of paragraph (a) of Clause 53 (*Total Loss*).

"Transaction Documents" means, together:

- (a) this Charter;
- (b) the MOA;
- (c) the Charter Guarantee;
- (d) any Co-Assured Undertaking;
- (e) the Security Trust Deed; and
- (f) the Security Documents,

and such other documents as may in good faith be designated as such by the Owners from time to time.

"Unpaid Sum" means any sum due and payable but unpaid by any Obligor under the Transaction Documents.

"US Dollars", "Dollars", "USD", "US\$" and **"\$"** each means available and freely transferable and convertible funds in lawful currency of the United States of America.

"Valuation Report" means, in relation to the Vessel, a valuation report addressed to the Owners and prepared:

- (a) by an Approved Valuer selected by the Owners; and
- (b) assessed in Dollars by a desktop valuation on the basis of a charter-free sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer.

"Value Maintenance Ratio" means the ratio (expressed as a percentage) of:

- (a) the aggregate amount of the Market Value of the Vessel and any Cash Collateral already provided to restore the Value Maintenance Ratio; to
- (b) the then Outstanding Principal.

"Value Maintenance Threshold" means the ratio (expressed as a percentage) of one hundred and thirty per cent. (130%).

"Variable Hire" means in respect of each Hire Period, the interest accrued on the Outstanding Principal for each day during the relevant Hire Period and calculated on the basis of a year of three hundred sixty (360) days at the applicable Interest Rate by using the following formula:

$$\underline{VH} = (A \times B / 360) \times C$$

whereby:

VH = the amount of Variable Hire for that Hire Period

A = (in relation to the first Hire Payment Date) the Original Principal; or

(in relation to any other subsequent Hire Payment Date) the Outstanding Principal on the immediately preceding Hire Payment Date

B = the Interest Rate applicable to that Hire Period

C = the actual number of days during that Hire Period.

"**Vessel**" means the container ship named "**BREMERHAVEN EXPRESS**" as more particularly described in Boxes 5 (*Vessel's name, call sign and flag*) to 10 (*Classification Society*) of this Charter.

"**Quiet Enjoyment Letter**" means, in relation to the Vessel, a letter which the Finance Parties (or, if any, their authorised agent on their behalf) shall issue in favour of the Charterers, such letter to be in a form acceptable to the Charterers, the Owners and the Finance Parties (each party acting reasonably) under which the Finance Parties (in the absence of any Termination Event) allow (i) the Charterers' unfettered use and quiet enjoyment without interruption of the Vessel in accordance with the terms and conditions of this Charter and (ii) the release of any mortgage over the Vessel following full payment of the relevant amount owed under this Charter at the relevant time.

33. Interpretations

- (a) In this Charter, unless the context otherwise requires, any reference to:
- (i) to this Charter include the Schedules hereto and references to Clauses and Schedules are, unless otherwise specified, references to Clauses of and Schedules to this Charter and, in the case of a Schedule, to such Schedule as incorporated in this Charter as substituted from time to time;
 - (ii) any statutory or other legislative provision shall be construed as including any statutory or legislative modification or re-enactment thereof, or any substitution therefor;
 - (iii) the term "**Vessel**" includes any part of the Vessel, including, without limitation, any scrubbers installed on the Vessel;
 - (iv) the "**Owners**", the "**Charterers**", the "**Charter Guarantor**", any "**Approved Manager**", any "**Obligor**", any "**Sub-charterer**", any "**Related Owners**", any "**Related Charterers**", the "**Security Trustee**", or any other person include any of their respective successors, permitted assignees and permitted transferees;
 - (v) any agreement, instrument or document include such agreement, instrument or document as the same may from time to time be amended, modified, supplemented, novated or substituted;
 - (vi) the "**equivalent**" in one currency (the "**first currency**") as at any date of an amount in another currency (the "**second currency**") shall be construed as a reference to the amount of the first currency which could be purchased with such amount of the second currency at the spot rate of exchange quoted by the Owners at or about 11:00 a.m. two (2) Business Days (being a day other than a Saturday or Sunday on which banks and foreign exchange markets are generally open for business in Shanghai) prior to such date for the purchase of the first currency with the second currency for delivery and value on such date;

- (vii) **"hereof", "herein" and "hereunder"** and other words of similar import means this Charter as a whole (including the Schedules) and not any particular part hereof;
 - (viii) **"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;
 - (ix) **"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, request or requirement, or official or judicial interpretation of any of the foregoing, in each case having the force of law and, if not having the force of law, in respect of which compliance is generally customary;
 - (x) the word **"person"** or **"persons"** or to words importing persons include, without limitation, any state, divisions of a state, government, individuals, partnerships, corporations, ventures, government agencies, committees, departments, authorities and other bodies, corporate or unincorporated, whether having distinct legal personality or not;
 - (xi) a **"regulation"** includes any regulation, rule, official directive (having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory authority;
 - (xii) the **"winding-up", "dissolution", "administration", "liquidation", "insolvency", "reorganisation", "readjustment of debt", "suspension of payments", "moratorium" or "bankruptcy"** (and their derivatives and cognate expressions) of any person shall each be construed so as to include the others and any equivalent or analogous proceedings or event under the laws of any jurisdiction in which such person is incorporated or any jurisdiction in which such person carries on business;
 - (xiii) **"protection and indemnity risks"** means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Club, including pollution risks 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 (Hull)(1/10/83) or clause 8 of the Institute Time Clauses (Hulls)(1/11/1995) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;
 - (xiv) a Potential Termination Event is **"continuing"** if it has not been remedied or waived and a Termination Event is **"continuing"** if it has not been remedied or waived; and
 - (xv) words denoting the plural number include the singular and vice versa.
- (b) Headings are for the purpose of reference only, have no legal or other significance, and shall be ignored in the interpretation of this Charter.
- (c) A time of day (unless otherwise specified) is a reference to Beijing time.

34. Background

- (a) Pursuant to the Head MOA, the Head Sellers agreed to sell, and the Charterers agreed to purchase the Vessel subject to the terms and conditions therein contained.
- (b) At the request of the Charterers, the Owners (as buyers) entered into a memorandum of agreement of even date herewith (the "**MOA**") with the Charterers (as sellers) pursuant to which the Owners have agreed to purchase, and the Charterers have agreed to sell the Vessel subject to the terms and conditions therein contained.
- (c) The Vessel is ultimately intended for use by the Charterers and the Owners will finance the Charterers' acquisition of the Vessel with the arrangement that the Charterers will repay the Owners pursuant to the terms and conditions herein.
- (d) Accordingly, the parties hereby agree that this Charter is subject to the effective transfer of ownership of the Vessel to the Owners pursuant to the MOA.
- (e) If, prior to the Actual Delivery Date, in the absence of any Termination Event:
 - (i) it becomes unlawful for the Owners (as buyers) to perform or comply with any or all of their obligations under the MOA or any of the obligations of the Owners under the MOA is not or ceases to be legal, valid, binding and enforceable; or
 - (ii) the Head MOA expires, is cancelled, terminated, rescinded or suspended or, otherwise ceases to remain in full force and effect for any reason,neither party shall be liable to the other for any claim arising out of this Charter and this Charter shall immediately terminate and be cancelled (with the exception of Clause 17 (*Indemnity*) (Part II) and Clause 58 (*Further indemnities*)) provided (for the avoidance of any doubt) the Owners shall be entitled to retain the Arrangement Fee and, if the Arrangement Fee has not been paid, the Charterers shall immediately pay such amount in full together with interest thereon pursuant to Clause 40(g) (*Default Interest*).

35. Delivery

- (a) The Charterers expressly acknowledge and confirm that the Owners entered into the MOA to purchase the Vessel solely for the purpose of leasing the Vessel to the Charterers under this Charter and that the Owners shall have no obligation or duty whatsoever to survey, investigate or verify the condition or performance of the Vessel. The Charterers shall be responsible to, at the Charterers' costs and expenses, make arrangement to take physical delivery of the Vessel and all plans, drawings, manuals, technical documents, and certificates pertaining to the Vessels.
- (b) The Owners will deliver and the Charterers will take delivery of the Vessel under this Charter immediately, which to the extent possible shall be deemed to take place simultaneously, after the Sellers deliver the Vessel to the Owners under and subject to the terms of the MOA upon the Actual Delivery Date, subject to which, the Charterers will accept the Vessel on an "**as is where is**" basis on delivery under this Charter.
- (c) Notwithstanding anything to the contrary in this Charter and the MOA, the obligation of the Owners to purchase the Vessel from the Sellers and charter the Vessel to the Charterers pursuant to this Charter shall be subject to the following conditions:
 - (i) no Termination Event having occurred on or prior to the date of this Charter or the Actual Delivery Date;

- (ii) the representations and warranties referred to in Clause 47 (*Charterers' representations and warranties*) being true and correct on the date of this Charter and the Actual Delivery Date;
 - (iii) the Actual Delivery Date falls on or before the Cancellation Date (or such later date as may be agreed between the Owners (as buyers under the MOA) and Sellers; and
 - (iv) the Owners shall have received, or are satisfied that they will receive, the documents and evidence referred to in Clause 36 (*Conditions precedent and conditions subsequent*), in each case in all respects in form and substance satisfactory to them on or before the Actual Delivery Date.
- (d) Provided that the conditions referred to in paragraph (c) above have been fulfilled or waived to the satisfaction of the Owners (which shall be evidenced in writing by the Owners), the Owners and the Charterers agree that:
- (i) the Charterers shall, at their own expense, upon the Actual Delivery Date arrange for the Vessel to be registered in the name of the Owners under the Liberian flag and duly create and register a Financing Charter over the Vessel in favour of the Owners under the Liberian law as security for the obligations of the Obligors in connection with the Transaction Documents;
 - (ii) the acceptance by the Owners of the Vessel under the MOA shall constitute delivery of the Vessel to the Charterers under this Charter and the Charterers shall have no right to refuse acceptance of delivery of the Vessel under this Charter and such acceptance shall constitute,
 - (A) irrevocable, final and conclusive acceptance of the Vessel by the Charterers for all purposes of this Charter;
 - (B) irrevocable, final and conclusive evidence that, for the purposes of the obligations and liabilities of the Owners hereunder or in connection herewith, the Vessel is at the time of delivery to the Charterers seaworthy, in accordance with the provisions of this Charter, in good working order and repair and without defect or inherent vice whether or not discoverable by the Charterers and free and clear of all Security Interest and debts of whatsoever nature; and
 - (C) irrevocable, final and conclusive evidence that the Vessel is satisfactory in all respects and complies with the requirements of this Charter; and
 - (iii) the acceptance of delivery of the Vessel by the Charterers from the Owners pursuant to this Charter shall take place simultaneously with the acceptance of delivery of the Vessel by the Owners from the Sellers pursuant to the MOA;
 - (iv) the Charterers will accept (without reservation) the Vessel:
 - (A) on an "as is where is" basis in exactly the same form and state as the Vessel is delivered to the Owners pursuant to the MOA;
 - (B) in such form and state with any faults, deficiencies and errors of any description; and
 - (C) for the avoidance of doubt, no underwater inspection shall be performed at the time of commencement of this Charter on the basis that any repairs required at the next scheduled dry-docking are the responsibility of the Charterers;

- (v) Notwithstanding and without prejudice to the foregoing, the Owners and the Charterers nonetheless agree to enter into and execute the PDA on Delivery.
- (e) The Charterers acknowledge and agree that the Owners are not the manufacturer or original supplier of the Vessel which has been purchased by the Owners pursuant to the MOA, and have therefore made no representations or warranties in respect of the Vessel or any part thereof, and hereby waive all their rights in respect of any warranty or condition implied (whether statutory or otherwise) on the part of the Owners and all claims against the Owners howsoever the same might arise at any time in respect of the Vessel, and/or arising out of the construction, operation or performance of the Vessel and the chartering thereof under this Charter (including, without limitation, in respect of the seaworthiness or otherwise of the Vessel).
- (f) In particular, and without prejudice to the generality of paragraph (e) above, the Owners shall be under no liability whatsoever, howsoever arising, in respect of the injury, death, loss, damage or delay of or to or in connection with the Vessel or any person or property whatsoever, whether onboard the Vessel or elsewhere, and irrespective of whether such injury, death, loss, damage or delay shall arise from the unseaworthiness of the Vessel. For the purpose of this paragraph (f), "delay" shall include delay to the Vessel (whether in respect of delivery under this Charter or thereafter and any other delay whatsoever).

36. Conditions precedent and conditions subsequent

(a) Initial Conditions

Notwithstanding anything to the contrary in this Charter or the MOA, the performance by the Owners of any of the obligations of under this Charter and the MOA (including, without limitation to, preposition or payment of the MOA Purchase Price (or a part hereof) under the MOA) are subject to and conditional upon the Owners' receipt of following documents and evidence (in each case in form and substance acceptable to the Owners) prior to or contemporaneously with the execution of this Charter (or such other date as the Owners and the Charterers may agree):

(i) the following documents duly executed by the parties thereto:

- (A) this Charter;
- (B) the MOA;
- (C) the Charter Guarantee;
- (D) the Security Trust Deed; and
- (E) the Share Security,

each together with all documents required by any of them, including without limitation to the original Certificate of Limited Liability Company Interest and other ancillary documents required under the Share Security (or, in case the Actual Delivery Date would occur within ten (10) Business Days of the date of this Charter, undertaking that the original certificate and documents shall be delivered to the Owners within ten (10) Business Days of the date hereof);

(ii) the following documents in relation to each Obligor which is a party to the documents listed in above paragraph (i):

- (A) Copies of its constitutional documents including Certificate of Incorporation, Business Registration Certificate, Memorandum and Articles of Association (or equivalent in its place of incorporation);

- (B) Certificate of Goodstanding or other certification or documents of similar nature dated on or around the date of this Charter;
 - (C) Certificate of Incumbency issued by relevant authority or company secretary or registered agent (as the case may be) dated on or around the date of this Charter showing its members/shareholders, directors and officers;
 - (D) Resolutions of the board of directors and/or resolutions of shareholders/members (whichever is applicable), approving the execution of this Charter and any other Transaction Document to which it is a party and authorizing a person or persons to execute the same under seal (where appropriate), and any other notices and documents required in connection therewith;
 - (E) Power of attorney of each person authorised to execute on its behalf this Charter and any other Transaction Document to which it is a party; and
 - (F) Certificate of Director or Company Secretary dated the date of this Charter certifying that each copy document relating to it specified in this paragraph (ii) is correct, complete and in full force and effect and setting out the names of its directors, officers and shareholders and the proportion of shares held by each shareholder and the specimen signature(s) of each of the directors, officers and (if power of attorney is granted) the persons authorised under the power of attorney.
- (iii) evidence satisfactory to the Owners that:
- (A) the Registration Costs and the Arrangement Fee have been paid in full;
 - (B) on or immediately after the Actual Delivery Date,
 - (1) the Vessel will be registered in the name of the Owners; and
 - (2) a Financing Charter over the Vessel granted by the Charterers in favour of the Owners will be duly registered with the Liberian ship registry;
 - (C) the Vessel is or will on the Actual Delivery Date insured in the manner required by the Transaction Documents.

The conditions precedent set out in paragraph (a) are for the sole benefit of the Owners and may be waived by the Owners in whole or in part, with or without conditions, without prejudicing the right of the Owners to require fulfilment of such conditions in whole or in part at any time thereafter.

(b) Conditions Precedent

Notwithstanding anything to the contrary in this Charter, the obligations of the Owners to charter the Vessel to the Charterers under this Charter are subject to and conditional upon the Owners' receipt of following documents and evidence (in each case in form and substance acceptable to the Owners) on or before the Actual Delivery Date:

- (i) each of the following:
 - (A) copies of the duly executed:

- (1) Charterers' Assignment;
- (2) Manager's Undertakings,
- (3) any Co-Assured Undertaking (if applicable); and
- (4) any other Security Documents (if any),

each together with all documents required by any of them (other than the documents set out in paragraph (d) of this Clause 36) including, without limitation, all notices of assignment and/or charge; and

- (B) (if applicable) the duly executed Finance Document to which the Obligors are parties, together with all notices, consents, letters and other documents required to be received (in each case in form and substance acceptable to the Owners and the Finance Parties) other than the documents set out in paragraph (d) of this Clause 36;

(ii) the following documents in relation to the Charterers:

- (A) Certificate of Goodstanding or other certification or documents of similar nature dated on or around the Actual Delivery Date; and
- (B) Certificate of Director or Company Secretary dated the Actual Delivery Date certifying that none of the documents and evidence delivered to the Owners pursuant to Clause 36(a) (*Initial Conditions*) has been amended, modified or revoked in any way since its delivery to the Owners; and

(iii) if applicable, copies of all governmental and other consents, licences, approvals and authorisations as may be necessary to authorise the performance by each of the Obligors of its obligations under the Transaction Documents to which it or he is, or (as the case may be) will be a party, and the execution, validity and enforceability of such Transaction Documents;

(iv) a copy of the following:

- (A) the current Document of Compliance (DOC) under the ISM Code of the Approved Manager with respect to technical management of the Vessel; and
- (B) the Ship Management Agreement;

in each case together with all addenda, amendments or supplements;

(v) not later than two (2) Business Days prior to the Actual Delivery Date, evidence that:

- (A) the Initial Sub-Charter Novation Agreement has been duly executed by all parties thereto;
- (B) all fees, costs and expenses due from the Charterers under the MOA and/or Clause 55 (*Fees and expenses*) have been paid or will be paid by the Actual Delivery Date;
- (C) letters of undertaking (together with attachments) from relevant insurers in respect of Insurances as required by the Charterers' Assignment will, on or immediately after the Actual Delivery Date, be duly executed in the agreed forms and delivered to the Security Trustee; and

(D) all notices, consents, acknowledgements and other documents required to be received, given or exchanged pursuant to the Transaction Documents having been duly executed and delivered pursuant to the terms thereof.

- (vi) a legal opinion of the legal advisers to the Owners in each relevant jurisdiction (being England, the Marshall Islands and the Republic of Liberia as at the date of this Charter), or confirmation satisfactory to the Owners that such an opinion will be given in such form and substance satisfactory to the Owners;
- (vii) such documentation and other evidence as is reasonably requested by the Owners in order for them to comply with all necessary "know your customer" or similar identification procedures in relation the transactions contemplated in the Transaction Documents; and
- (viii) such other consent, licence, approval, authorisation or other document, opinion or assurance which the Owners consider to be necessary or desirable in connection with their entry into and performance of the transactions contemplated by any of the Transaction Documents or for the validity and enforceability thereof (including, without limitation in relation to or for the purposes of any financing by the Owners),

provided that if the Owners (as buyers) have already received documents corresponding to the above provided by the Sellers (as sellers) pursuant to the MOA, this shall *pro tanto* satisfy the Charterers' obligation to provide the same documents under this Clause 36(b).

(c) Owners Right to Waive

If the Owners in their sole discretion agree to deliver the Vessel under this Charter to the Charterers before all of the documents and evidence required under paragraph (a) (*Initial Conditions*) or (b) (*Conditions Precedent*) of this Clause 36 have been delivered to or to the order of the Owners, the Charterers undertake to deliver all outstanding documents and evidence to or to the order of the Owners no later than ten (10) Business Days after the Actual Delivery Date or such other later date as specified by the Owners, acting in their sole discretion. The delivery of the Vessel by the Owners to the Charterers under this Charter shall not, unless otherwise notified by the Owners (acting in their sole discretion) to the Charterers in writing, be taken as a waiver of the Owners' right to require production of all the documents and evidenced required by this Clause 36.

(d) Conditions Subsequent

Without prejudice to the foregoing, the Charterers undertake to deliver or cause to be delivered to the Owners, the following documents and evidence (in each case in form and substance acceptable to the Owners):

- (i) within three (3) Business Days from the Actual Delivery Date:
 - (A) the letters of undertaking (together with attachments) from relevant insurers (or by the brokers through whom the Insurances are placed, or, in the case of entries in protection and indemnity or war risks associations, by their managers) in respect of Insurance as required under this Charter, the Charterers' Assignment and the Manager's Undertaking, in each case, in such form and substances in compliance with the requirements of the relevant Transaction Documents; and
 - (B) evidence that notice of assignment in respect of the Initial Sub-Charter required under the Charterers' Assignment has been served to the Initial Sub-Charterers and, the written acknowledgement thereof by the Initial Sub-Charterers, in each case, in such form and substances in compliance with the requirements of the Charterers' Assignment;

- (ii) within three (3) Business Days from the Actual Delivery Date, the following certification with respect to the Vessel (showing the Owners as the owner of the Vessel):
 - (A) the Vessel's Safety Management Certificate (as such term is defined pursuant to the ISM Code);
 - (B) the Vessel's ISSC; and
 - (C) the Vessel's IAPPC;
- (iii) within ten (10) Business Days from the Actual Delivery Date, the originals of the Transaction Documents and other documents set out in Clauses 36(a) and 36(b) and the originals of the sellers' delivery documents set out in schedule 1 (*Seller's Delivery Documents*) of the MOA; and
- (iv) within two (2) months of the Actual Delivery Date,
 - (A) the duly executed Account Security;
 - (B) evidence that notice of charge required under the Account Security has been served to the Account Bank and, the written acknowledgement thereof by the Account Bank in such form and substance satisfactory to the Owners; and
 - (C) a Dutch law legal opinion of the legal advisers to the Owners in respect of the Account Security.

Notwithstanding anything to the contrary in this Charter, the obligations of the Owners to charter, or continue to charter, the Vessel to the Charterers under this Charter shall be subject to the condition that any and all undertakings stipulated in the preceding paragraph are, and will be, fully complied with.

37. Bunkers and luboils

- (a) At delivery the Charterers shall take over and pay for all lubricating oil, hydraulic oil, greases, water and unbroached stores and provisions in the Vessel in accordance with the Head MOA.
- (b) In the case the Vessel shall be redelivered to the Owners, at delivery the Charterers shall be responsible to arrange, pay for and deliver to the Owners all bunkers (to the extent belonging to the Charterers), lubricating oil, hydraulic oil, greases, water and unbroached stores and provisions in the Vessel and, the Owners shall take over at no costs all such bunkers (to the extent belonging to the Charterers), lubricating oil, hydraulic oil, greases, water and provisions onboard the Vessel.

38. Further maintenance and operation

- (a) The good commercial maintenance practice under Clause 10 (*Maintenance and Operation*) (Part II) of this Charter shall be deemed to include:
 - (i) the maintenance and operation of the Vessel by the Charterers in accordance with:
 - (A) the relevant regulations, requirements and recommendations of the Classification Society and free of all overdue recommendations and requirements from the Classification Society;

- (B) the relevant regulations, requirements and recommendations of the country and flag of the Vessel's registry;
- (C) any applicable IMO regulations (including but not limited to the ISM Code, the ISPS Code and MARPOL);
- (D) all other applicable regulations, requirements and recommendations; and
- (E) the Charterers' and the Charter's Guarantor's operations and maintenance standards;
- (ii) the maintenance and operation of the Vessel by the Charterers taking into account:
 - (A) engine manufacturers' recommended maintenance and service schedules;
 - (B) builder's operations and maintenance manuals; and
- (iii) recommended maintenance and service schedules of all installed equipment and pipework.
- (b) In addition to the above, the Charterers covenant with the Owners to provide, upon request, copies of the Vessel's class records, plans and drawing and all technical documents to the Owners as available to the Charterers.
- (c) The title to any equipment (or part thereof):
 - (i) placed on board as a result of operational requirements of the Charterers (whether due to the Charterers' requirement or by reason of new class requirements or compulsory legislation applicable to the Vessel) shall automatically be deemed to belong to the Owners immediately upon such placement, and such equipment may only be removed: (i) with the Owners' prior written consent (such consent not to be unreasonably withheld), (ii) at the Charterers' own expense, and (iii) without damage to the Vessel; and
 - (ii) replaced, renewed or substituted shall remain with the Owners until the part or equipment which replaced it or the new or substitute part or equipment becomes property of the Owners.
- (d) Without prejudice to any other provisions under this Charter, the Charterers shall maintain, use and operate the Vessel with commercially reasonable care as if the Charterers were the owner of the same.

39. Structural changes and alterations

- (a) The Charterers shall make no structural changes in the Vessel or changes in the machinery, engines, appurtenances or spare parts thereof without in each instance first securing the Owners' written consent thereto (such consent not to be unreasonably withheld). Under any and all circumstances, the Charterers shall procure that:
 - (i) any such changes do not have a material adverse effect on the Vessel's certification or the Vessel's fitness for purpose; and
 - (ii) the Charterers shall bear all time, costs and expenses in relation to any such changes; and

(iii) none of the changes will diminish the value of the Vessel and/or have a material adverse effect on the safety, performance, value or marketability of the Vessel.

If a Termination Event occurs and is continuing and the Owners exercise their right to retake possession of the Vessel pursuant to Clause 49(f) (*Owners' rights reserved*), the Charterers shall, without prejudice to their obligations under Clause 43 (*Redelivery conditions*), at their expense restore the Vessel to its former condition if so requested by the Owners (fair wear and tear excepted) unless the changes made are carried out:

- (i) with the prior written consent of the Owners (such consent not to be unreasonably withheld); or
 - (ii) to improve the performance, operation or marketability of the Vessel; or
 - (iii) as a result of mandatory law or a regulatory compliance.
- (b) Notwithstanding anything to the contrary in this Charter, no prior approval shall be required for any structural changes or other changes described in paragraph (a) of this Clause 39 which are carried out (i) as a result of mandatory law or regulatory compliance, or (ii) to improve the performance, operation or marketability of the Vessel in each case, at the Charterers' time and cost and for which written notice shall be provided to the Owners upon such structural change.
- (c) 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 shall be undertaken by the Charterers and be for the Charterers' account and the Charterers shall not have any right to recover from the Owners any part of the cost for such improvements, changes or new equipment either during the Charter Period or at redelivery of the Vessel. The Charterers shall give written notice to the Owners of any such improvement, structural changes or new equipment.

40. Hire

- (a) **Hire** In consideration of the Owners' agreement to charter the Vessel to the Charterers pursuant to the terms hereof, the Charterers shall pay to the Owners:
- (x) on each and every Hire Payment Date, the Hire applicable to each such Hire Payment Date; and
 - (y) on the last day of the Charter Period, the Purchase Obligation Price.
- (b) **Time of payment** The Hire shall be paid by the Charterers and received by the Owners on each Hire Payment Date (Beijing time).
- (c) **Non-Business Days** Any payment provided herein due on any day which is not a Business Day shall be payable on the immediately preceding Business Day.
- (d) **Payment account information** All payments under this Charter shall be made to the Owners' Account or such other account as the Owners may notify the Charterers from time to time.
- (e) **Charterers' Hire payment obligation absolute:** Following delivery of the Vessel to, and acceptance by, the Charterers under this Charter, the Charterers' obligation to pay Hire in accordance with this Clause 40 and to pay the Purchase Obligation Price in accordance with Clause 52 (*Transfer of Title*) shall be absolute irrespective of any contingency whatsoever including but not limited to:
- (i) any set-off, counterclaim, recoupment, defence or other right which either party to this Charter may have against the other;

- (ii) any unavailability of the Vessel, for any reason, including but not limited to the Total Loss, any action or inaction by the Sub-Charterer, seaworthiness, condition, design, operation, merchantability or fitness for use or purpose of the Vessel or any apparent or latent defects in the Vessel or its machinery and equipment or the ineligibility of the Vessel for any particular use or trade or for registration of documentation under the laws of any relevant jurisdiction or lack of registration or the absence or withdrawal of any consent required under the applicable law of any relevant jurisdiction for the ownership, chartering, use or operation of the Vessel or any damage to the Vessel;
- (iii) any failure or delay on the part of either party to this Charter, whether with or without fault on its part, in performing or complying with any of the terms, conditions or other provisions of this Charter;
- (iv) any damage to or loss (including a Total Loss), destruction, capture, seizure, judicial attachment or arrest, forfeiture or marshal's or other sale of the Vessel;
- (v) any insolvency, bankruptcy, reorganisation, arrangement, readjustment of debt, dissolution, administration, liquidation or similar proceedings by or against the Owners, the Charterers or any Sub-Charterer, or any change in the constitution of the Owners, the Charterers or the Sub-Charterer;
- (vi) any invalidity or unenforceability or lack of due authorisation of or any defect in this Charter or any Sub-Charter; or
- (vii) any other cause which would but for this provision have the effect of terminating or in any way affecting the obligations of the Charterers hereunder,

it being the intention of the parties that the provisions of this Clause 40, and the obligation of the Charterers to pay Hire and all other amounts under this Charter, shall (save as expressly provided in this Clause 40) survive any frustration and that, save as expressly provided in this Charter, no moneys paid under this Charter by the Charterers to the Owners shall in any event or circumstance be repayable to the Charterers.

(f) ***All payments free from deductions***

- (i) All payments of Hire and all other Unpaid Sums to the Owners pursuant to this Charter and the other relevant Transaction Documents shall be made in immediately available funds in US dollars, free and clear of, and without deduction for or on account of, any bank charges or Taxes, unless the Charterers are required by law or regulation to make any such payment of Hire subject to such Taxes.
- (ii) In the event that the Charterers are required by any law or regulation to make any deduction or withholding on account of any Taxes which arise as a consequence of any payment due under this Charter, then:
 - (A) the Charterers shall notify the Owners promptly after they become aware of such requirement;
 - (B) the Charterers shall remit the amount of such Taxes to the appropriate taxation authority within five (5) Business Days or any other shorter time period as required under any applicable law or regulation and in any event prior to the date on which penalties attach thereto; and
 - (C) such payment shall be increased by such amount as may be necessary to ensure that the Owners receive a net amount which, after deducting or withholding such Taxes, is equal to the full amount which the Owners would have received had such payment not been subject to such Taxes.

- (iii) The Charterers shall forward to the Owners evidence reasonably satisfactory to the Owners that any such Taxes have been remitted to the appropriate taxation authority within thirty (30) days of the expiry of any time limit within which such Taxes must be so remitted or, if earlier, the date on which such Taxes are so remitted.
- (g) **Default interest** If the Charterers fail to pay any amount payable by it under a Transaction Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate of the Default Interest Rate over the amount of such Unpaid Sum for the period of such non-payment. Any interest accruing under this paragraph (g) shall be immediately payable by the Charterers on demand by the Owners. Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each period selected by the Owners but will remain immediately due and payable.
- (h) **Hire payment obligation to survive termination** In the event that this Charter is terminated for whatever reason, the Charterers' obligation to pay Hire and such other Unpaid Sum which (in each case) has accrued due before, and which remains unpaid, at the date of such termination shall continue notwithstanding such termination.
- (i) **Illegality** In the event that it becomes unlawful or it is prohibited for either the Owners or the Charterers to charter the Vessel pursuant to this Charter, then the Owners and Charterers shall notify the other party of the relevant event and negotiate in good faith for a period of thirty (30) days from the date of the receipt of the relevant notice by the other party (or such shorter period as required by the relevant laws) to agree an alternative arrangement. If such agreement is not reached within such thirty (30)-day period or such shorter period as applicable, the Charterers agree that, in such circumstances, the Owners shall have the right to terminate this Charter by delivering to the Charterers a Termination Notice, whereupon the Charterers shall be obliged to pay to the Owners the Termination Sum in accordance with paragraph (c) (*Payment of Termination Sum*) of Clause 49 (*Termination Events*). Upon payment of the Termination Sum in full, the Owners shall transfer the title to the Charterers in accordance with Clause 52 (*Transfer of title*).
- (j) **Increased Costs**
- (i) Subject to sub-paragraphs (iii) and (iv) below, the Charterers shall, within three (3) Business Days of a demand by the Owners, pay to the Owners the amount of any Increased Costs incurred by the Owners as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Charter, or (ii) compliance with any law or regulation made after the date of this Charter.
- In this Clause:
- "Increased Costs"** means:
- (A) a reduction in the rate of return from the Hire or on the Owners' overall capital;
- (B) an additional or increased cost; or
- (C) a reduction of any amount due and payable under any Transaction Document, which is incurred or suffered by the Owners to the extent that it is attributable to the Owners having entered into any Transaction Document or funding or performing its obligations under any Transaction Document.

- (ii) The Owners shall notify the Charterers of any claim arising from sub-paragraph (i) above (and of the event giving rise to such claim). The Owners shall, as soon as practicable after having made a demand in respect of such claim, provide a certificate confirming the amount of its Increased Costs.
- (iii) Sub-paragraph (i) above does not apply to the extent any Increased Costs is:
 - (A) compensated for by a payment made under sub-paragraph (i)(C) above; or
 - (B) attributable to a change in the rate of tax on the overall net income of the Owners (or a parent company of them) or an item covered by the additional payment in Clause 40(e) or a FATCA Deduction; or
 - (C) attributable to the wilful breach by the Owners of any law or regulation.
- (iv) In the event the Owners are entitled to an Increased Cost pursuant to the preceding provisions, the Parties shall negotiate in good faith for a period of thirty (30) days from the date of the receipt of the Owners' demand for the Increased Cost to agree an alternative arrangement. If such agreement is not reached within such thirty (30)-day period, the Charterers may notify the Owners in writing of their intention to terminate this Charter. Upon the Owners' receipt of the aforesaid Charterers' written notice of their intention to terminate, without prejudice to the Owners' entitlement to any Increased Cost prior to the Termination Payment Date, the Owners shall within (30) days of its receipt of such notice by the Charterers, terminate this Charter by delivering to the Charterers a Termination Notice, whereupon the Charterers shall be obliged to pay to the Owners the Termination Sum in accordance with paragraph of Clause 49(c) (*Payment of Termination Sum*). Upon payment of the Termination Sum in full, the Owners shall transfer the title to the Charterers in accordance with Clause 52 (*Transfer of title*).
- (k) **Break Costs** The Charterers shall, within five (5) Business Days of demand by the Owners, pay to the Owners their Break Costs.
- (l) **Unavailability of Term SOFR**
 - (i) *Interpolated Term SOFR*: If no Term SOFR is available for any Hire Period, the applicable Reference Rate shall be the Interpolated Term SOFR for three (3) months.
 - (ii) *Cost of funds*: If sub-paragraph (i) above applies but it is not possible to calculate the Interpolated Term SOFR for that Hire Period, the Interest Rate applicable for that Hire Period shall be the percentage rate per annum which is the sum of:
 - (A) the Margin; and
 - (B) the rate notified to the Charterers by the Owners which expresses as a percentage rate per annum as the Owners' cost of funds relating to the Outstanding Principal from whatever source it may reasonably select.
- (m) **Certificate conclusive** Any certificate or statement signed by an authorised signatory of the Owners purporting to show the amount of the Debt (or any part of the Debt) or any other amount referred to in any Transaction Document shall, save for manifest error or on any question of law, be conclusive evidence as against the Charterers of that amount.

41. Insurance

- (a) **Charterers' obligation to place insurance** During the Agreement Term, the Charterers shall at their expense keep the Vessel insured against fire and usual marine risks (including hull and machinery, excess and increased value risks), oil pollution liability risks, war risks (including blocking and trapping and additional premium for war risks), protection and indemnity risks and any other risks against which is compulsory to insure for the operation for the Vessel or in the Owners' reasonable opinion it is common market practice to insure for the operation, trading, management and/or for safety purposes for the Vessel in such market (but excluding loss of hire insurance) and all Insurances shall be:
- (i) in US Dollars; and
 - (ii) in such market and on such terms as are customary for owners of similar tonnage.
- (b) **Beneficiaries of Insurances** Such insurances shall be arranged by the Charterers to protect the interests of the Owners, the Charterers and (if any) the mortgagee of the Vessel or such other relevant Finance Party, and the Charterers shall be at liberty to protect under such insurances the interests of (i) any Approved Managers provided the Approved Manager shall first execute and deliver to the Owners the Manager's Undertaking and/or (ii) any crewing agent provided the crew agent shall first execute and deliver to the Owners a Co-Assured Undertaking substantially in the Agreed Form.
- (c) **Scope of insurance** Insurance policies shall cover the Owners, the Charterers and (if any) the Finance Parties according to their respective interests. The Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the Approved Insurer 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.
- (d) **Repairs etc. not covered by Insurances** The Charterers shall also 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
- (e) **H&M and war risks coverage** The Charterers shall arrange that, the hull and machinery and war risks (including blocking and trapping and additional premium for war risks) insurance shall be at any time in an amount not less than one hundred ten per cent. (110%) of the higher of (x) the Outstanding Principal applicable as at the relevant time and (y) the latest Market Value of the Vessel (the "**Minimum Insured Value**").
- The terms of the hull and machinery insurance and the identity of the Approved Insurer shall be acceptable to the Owners and (if any) the Finance Parties (such acceptance not to be unreasonably withheld or delayed).
- (f) **Protection and indemnity coverage** The Vessel shall be entered with China P&I Club or in a P&I Club which is a member of the International Group Association on customary terms, shall include freight, demurrage and defence cover and shall be covered against liability for pollution claims in an amount not less than the highest level of cover from time to time available under basic protection and indemnity club entry (currently US\$1,000,000,000).
- (g) **Named assureds, no alteration to terms of Insurances and insurance report** The Charterers:

- (i) undertake to place the Insurances in such markets, in such currency, on such terms and conditions, and with such brokers, underwriters and associations as are customary for owners of similar tonnage and are satisfactory to the Owners;
 - (ii) shall name the Owners, the Charterers, the Approved Managers (provided the same is assigned in favour of the Security Trustee) and its crewing agent (provided the Co-Assured Undertaking shall have been delivered to the Owners) and if requested in writing by the Owners, any of the Finance Parties as the only named assureds;
 - (iii) shall not alter the terms of any of the Insurances nor allow any person to be co-assured under any of the Insurances without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed) and, if applicable, the Finance Parties, and will supply the Owners and, if applicable, the Finance Parties or procure that the Owners and, if applicable, the Finance Parties are supplied from time to time on request with such information as the Owners and, if applicable, any Finance Party may in their discretion require with regard to the Insurances and the brokers, underwriters or associations through or with which the Insurances are placed; and
 - (iv) shall reimburse within ten (10) Business Days of demand, not more than once per calendar year during the Agreement Term, the Owners and/or (if applicable) any finance Party for all documented costs and expenses reasonably incurred by the Owners and/or such Finance Party in obtaining a report on the adequacy of the Insurances from an insurance adviser instructed by the Owners and/or such Finance Party.
- (h) **Payment of Premiums etc.** The Charterers undertake duly and punctually to pay all premiums, calls and contributions, and all other sums at any time payable in connection with the Insurances, and, at their own expense, to arrange and provide any guarantees from time to time required by any protection and indemnity or war risks association. From time to time upon the Owners' request, the Charterers shall provide the Owners with (i) copies of all invoices issued by the brokers, underwriters or associations in respect of such premiums calls, contributions and other sums, and (ii) evidence satisfactory to the Owners and/or such Finance Party that such premiums, calls, contributions and other sums have been duly and punctually paid; that any such guarantees have been duly given; and that all declarations and notices required by the terms of any of the Insurances to be made or given by or on behalf of the Charterers to brokers, underwriters or associations have been duly and punctually made or given. Without prejudice to the generality of the foregoing, if the insurers of the war risks insurance require payment of premiums and/or calls because 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 the Charterers shall be obligated to procure the Insurances shall cover war risks areas subject to additional premium or call and such premiums and/or calls shall be paid and borne by the Charterers.
- (i) **Compliance with Insurances** The Charterers will comply in all respects with all terms and conditions of the Insurances and will make all such declarations to brokers, underwriters and associations as may be required to enable the Vessel to operate in accordance with the terms and conditions of the Insurances. The Charterers will not do, nor permit to be done, any act, nor make, nor permit to be made, any omission, as a result of which any of the Insurances may become liable to be suspended, cancelled or avoided, or may become unenforceable, or as a result of which any sums payable under or in connection with any of the Insurances may be reduced or become liable to be repaid or rescinded in whole or in part. In particular, but without limitation, the Charterers will not permit the Vessel to be employed other than in conformity with the Insurances without first taking out additional insurance cover in respect of that employment and, if applicable, the Finance Parties, and the Charterers, upon request, will promptly notify the Owners and, if applicable, the Finance Parties of any new requirement imposed by any broker, underwriter or association in relation to any of the Insurances.

- (j) **Renewal of Insurances** The Charterers will, no later than ten (10) Business Days before the expiry of any of the Insurances renew them and shall immediately give the Owners and, if applicable, the Finance Parties such details of those renewals to the Owners' and, if applicable, the Finance Parties' satisfaction.
- (k) **Delivery of documents relating to Insurances** The Charterers shall:
- (i) upon the Owners' request, deliver to the Owners and, if applicable, the Finance Parties copies of all policies, certificates of entry (endorsed with the appropriate loss payable clauses as may be required by the Owners and the Finance Parties from time to time) and other documents relating to the Insurances (including, without limitation, receipts for premiums, calls or contributions); and
 - (ii) procure that letters of undertaking (in such form and substance as are customary for the market) shall be issued to the Owners and, if applicable, the Finance Parties by the brokers through which the Insurances are placed (or, in the case of protection and indemnity or war risks associations, by their managers).
- (l) **Fleet cover** If the Vessel is at any time during the Agreement Term insured under any form of fleet cover, the Charterers shall procure that those letters of undertaking contain confirmation that the brokers, underwriters or association (as the case may be) will not set off claims relating to the Vessel against premiums, calls or contributions in respect of any other vessel or other insurance, and that the insurance cover of the Vessel will not be cancelled by reason of non-payment of premiums, calls or contributions relating to any other vessel or other insurance. Failing receipt of those confirmations, the Charterers will instruct the brokers, underwriters or association concerned to issue a separate policy or certificate for the Vessel.
- (m) **Provision of information on casualty, accidents or damage** The Charterers shall promptly notify the Owners and upon request, provide the Owners with sufficient information regarding any casualty or other accident or damage to the Vessel, detention of the Vessel or any Environmental Incident including, without limitation, any material communication with all parties involved in case of a claim under any of the Insurances, provided such casualty, accident, damage, detention of the Vessel or Environmental Incident exceeds the Threshold Amount.
- (n) **Step-in rights of Owners and Finance Parties** The Charterers agree that, at any time after the occurrence of a Termination Event which is continuing, the Owners and, if applicable, the Finance Parties shall be entitled to:
- (i) collect, sue for, recover and give a good discharge for all claims in respect of any of the Insurances;
 - (ii) to pay collecting brokers the customary commission on all sums collected in respect of those claims;
 - (iii) to compromise all such claims or refer them to arbitration or any other form of judicial or non-judicial determination; and
 - (iv) otherwise to deal with such claims in such manner as the Owners and, if applicable, the Finance Parties shall in their discretion think fit.
- (o) **Total loss insurance proceeds** Whether or not a Termination Event shall have occurred, the proceeds of any claim under any of the Insurances in respect of a Total Loss shall be paid and applied in accordance with Clause 53 (*Total Loss*).

(p) **Payment of insurance proceeds**

- (i) The Owners agree that any amounts which may become due and payable to the Charterers under any protection and indemnity entry shall be paid to the Charterers to reimburse the Charterers for, and in discharge of, the loss, damage or expense in respect of which they shall have become due, unless, at the time the amount in question becomes due, a Termination Event shall have occurred and be continuing, in which event the Owners shall be entitled to receive the amounts in question and to apply them either in reduction of the Termination Sum owed by the Charterers pursuant to paragraph (c) of Clause 49 (*Termination Events*) or, at the option of the Owners, to the discharge of the liability in respect of which they were paid. For the avoidance of doubt, any amount which may become due and payable to the Owners under any protection and indemnity entry or insurance shall be paid to the Owners or to the Owners' order.
- (ii) Without prejudice to the forgoing and subject to the terms of the Finance Documents (if any), all claims (other than in respect of a Total Loss) in relation to other Insurances, shall, unless and during the occurrence of a continuing Termination Event, in which event all claims under the relevant policy shall be payable directly to the Owners, be payable as follows:
 - (A) a claim in respect of any one casualty where the aggregate claim against all Approved Insurers does not exceed the Threshold Amount, prior to adjustment for any franchise or deductible under the terms of the relevant policy, shall be paid directly to the Charterers (as agent for the Owners) for the repair, salvage or other charges involved or as a reimbursement if the Charterers fully repaired the damage to the satisfaction of the Owners (acting reasonably) and paid all of the salvage or other charges;
 - (B) a claim in respect of any one casualty where the aggregate claim against all Approved Insurers exceeds the Threshold Amount prior to adjustment for any franchise or deductible under the terms of the relevant policy, shall, subject to the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed), be paid to the Charterers as and when the Vessel is restored to her former state and condition and the liability in respect of which the insurance loss is payable is discharged, and provided that the Approved Insurers may with such consent make payment on account of repairs in the course of being effected, but, in the absence of such prior written consent shall be payable directly to the Owners.
- (q) **Settlement, compromise or abandonment of claims** The Charterers shall not settle, compromise or abandon any claim under or in connection with any of the Insurances (other than in the absence of any Termination Event that is continuing a claim of less than the Threshold Amount, prior to adjustment for any franchise or deductible under the terms of policy, arising other than from a Total Loss) without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed) and, if applicable, the Finance Parties.
- (r) **Owners' rights to maintain Insurances** If the Charterers fail to effect or keep in force the Insurances, the Owners may (but shall not be obliged to) effect and/or keep in force such insurances on the Vessel and such entries in protection and indemnity or war risks associations as the Owners in their discretion consider desirable, and the Owners may (but shall not be obliged to) pay any unpaid premiums, calls or contributions. The Charterers will reimburse the Owners from time to time within ten (10) Business Days of demand for all such premiums, calls or contributions paid by the Owners.

- (s) **Environmental protection issues** The Charterers shall comply strictly with the requirements of any legislation relating to pollution or protection of the environment which may from time to time be applicable to the Vessel in any jurisdiction in which the Vessel shall trade and in particular the Charterers shall comply strictly with the requirements of the United States Oil Pollution Act 1990 (the "Act") if the Vessel is to trade in the United States of America and Exclusive Economic Zone (as defined in the Act). Before any such trade is commenced and during the entire period during which such trade is carried on, the Charterers shall:
- (i) pay any additional premiums required to maintain protection and indemnity cover for oil pollution up to the limit available to the Charterers for the Vessel in the market; and
 - (ii) make all such quarterly or other voyage declarations as may from time to time be required by the Vessel's protection and indemnity association in order to maintain such cover, and promptly deliver to the Owners and, if applicable, the Finance Parties copies of such declarations; and
 - (iii) submit the Vessel to such additional periodic, classification, structural or other surveys which may be required by the Vessel's protection and indemnity insurers to maintain cover for such trade and promptly deliver to the Owners and, if applicable, the Finance Parties copies of reports made in respect of such surveys; and
 - (iv) implement any recommendations contained in the reports issued following the surveys referred to in sub-paragraph (s)(iii) above within the relevant time limits; and
 - (v) in addition to the foregoing (if such trade is in the United States of America and Exclusive Economic Zone):
 - (A) obtain and retain a certificate of financial responsibility under the Act in form and substance satisfactory to the United States Coast Guard and provide the Owners with evidence of the same; and
 - (B) procure that the protection and indemnity insurances do not contain a US Trading Exclusion Clause or any other analogous provision and provide the Owners with evidence that this is so; and
 - (C) comply strictly with any operational or structural regulations issued from time to time by any relevant authorities under the Act so that at all times the Vessel falls within the provisions which limit strict liability under the Act for oil pollution.
- (t) **Innocent Owners' Interest Insurance** The Owners shall be at liberty to take out an Innocent Owners' Interest Insurance and an Innocent Owners' Additional Perils (Oil Pollution) Insurance in relation to the Vessel in an amount up to the Minimum Insured Value and on such terms and conditions as the Owners may from time to time decide, and the Charterers shall from time to time upon the Owners' demand, reimburse the Owners for all costs, premiums and expenses paid or incurred by the Owners in connection with any Innocent Owners' Interest Insurance or Innocent Owners' Additional Perils (Oil Pollution) Insurance (or, if so request by the Owners, directly pay all such costs, premiums and expenses).
- (u) **Cooperation by the Charterers** The Charterers agree and undertake that:
- (i) in the event that the Charterers receive any payment in relation to the Insurances in contravention of this Charter, the Charterers will hold such payment on trust and on behalf of the Owners;

- (ii) the Charterers will not refuse, withhold (or otherwise delay giving) consent to the payment of any amount which becomes payable to the Owners under the Insurances (to the extent that such payment is payable to the Owners in accordance with terms of this Charter); and
- (iii) from time to time on the written request of the Owners, the Charterers will promptly execute and deliver to the Owners all documents which the Owners may require for the purpose of obtaining any payment in relation to the Insurances (to the extent that such payment is payable to the Owners in accordance with the terms of this Charter).
- (v) **Freight, demurrage and defence** To the extent not already covered under the Vessel's Insurances, the Owners shall be at liberty to, in relation to the Vessel, take out freight, demurrage and defence cover on such terms and conditions as the Owners may from time to time decide. The Charterers shall from time to time upon the Owners' demand reimburse the Owners for all costs, premiums and expenses paid or incurred by the Owners in connection with such cover.
- (w) **Separate Insurance Interest** Notwithstanding that the interests of the Owners and Charterers are both covered under the Insurances, the provisions of this Clause 41 (*Insurance*) shall neither exclude nor discharge liability between the Owners and the Charterers under this Charter. Any payment of insurance proceeds is no bar to a claim by the Owners and/or their insurers against the Charterers to seek indemnity by way of subrogation. For the avoidance of any doubt, the Innocent Owners' Interest Insurances, Mortgagees' Interest Insurances and any other insurances taken out by the Owners and/or any Finance Party (as the case may be) are for the sole benefit of the Owners and/or any Finance Party (as the case may be), and any sum recoverable under such insurances shall not in any way exclude or discharge the obligations and liabilities of the Obligor under the Transaction Documents. Nothing herein shall prejudice any rights of recovery of the Owners or the Charterers (or their insurers) against third parties.

42. Redelivery

- (a) Following the occurrence of any Termination Event and while the same is continuing and subject to lapse of the Termination Payment Date, if the Owners decide to retake possession of the Vessel pursuant to paragraph (c) of Clause 49 (*Termination Events*), the Charterers shall, at their own cost and expense, redeliver or cause to be redelivered the Vessel to the Owners at the Vessel's current or next port of call, afloat at all times in a ready safe berth or anchorage, in accordance with Clause 43 (*Redelivery conditions*).
- (b) Without prejudice to the Owners' rights and remedies under or pursuant to any provision of this Charter, the Charterers shall continue to perform all the obligations, undertakings and liabilities with respect to the management, maintenance and insurance in respect of the Vessel under and pursuant to the terms of this Charter until redelivery of the Vessel.

43. Redelivery conditions

- (a) In addition to what has been agreed in Clauses 15 (*Redelivery*) (Part II) and 42 (*Redelivery*), the condition of the Vessel shall at redelivery be as follows:
 - (i) the Vessel shall be free of any overdue class and statutory recommendations affecting its trading certificates;
 - (ii) the Vessel must be redelivered with all equipment and spares or replacement items listed in the delivery inventory carried out pursuant to Clause 9 (Inventories, Oil and Stores) (Part II) unless such items have been consumed or used during the Agreement Term (or part thereof) and any spare parts on board or on order for any equipment installed on the Vessel following delivery (provided that any such items which are on lease or hire purchase shall be replaced with items of an equivalent standard and condition fair wear and tear excepted); all records, logs, plans, operating manuals and drawings, spare parts onboard shall be included at the time of redelivery in connection with a transfer of the Vessel or such other items as are then in the possession of the Charterers shall be delivered to the Owners;

- (iii) the Vessel must be redelivered with all national and international trading certificates and hull/machinery survey positions for both class and statutory surveys free of any overdue recommendation and qualifications valid and un-extended for a period of at least three (3) months beyond the redelivery date;
 - (iv) all of the Vessel's ballast tank coatings to be maintained in "Fair" (as such term (or its equivalent) may be defined and/or interpreted in the relevant survey report) condition as appropriate for the Vessel's age at the time of redelivery, fair wear and tear excepted;
 - (v) the Vessel shall have passed any flag or class surveys or inspections due within three (3) months after the date of redelivery and have its continuous survey system up to date;
 - (vi) the Vessel must be re-delivered with accommodation and common spaces for crew and officers substantially in the same condition as at the Actual Delivery Date, free of damage over and above fair wear and tear; with cargo spaces generally fit to carry the cargoes originally designed and intended for the Vessel; with main propulsion equipment, auxiliary equipment, cargo handling equipment, navigational equipment, etc., in such operating condition as provided for in this Charter (fair wear and tear excepted) unless used or disposed of in the ordinary course of business and trading of the Vessel and subject to such spare parts and equipment not belonging to a third party;
 - (vii) the Vessel shall be free and clear of all liens other than those created by or on the instructions of the Owners;
 - (viii) the condition of the cargo holds to be in accordance with the maintenance regime undertaken by the Charterers during the Charter Period since delivery; and
 - (ix) the anti-fouling coating system applied at the last scheduled dry-docking shall be in accordance with prevailing regulations at the time of application.
- (b) At redelivery, the Charterers shall ensure that the Vessel shall meet the following performance levels (which where relevant shall be determined by reference to the Vessel's log books):
- (i) all remaining bunkers shall be in compliance with all applicable laws, including without limitation, the global sulphur limit imposed by the International Maritime Organization (IMO) for vessels of this type;
 - (ii) available bunkers shall be sufficient to cover at least a voyage to a port for refueling;
 - (iii) all equipment controlling the habitability of the accommodation and service areas to be in proper working order, fair wear and tear excepted; and
 - (iv) available deadweight to be within one per cent (1%) of that achieved at delivery (as the same may be adjusted as a result of any upgrading of the Vessel carried out in accordance with this Charter (such adjustment to be agreed between the Owners and Charterers at the time such upgrading work is to be undertaken)).

- (c) The Owners and the Charterers shall be each appoint (at the Charterers' expense) an independent surveyor for the purpose of determining and agreeing in writing the condition of the Vessel at redelivery.
- (d) If the Vessel is not in the condition or does not meet the performance criteria required by this Clause 43, a list of deficiencies together with the costs of repairing/remedying such deficiencies shall be agreed by the respective surveyors.
- (e) The Charterers shall be obliged to repair any class items restricting the operation or trading of the Vessel prior to redelivery.
- (f) The Charterers shall be obliged to repair/remedy all such other deficiencies as are necessary to put the Vessel into the return condition required by this Clause 43.

44. Diver's inspection at redelivery

- (a) Unless the Vessel is returned in dry-dock, if the Owners so request, a diver's inspection is required to be performed at the time of redelivery and the following provisions shall apply:
 - (i) The Charterers shall, at the written request of the Owners, arrange at the Charterers' time and expense for an underwater inspection by a diver approved by the Classification Society immediately prior to the redelivery.
 - (ii) A video film of the inspection shall be made. The extent of the inspection and the conditions under which it is performed shall be to the satisfaction of the Classification Society.
 - (iii) If damage to the underwater parts is found, the Charterers shall arrange, at their time and costs, for the Vessel to be dry-docked (if required by the Classification Society) and repairs carried out to the satisfaction of the Classification Society.
 - (iv) If the conditions at the port of redelivery are unsuitable for such diver's inspection, the Charterers shall take the Vessel (in Charterers' time and at Charterers' expense) to a suitable alternative place nearest to the redelivery port unless an alternative solution is agreed.
 - (v) Without limiting the generality of sub-paragraph 55 (*Fees and expenses*), all costs relating to any diver's inspection shall be borne by the Charterers.

45. Owners' mortgage

- (a) The Charterers:
 - (i) acknowledge that the Owners are entitled and do intend to enter or have entered into certain funding arrangements with the Finance Parties in order to finance part of the Outstanding Principal, which funding arrangements may be secured, inter alia, by ship mortgages over the Vessel and (along with other related matters) the relevant Finance Documents provided that simultaneously with the Owners' execution of any such ship mortgages, the Owners shall ensure that the relevant Finance Parties execute and deliver to the Charterers a Quiet Enjoyment Letter in favour of the Charterers in a form mutually acceptable to the Finance Party and the Charterer (both acting reasonably);
 - (ii) irrevocably consent to any assignment, transfer and/or novation of the Owners' rights, interests and benefits in and to the Insurances, the Earnings and the Requisition Compensation and any Transaction Document to which it is a party in favour of the Finance Parties pursuant to the relevant Finance Documents or any Financial Institution; and

- (iii) without limiting the generality of Clause 48(m) (*Further assurance*), undertake to execute, provide or procure the execution or provision (as the case may be) of such document as is necessary to effect the assignment transfer and/or novation referred to in sub-paragraph (ii) above, provided that any related costs shall be on the Owners' account.

Provided that no Termination Event has occurred and is continuing, the Owners shall not, and shall procure that no-one claiming through them (as mortgagee, assignee or otherwise but in each case subject to the terms of the relevant Quiet Enjoyment Letter) will interfere with the Charterers' quiet use and possession of the Vessel throughout the Charter Period.

- (b) The Owners acknowledge and undertake that, subject to the Quiet Enjoyment Letter, no term of a Finance Document will prejudice or alter the rights of the Charterers under this Charter or any of the other Transaction Document.

46. Financial covenants

- (a) The Charterers shall procure that throughout the Charter Period,
 - (i) the Charterers shall maintain a minimum Liquidity of not less than US\$300,000 (Dollars Three Hundred Thousand) for each ship owned, operated or chartered by it; and
 - (ii) the Charter Guarantor shall maintain a minimum Liquidity of not less than US\$20,000,000 (Dollars Twenty Million).
- (b) For the purpose of this Clause 46 (Financial covenants), "**Liquidity**" means:
 - (i) in relation to the Charterers, the total cash or cash equivalent of the Charterers as shown in its most recent financial statements provided to the Owners in accordance with Clause 4832..1(a) (*Financial Statements*); and
 - (ii) in relation to the Charterer Guarantor, the total cash or cash equivalent of the Charterer Guarantor as shown in its most recent consolidated financial statements provided to the Owners in accordance with Clause 4832..1(a) (*Financial Statements*).
- (c) If at any time any other Financial Indebtedness of the Charter Guarantor and/or any of its Subsidiaries shall include any financial covenant in respect of the Charter Guarantor (whether set forth as a covenant, undertaking, event of default, restriction or other such provision) (a "**Financial Covenant**") that would be more beneficial to the Owners than any analogous provision contained in this Charter (an "**Additional Financial Covenant**"), then such Additional Financial Covenant shall be deemed automatically incorporated into the terms of this Charter (an "**MFN Amendment**"). Such MFN Amendment shall be reversed and the financial covenants restored to those that were in effect immediately prior to an MFN Amendment when (i) such other financial indebtedness containing the Additional Financial Covenant is repaid in full other than as a result of or in connection with an actual event of default (howsoever defined); or (ii) the original terms of an Additional Financial Covenant provided that it has ceased to apply. The Charterers shall promptly notify the Owners of any change or event that requires the incorporation or reverse of an MFN Amendment. The Charterers agree that it will, and will procure that the Charter Guarantor will, promptly enter into such necessary documentation as may be required to amend and supplement the Charter Guarantee and this Charter so as to reflect and incorporate such new or amended financial covenants that are more favourable to the Owners in accordance with this clause.

47. Charterers' representations and warranties

- (a) The Charterers make the representations and warranties set out in this Clause 47 to the Owners on the date of this Charter and on the Actual Delivery Date:

- (i) **Status:** each Obligor is a company or (as applicable) corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation, in good standing and has the power to own its assets and carry on its business as it is being conducted;
- (ii) **Binding obligations:** Subject to the Legal Reservations, the obligations expressed to be assumed by each Obligor in each Transaction Document to which it or he/she is a party are legal, valid, binding and enforceable obligations and no limit on any of their powers will be exceeded as a result of the borrowings, granting of security or giving of guarantees contemplated by the Transaction Documents or the performance by any of them of any of their obligations thereunder;
- (iii) **No breach:** the entry into and performance by each Obligor of, and the transactions contemplated by, each Transaction Document to which it or he is a party do not conflict with:
 - (A) any applicable law or regulation (including Anti-Money Laundering Laws, anti-corruption and anti-bribery laws, Anti-Terrorism Financing Laws, Sanctions);
 - (B) its constitutional documents; or
 - (C) any document binding on it, or any of its or his/her assets;
- (iv) **Due authorisation:** each Obligor has the power to enter into, perform and deliver, and has taken all necessary action to authorise its or his/her entry into, performance and delivery of, each Transaction Document to which it or he/she is a party and the transactions contemplated thereunder;
- (v) **Validity and admissibility in evidence:** all consents, licences, approvals, authorisations, filings and registrations required:
 - (A) to enable each Obligor to lawfully enter into, exercise its or his/her rights and comply with its or his/her obligations in each Transaction Document to which it or he/she is a party;
 - (B) to ensure the obligations expressed to be assumed by each of the Obligors in the Transaction Documents are legal, valid and binding; and
 - (C) to make each Transaction Document to which each Obligor is a party admissible in evidence in its jurisdiction of incorporation,have been obtained or effected and are in full force and effect;
- (vi) **Governing law and judgments:** Subject to the Legal Reservations, in any proceedings taken in any of the Obligors' jurisdiction of incorporation or residence in relation to any of the Transaction Documents in which there is any express choice of the law of a particular country as the governing law thereof, that choice of law and any judgment or (if applicable) arbitral award obtained in that country will be recognised and enforced;
- (vii) **No deductions or withholding:** no Obligor is required under the laws of its jurisdiction of incorporation or residence to make any deduction for or on account of tax from any payment it may make under each Transaction Document to which it or he is a party;
- (viii) **No filing or stamp Taxes:** under the laws of the jurisdiction of incorporation of each Obligor and subject to any Perfection Requirements, it is not necessary that any of the Transaction Documents to which such Obligor 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 on or in relation thereto or the transactions contemplated thereby (other than any filing or recording or enrolling of any tax which is referred to in the legal opinions delivered to the Owner);

- (ix) **No default:** no Termination Event has occurred and is continuing or might reasonably be expected to result from any Obligor's entry into and performance of each Transaction Document to which such Obligor is a party;
- (x) **No misleading information:** subject to any qualification (if applicable) set out in such information, any factual information provided by the Charterers to the Owners was true and accurate in all material respects as at the date it was provided or as the date at which such information was stated;
- (xi) **Claims pari passu:** Subject to the Legal Reservations, the payment obligations of each Obligor under each Transaction Document to which it or he/she is a party rank at least *pari passu* with the claims of all other unsecured and unsubordinated creditors of such Obligor, except for obligations mandatorily preferred by law applying to companies generally;
- (xii) **No material proceedings:** no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have (to the best of the Charterers' knowledge) been started against an Obligor which, if adversely determined, has a Material Adverse Effect;
- (xiii) **No immunity:** none of the Obligors nor any of its or his assets has any right to immunity from set-off, legal proceedings, attachment prior to judgment, other attachment or execution of judgment on the grounds of sovereign immunity or otherwise;
- (xiv) **No winding-up:** 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 it, or all or any part of its/his/her assets;
- (xv) **Anti-Money Laundering Laws etc.:** each Obligor is not in breach of Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws and each of the Obligor has instituted and maintained systems, controls, policies or 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;
- (xvi) **Sanctions:**
 - (A) no Obligor nor any of their respective directors, officers, and to the best of the Charterers' knowledge and belief, employees;
 - (B) each Obligor and their respective directors, officers, and to the best of the Charterers' knowledge and belief, employees, 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;

- (C) in the case a Sub-Charterer becomes a Restricted Person or acts in breach of any Sanctions, the Charterers shall, upon becoming aware of such event, (i) immediately terminate the Sub-Charter with such Sub-Charterer and (ii) procure a replacement Sub-Charter (reasonably acceptable to the Owners) as soon as practicable and in any case within 60 days; and
 - (D) in the case an Approved Manager becomes a Restricted Person or acts in breach of any Sanctions, the Charterers shall, upon becoming aware of such event, immediately terminate its appointment and appoint a substitute Approved Manager (reasonably acceptable to the Owners) as soon as practicable and in any case within one month.
- (xvii) **Security:** each of the Obligors is the legal and beneficial owner of all assets and other property which it or he/she purports to charge, pledge, assign or otherwise secure pursuant to each Transaction Document and those Transaction Documents to which it or he/she is a party create and give rise to valid and effective security having the ranking expressed in those Transaction Documents;
- (xviii) **Environmental Law:**
- (A) no circumstances have occurred which would prevent the compliance by the Obligors in a manner or to an extent which has a Material Adverse Effect; and
 - (B) no Environmental Claim has been commenced against any Obligor where, if determined against such Obligor, has a Material Adverse Effect;
- (xix) **Taxation:**
- (A) no Obligor is overdue in the filing of any Tax returns and no Obligor is overdue in the payment of any Taxes, save in the case of Taxes which are being contested on bona fide grounds or in the case the overdue payment amount does not exceeds US\$50,000 and the relevant Obligor is taking steps to make prompt payment of the same;
 - (B) no claims or investigations are being made or conducted against any Obligor with respect to Taxes;
- (xx) **No Material Adverse Effect:** no event or circumstance has occurred which has a Material Adverse Effect;
- (b) Each representation and warranty in Clause 47(a) (other than in sub-paragraphs (a)(xii) (*No material proceedings*) and (a)(vii) (*No deductions or withholding*)) above is deemed to be repeated by the Charterers by reference to the facts and circumstances then existing on each day on which Hire or any other amount is payable under this Charter and, the representation and warranty in Clause 47(a)(xvi) (*Sanctions*) above (other than in relation to any Approved Manager) shall be deemed to be made and repeated on the date when the Owners shall transfer the title of the Vessel under Clause 52 (*Transfer of title*).

48. Charterers' undertakings

The Charterers hereby undertake to the Owners that they will comply in full and procure compliance (where applicable) with the following undertakings throughout the Agreement Term:

- (a) **Financial Statements** The Charterers shall supply, and shall procure the Charter Guarantor will supply, to the Owners as soon as the same become available, but in any event within:
- (i) one hundred and eighty (180) days after the end of the Charter Guarantor's financial year, the Charter Guarantor's audited consolidated financial statements for that financial year; and
 - (ii) one hundred and twenty (120) days after the 6-month period ending on 30 June in each financial year of the Charter Guarantor, the semi-annual consolidated unaudited financial statements of the Charter Guarantor, for that 6-month period;
- So long as such financial statements are available at the Charter Guarantor's website, the relevant obligation will be deemed to have been met.
- (b) **Requirements as to financial statements** Each set of financial statements delivered to the Owners under Clause 48(a) (*Financial Statements*):
- (i) shall be in English;
 - (ii) shall be certified by an authorised signatory of the relevant Obligor as fairly representing its financial condition as at the date at which those financial statements were drawn up; and
 - (iii) shall be prepared in accordance with GAAP.
- (c) **Information: miscellaneous** The Charterers shall:
- (i) immediately notify the Owners of the occurrence of any Charter Guarantor Change of Control Event;
 - (ii) promptly upon becoming aware of them, supply to the Owners details of any litigation, arbitration or administrative proceedings which are current or pending against any Obligor provided such litigation, arbitration or administrative proceeding if adversely determined has a Material Adverse Effect;
 - (iii) promptly, supply to the Owners such further information regarding the financial condition, business and operations of any of the Obligor as the Owners or any Finance Party may reasonably request;
 - (iv) if the Owners so request, provide to the Owners a copy of such Sub-Charter which the Owners may reasonably request; and
 - (v) supply to the Owners, or procure that the Approved Managers supply to the Owners, management report on a quarterly basis (including an estimate/budget of the Vessel's OPEX, such as crewing costs, insurances, repair and maintenance, stores, spares, lubricants and dry-docking expenses).
- (d) **Notification of Termination Event** The Charterers shall, and shall procure the Charter Guarantor will, promptly, upon becoming aware of the same, inform the Owners in writing of the occurrence of any Termination Event (and the steps, if any, being taken to remedy this) and, upon the Owners' request, confirm to the Owners that, save as previously notified to the Owners or as notified in such confirmation, no Potential Termination Event or Termination Event is continuing and, if applicable, specifying the steps being taken to remedy it.

- (e) **Maintenance of legal validity** Each Obligor will comply with the terms of and do all that is necessary to maintain in full force and effect all Perfection Requirements and Authorizations required under any applicable law or regulation to enable it to perform its obligations under this Charter and the Transaction Documents to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence of such Transaction Documents in their jurisdiction of incorporation and all other applicable jurisdictions;
- (f) **Taxation** Each Obligor will pay and discharge all Taxes applicable to, or imposed on or in relation to, it, its business and its assets within the time period allowed without incurring penalties unless and only to the extent that:
- (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Owners under Clause 54.1 (*Financial statements*); and
 - (iii) such payment can be lawfully withheld.
- (g) **Negative pledge** The Charterers will not create or permit to subsist any Security Interest (other than Permitted Security) or other third party rights over any of their present or future rights and interests in or towards any Transaction Document or the Vessel other than a Security Interest created by the Transaction Documents, the Finance Documents or otherwise with the written consent of the Owners.
- (h) **Environmental compliance** The Charterers shall, and shall procure each Obligor to:
- (i) comply with all Environmental Laws;
 - (ii) obtain, maintain and ensure compliance with all requisite Environmental Approvals; and
 - (iii) implement procedures to monitor compliance with and to prevent liability under any Environmental Law applicable to it where failure to do so has a Material Adverse Effect.
- (i) **Environmental Claims** The Charterers shall, promptly inform the Owners in writing of any Environmental Claim against any Obligor which is current or pending which, if adversely determined against, such Obligor shall have a Material Adverse Effect or, the claim amount of which exceeds US\$1,500,000 (Dollars One Million Five Hundred Thousand only).
- (d) **Compliance with laws etc.** The Charterers shall:
- (i) and shall procure that each other Obligor will:
 - (A) comply with all applicable laws, including Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
 - (B) maintain systems, controls, policies or procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws; and
 - (ii) not use, or permit or authorize any person to directly use, the MOA Purchase Price for any purpose that would breach any Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws; and

- (iii) not lend, invest, contribute or otherwise make available the MOA Purchase Price to or for any other person in a manner which would result in a violation of any Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws.

- (j) **Sanctions** The Charterers shall comply and shall procure that each other Obligor comply with all laws and regulations in respect of Sanctions, and in particular, they shall effect and maintain a sanctions compliance policy or procedure to ensure compliance with all such laws and regulations implemented from time to time.

Without prejudice to the generality of the preceding, the Charterers shall comply or procure compliance with the following undertakings commencing from the date hereof and up to the last day of the Agreement Term that:

- (i) they shall comply, and will procure that each other Obligor, each other member of the Charter Group and their respective directors, officers, materially comply with all laws and regulations in respect of Sanctions and is not a Restricted Person and does not act directly or indirectly on behalf of a Restricted Person, and in particular, they shall effect and maintain a sanctions compliance policy or procedure to ensure compliance with all such laws and regulations implemented from time to time;
- (ii) the Vessel shall not be employed, operated or managed in any manner which (x) is contrary to any Sanctions and in particular, the Vessel shall not be used by or to benefit any party which is a target of Sanctions and/or is a Restricted Person or call any port in North Korea, Iran, Syria, Cuba or Crimea or trade to any area or country where trading the Vessel to such area or country would constitute a breach of any Sanctions, (y) would result in any Obligor or the Owners becoming a Restricted Person or (z) would trigger the operation of any sanctions limitation or exclusion clause in any insurance documentation;
- (iii) 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, 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 directors or officers is a Restricted Person or has otherwise become a target of Sanctions) as well as, in the case of an Obligor, provide upon request 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;
- (iv) the Charterers will, and will use best endeavours to procure that each other Obligor will provide all information in relation to its business and operations which may be relevant for the purposes of ascertaining whether it is in compliance with all laws and regulations and Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws applicable to and/or binding on it, and in particular, the Charterers shall notify the Owners in writing immediately upon being aware that any of the Charterers' shareholders, directors and officers is a Restricted Person or has otherwise become a target of any Sanctions;
- (v) The Charterers undertake to procure that no Obligor shall use any revenue or benefit derived from any activity or dealing with a Restricted Person in discharging any obligation due or owing to the Owners;

- (vi) The Charterers will not, and will not permit or authorise any other person to, utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of any transactions contemplated by the Transaction Documents to fund any trade, business or other activities (x) involving or for the benefit of any Restricted Party or (y) in any manner that would result in the Obligor or, the Owners being in breach of ant Sanctions or becoming a Restricted Person; and
- (vii) The Charterers shall procure that each Obligor shall, promptly upon becoming aware of them supply to the Owners details of any claim action, suit or proceedings against it with respect to Sanctions by any Sanctions Authority.
- (k) **Loans or other financial commitments** Other than as necessarily required in the ordinary course of business, trading and operation of the Vessel, the Charterers shall not make any loan or enter in any guarantee and indemnity or otherwise voluntarily assume any actual or contingent liability in respect of any obligation of any other person except pursuant to the Transaction Documents and the Related Transaction Documents.
- (l) **Earnings and Earnings Account**
 - (i) Following the occurrence of a Termination Event which is continuing when directed by the Owners to do so, the Charterers shall procure that each of the Sub-Charterers shall, on each Hire Payment Date, credit all payments of "Hire" (as such term is described in each Sub-Charter) and all other amounts payable thereunder directly to the Owners' Account;
 - (ii) throughout the Agreement Term, the Charterers shall:
 - (A) promptly upon receipt supply to the Owners monthly bank statements of the Earnings Account and shall promptly supply such other financial information and explanations as the Owners may from time to time reasonably require in connection with the Charterers; and
 - (B) ensure that any and all of the Earnings are deposited into the Earnings Account.
- (m) **Further assurance** The Charterers shall at their own expense,
 - (i) promptly take all such action as the Owners may reasonably require for the purpose of perfecting or protecting any of the Owners' rights with respect to the Security Interest created or evidenced by the Transaction Documents; and
 - (ii) do and perform such other and further acts and execute and deliver any and all such other agreements, instruments and documents as may be required by law to establish, maintain and protect the rights and remedies of the Owners and/or the Finance Parties (as the case may be) and to carry out and effect the intent and purpose of this Charter, the other Transaction Documents and, to the extent consistent with the terms of this Charter, the Finance Documents (as applicable).
- (n) **Change of business** The Charterers shall not and will procure no Obligor will, without the prior written consent of the Owners, make any substantial change to the general nature of their respective businesses form that carried on at the date of this Charter.
- (o) **Certificate of financial responsibility** The Charterers shall, if required, obtain and maintain a certificate of financial responsibility in relation to the Vessel which is to call at the United States of America.

- (p) **Registration** The Charterers shall not change or permit a change to the flag of the Vessel throughout the duration of this Charter without the prior written consent of the Owners or the Finance Parties (if applicable) (such consent not to be unreasonably withheld or delayed). Any change to the flag of the Vessel shall be at the cost of the Charterers (which shall include any reasonable costs of the Finance Parties (if applicable)).
- (q) **ISM and ISPS Compliance** The Charterers shall ensure that each ISM Company and ISPS Company complies in all material respects with the ISM Code and the ISPS Code, respectively, or any replacements thereof and in particular (without prejudice to the generality of the foregoing) shall ensure that such company holds (i) a valid and current Document of Compliance issued pursuant to the ISM Code, (ii) a valid and current SMC issued in respect of the Vessel pursuant to the ISM Code, and (iii) an ISSC in respect of the Vessel, and the Charterers shall promptly, upon request, supply the Owners with copies of the same.
- (r) **Inspection of Vessel and inspection reports** In the absence of a Termination Event which is continuing, subject to there being no undue interference with the operation of the Vessel,
- (iii) the Owners shall be entitled to, once a year, (at the Charterers' cost) inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf (in each case at the Charterers' cost) in order to ascertain the condition of the Vessel and the Charterers shall provide all necessary assistance and facilities in connection with such inspection or survey; and,
- (iv) the Charterers shall further, if so requested in writing by the Owners and at the Charterers' cost, provide to the Owners one inspection report each year as to the condition of the Vessel,
- provided always however** that if a Termination Event has occurred and the same be continuing, the Owners may at any time and at the Charterers' cost conduct such inspection without prior notice to the Charterers and the Charterers shall be deemed to have granted such permission and shall provide such necessary assistance to the Owners in respect of such inspection.
- (s) **"Know your customer" checks** If:
- (i) the introduction of or any change in (or in the interpretation, administration or applicable of) any law or regulation made after the dates of this Charter;
- (ii) any change in the status of the Charterers after the date of this Charter;
- (iii) a proposed assignment or transfer by Owners of any of their rights and obligations under this Charter,
- obliges the Owners to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Charterers shall promptly upon the request of the Owners supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Owners to carry out and be satisfied they have complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Transaction Documents.
- (t) **Dividends and share redemption**
- (i) The Charterers shall not make or pay (nor is the Charter Guarantor entitled to receive) any dividend or other distribution (in cash or in kind) following the occurrence of any Termination Event and while it is continuing;

- (ii) The Charterers shall not effect any form of redemption or return in respect of its limited liability company interests; and
- (iii) Unless the Owners shall approve otherwise in writing, the Charterers shall not admit any new member or members or issue any further shares (certificated or uncertificated) unless issued to the Charter Guarantor and being charged in favour the Security Trustee and will procure that the Charter Guarantor will not consent to the admission of any new member of the Charterers.
- (u) **Claims pari passu** The Charterers shall ensure that at all times any unsecured and unsubordinated claims of the Owners against it under the Transaction Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are preferred by laws of general application to companies.
- (v) **Merger and demerger** The Charterers shall not enter into any amalgamation, merger, demerger or corporate restructuring without the prior written consent of the Owners, which shall not be unreasonably withheld.
- (w) **Subordination** The Charterers acknowledge to and undertake with the Owners that, throughout the Agreement Term, any Financial Indebtedness incurred by the Charterers including all shareholder's and intercompany loans from time to time granted by the shareholders of the Charterers, any Obligor or any other member of the Charterer Group:
 - (i) are and shall at all times be subordinated to the Owners' rights under the Transaction Documents;
 - (ii) are and shall be subordinated in all respects to all amounts owing and which may in future become owing by the Charterers under the Transaction Documents;
 - (iii) following the occurrence of a Termination Event and while the same is continuing, shall not be repaid or be subject to payment of interest (although interest may accrue);and
 - (iv) are and shall remain unsecured by any Security Interest over the whole or any part of the assets of the Charterers,and the Charterers shall and shall procure that the Obligors and the relevant Affiliate to the Charterers and/or the Charter Guarantor shall upon the Owners' request, enter into a subordination agreement in favour of the Owners or such other arrangement acceptable to the Owners and such other counterparty.
- (x) **Management Agreement** The Charterers shall not and shall procure neither of the Approved Managers to materially amend, vary, novate, supplement, supersede, waive or terminate any term of any Ship Management Agreement without the prior written consent of the Owners.
- (y) **Greenhouse gas emissions** The Charterers shall:
 - (i) upon request of the Owners, provide a duly executed and, if required by the Owners, notarised and apostilled original of the EU ETS Mandate Letter and take such action as the Owners may require for such EU ETS Mandate Letter to be submitted to and recorded by the relevant authorities;
 - (ii) do all that is reasonably required of them to comply with the EU-ETS Regulations; and

- (iii) whenever requested by Owners, promptly provide to the Owners particulars of all and any outstanding charges due or collectable by the relevant entities charged with administering compliance with the EU-ETS Regulations applicable to it or in respect of the Vessel.

The Charterers will pay or cause to be paid all amounts reasonably required to be paid by it or the Owners in respect of the Vessel arising out of or in connection with the EU-ETS Regulations, and the Charterers will promptly, and in any event within fifteen (15) Business Days of demand, indemnify the Owners for any and all amounts required to be paid by the Owners in connection with any EU-ETS Regulations in respect of the Vessel, together with (i) all losses, costs and expenses suffered or incurred by the Owners in connection with compliance by them with any EU-ETS Regulations in respect of the Vessel, and (ii) any penalties, charges or other amounts levied against the Owners due to any breach by the Charterers of its obligations under this Clause 48(y).

(z) **Other negative undertakings** The Charterers shall not, without the prior written consent of the Owners,

- (i) enter into any transactions other than on arms' length commercial terms; or
- (ii) 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 of its assets (save and except as provided under the terms of this Charter and other Transaction Documents); or
- (iii) conduct any business or activity other than the chartering and operation of vessels and other ancillary activities; or
- (i) sell, transfer or otherwise dispose of any of its assets or its receivables on recourse terms or enter into or permit to subsist any other preferential arrangement having a similar effect.

(aa) **Valuation Reports** The Charterers will, on or before each Test Date, deliver or procure the delivery to the Owners of the Valuation Reports (as required under Clause 48(bb) (*Value maintenance*)) to determine the Market Value) dated not earlier than ten (10) days before the Test Date.

(bb) **Value maintenance**

- (i) In order to determine the Market Value on a Test Date for the purposes of testing the Value Maintenance Ratio, the Market Value shall be determined by the Owners to be (x) the mathematic average of two valuations from the Valuation Reports obtained in accordance with Clause 48(aa) (*Valuation Reports*) or, in the event the difference between the two Valuation Reports obtained is greater than 5%, the arithmetic average of the three Valuation Reports, the third Valuation Report being obtained from a further Approved Valuer selected by the Owners or, (y) if the Charterers fail to deliver or procure the delivery of the Valuation Reports to the Owners in accordance with Clause 48(aa) (*Valuation Reports*), the valuation from one Valuation Report arranged by the Owners (each such Valuation Report shall be at the costs of the Charterers); and in either case; if the valuation given by an Approved Valuer comes up with a value range, the lowest value within the range shall be taken to determine the Market Value.
- (ii) If, after conducting the Value Maintenance Ratio test on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is less than the Value Maintenance Threshold, then the Charterers shall, within thirty (30) days of the Owners' demand, provide cash collateral in the amount of the shortfall (the "**Cash Collateral**") and deposit the same in the Owners' Account in order to restore the Value Maintenance Ratio to comply with the Value Maintenance Threshold.

- (iii) Any Cash Collateral paid to the Owners in accordance with paragraph (ii) above shall secure the due observance and performance by the Obligors of their obligations and undertakings contained in the Transaction Documents. Following the occurrence of a Termination Event which is continuing in respect of any failure in payment of Hire, the Owners shall have the right to utilise the Cash Collateral or a part thereof to pay any outstanding Hire, whereupon the Charterers shall forthwith, and in any event within five (5) Business Days, pay and deposit with the Owners such additional amount as may be required to make up the Cash Collateral. Any remaining Cash Collateral shall only be returned to the Charterers if, (A) on a Test Date after the provision of such Cash Collateral, the Value Maintenance Ratio is no less than the Value Maintenance Threshold and (B) immediately following the return of such Cash Collateral, the Value Maintenance Ratio remains no less than the Value Maintenance Threshold provided that the Charterers may at any time after the expiration of the Agreement Term request for release and return of the remaining Cash Collateral.
- (iv) Without prejudice to paragraph (ii) above, the Charterers shall have the option (instead of providing the Cash Collateral), within (30) days of the Owners' request:
 - (a) to pay such amount to the Owners to prepay the Purchase Obligation Price, or provided the Purchase Obligation Price has been prepaid in full, any undue Fixed Hire in inverse order of maturity, to enable compliance with the Value Maintenance Ratio; or
 - (b) to provide additional security satisfactory to the Owners (acting reasonably).

49. Termination Events

- (a) Each of the following events shall constitute a Termination Event:
 - (i) **Failure to pay** an Obligor fails to pay on the due date any sum payable pursuant to the Transaction Document to which it or he is a party; provided no Termination Event shall occur under Clause 49(a)(i) in relation to a failure to pay any Hire on the relevant due date if such Obligor can demonstrate to the reasonable satisfaction of the Owners that all necessary instructions were given to effect such payment and the non-receipt thereof is attributable solely to an administrative or technical error or an error in the banking system and payment of such Hire is made within three (3) Business Days of its original due date; or
 - (ii) **Specific covenants** an Obligor fails comply with Clause 46 (*Financial covenants*); or
 - (iii) **Other obligations** an Obligor fails duly to perform or comply with any of the obligations expressed to be assumed by it in any Transaction Document (other than those referred to in Clause 49(a)(ii)(*Specific covenants*)) and where, in the opinion of the Owners, such default is capable of remedy, such default is not remedied to the Owners' satisfaction within seven (7) Business Days after written notice from the Owners requesting action to remedy the same; or
 - (iv) **Misrepresentation** any representation or statement made by any Obligor in or pursuant to a Transaction Document to which it or he is a party or in any notice, certificate, instrument or statement contemplated thereby or made or delivered pursuant hereto or thereto is, or proves to be, untrue or incorrect in any material respect when made or deemed to be repeated unless such misrepresentation is in the opinion of the Owners capable of remedy and is remedied to the Owners' satisfaction within thirty (30) days of the earlier of the relevant Obligor becoming aware of any such misrepresentation or the Owners' notice to the relevant Obligor of such misrepresentation; or

(v) **Cross default** any of the following events:

- (A) any Financial Indebtedness of an Obligor is not paid when due nor within any originally applicable grace period;
- (B) any Financial Indebtedness of an Obligor 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 an Obligor is cancelled or suspended by a creditor of an Obligor as a result of an event of default (however described); and
- (D) any creditor of an Obligor becomes entitled to declare any Financial Indebtedness of an Obligor due and payable prior to its specified maturity as a result of an event of default (however described),

provided that no Termination Event will occur under this Clause 49(a)(iii) if, the aggregate amount of such Financial Indebtedness referred to in this Clause 49(a)(v) (x) in respect of the Charter Guarantor, is less than ten million Dollars (US\$10,000,000) and (y) in respect of the Charterers, is less than five hundred thousand Dollars (US\$500,000); or

(vi) **Insolvency**

(A) an Obligor:

(x) is unable or admits inability to pay its debts as they fall due;

(y) is deemed to, or is declared to, be unable to pay its debts under applicable law;

(z) suspends or threatens to suspend making payments on any of its debts; or

other than the Charter Guarantor, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or

(B) the Charter Guarantor, any of its Subsidiaries or any of their respective directors or authorised representatives by reason of actual or anticipated financial difficulties take any steps (whether by submitting or presenting a document setting out a proposal or proposed terms or otherwise) with more than 35% (by value) of creditors of the Charter Group (taken as a whole) with a view to obtaining any form of moratorium, suspension or deferral of payments or reorganisation of debt (or certain debt), provided that this Clause 49(a)(vi)(B) shall not apply where the relevant steps are being taken solely with the Owners or any of the Owners Subsidiaries; or

(C) the value of the assets of an Obligor is less than its liabilities (taking into account contingent and prospective liabilities); or

(D) a moratorium is declared in respect of any indebtedness of an Obligor. If a moratorium occurs, the ending of the moratorium will not remedy any Termination Event caused by that moratorium; or

(vii) **Winding-up** 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, administration, bankruptcy or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of an Obligor;
- (B) a composition, compromise, assignment or arrangement with any creditor of an Obligor;
- (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of an Obligor or any of its assets;
- (D) enforcement of any Security Interest over any assets of an Obligor;

or any analogous procedure or step is taken in any jurisdiction. This Clause 49(a)(vii) shall not apply to (x) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within twenty one (21) days of commencement or (y) any arrest or detention of the Vessel from which the Vessel is released within twenty one (21) days from the date of that arrest or detention; or

(viii) **Cessation of business** any Obligor ceases or threatens to cease, to carry on all or, any material part of such Obligor's business; or

(ix) **Unlawfulness** at any time:

- (A) it is or becomes unlawful for any Obligor to perform or comply with any or all of its obligations under the Transaction Documents to which it or he is a party;
- (B) any of the obligations of the Charterers under the Transaction Documents to which they are parties are not or cease to be legal, valid and binding; or
- (C) any Transaction Documents or any Encumbrance created or purported to be created by the Transaction Documents ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to such Transaction Document (other than the Owners) to be ineffective,

and no agreement is reached between the Owners and the Charterers to agree an alternative arrangement within thirty (30) days from the date of occurrence of any of the events stated above; or

(x) **Repudiation** an Obligor repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any such Transaction Document; or

(xi) **Validity and admissibility** at any time any act, condition or thing required to be done, fulfilled or performed in order:

- (A) to enable any Obligor lawfully to enter into, exercise its rights under and perform the respective obligations expressed to be assumed by it in the Transaction Documents;
- (B) to ensure that the obligations expressed to be assumed by each of the Obligors in the Transaction Documents are legal, valid and binding; or

- (C) to make the Transaction Documents admissible in evidence in any applicable jurisdiction,
- is not done, fulfilled or performed within thirty (30) days after notification from the Owners to the relevant Obligor requiring the same to be done, fulfilled or performed; or
- (xii) **ISM Code and ISPS Code** for any reason whatsoever, the Vessel ceases to:
- (A) comply with the ISM Code or the ISPS Code; or
- (B) be managed by an Approved Manager on terms in all respects approved by the Owners,
- in each case, which is not remedied within three (3) Business Days after the earlier of written notice from the Owners requesting action to remedy the same or the Charterers becoming aware of the same; or
- (xiii) **Sanctions and AML laws etc.,**
- (A) any Obligor is in breach of any Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws; or
- (B) any Obligor becomes a Restricted Person, or is owned or controlled by a Restricted Person, or owns or controls a Restricted Person; or
- (C) if as a result of any Sanctions, the Owners are prohibited from performing any of their obligations under the Transaction Documents or the transactions contemplated under the Transaction Documents; or
- (D) a Sub-Charterer becomes a Restricted Person and the Owners fail to effect immediate termination of the Sub-Charter with such Sub-Charterer or fail to procure (within 60 days) a replacement Sub-Charter reasonably satisfactory to the Owners; or
- (xiv) **Arrest** the Vessel is arrested or seized for any reason whatsoever (other than caused solely and directly by any action or omission from the Owners) unless the Vessel is released and returned to the possession of the Charterers within sixty (60) days of such arrest or seizure; or
- (xv) **Registration** the registration of the Vessel becomes void or voidable or liable to cancellation or termination, or the country of registration of the Vessel becomes involved in war (whether or not declared) or civil war or is occupied by any other power and the Owners consider that, as a result, safety of Owners' title to the Vessel is materially prejudiced other than caused directly or indirectly by the actions of the Owners; or
- (xvi) **Material adverse change** at any time there shall occur any event or change which has a Material Adverse Effect; or
- (xvii) **Material litigation** any litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started or threatened in connection with any Obligor which, if adversely determined, has a Material Adverse Effect; or
- (xviii) **MOA and Initial Sub-Charter**
- (A) any of the Sellers' default (as such term is described in the MOA) occurs under the MOA; or

- (B) the Initial Sub-Charter is terminated, cancelled, repudiated or otherwise ceases to remain in full force and effect before the end of its agreed term, provided that no Termination Event will occur under this sub-paragraph, if a replacement Sub-Charter with material terms and conditions satisfactory to the Owners is entered into by the Charterers and assigned to the Owners in form and substance acceptable to the Owners within 60 days after the termination, cancellation, repudiation or cessation of effectiveness of the Initial Sub-Charter; or
- (xix) **Related Charter** a "Termination Event" (as such term is defined in each Related Charter) occurs under any Related Charter which is continuing.
- (b) **Owners' options after occurrence of a Termination Event** At any time after a Termination Event shall have occurred and be continuing and if applicable, following the lapse of any applicable grace period, the Owners may:
- (i) at their option and by delivering to the Charterers a Termination Notice, terminate this Charter with immediate effect or on the date specified in such Termination Notice, and withdraw the Vessel from the service of the Charterers without noting any protest and without interference by any court or any other formality whatsoever, whereupon the Vessel shall no longer be in the possession of the Charterers with the consent of the Owners, and the Charterers shall redeliver the Vessel to the Owners in accordance with Clauses 42 (*Redelivery*) and 43 (*Redelivery conditions*), whereupon the Owners may:
- (A) (in the event that the Charterers fail to pay the Termination Sum in full on the Termination Payment Date) at their option (but shall be under no obligation to), sell the Vessel to such party, at such time and on such terms and conditions as they may, in their absolute discretion, think fit; and/or
- (B) generally, use or dispose of the Vessel as the Owners may see fit subject only to the terms of this Charter; and/or
- (ii) apply any amount then standing to the credit to the Earnings Account against any Unpaid Sum or such other amounts which the Charterer or other Obligor may owe under the Transaction Documents; and/or
- (iii) (without prejudice to sub-paragraph (ii) above) enforce any Security Interest created pursuant to the relevant Transaction Documents.
- (c) **Payment of Termination Sum** On the Termination Payment Date in respect of any termination of the chartering of the Vessel under this Charter in accordance with paragraph (b) above, the Charterers shall pay to the Owners an amount equal to the Termination Sum.
- (d) **Owners' application of Termination Sum** Following any termination to which this Clause 49 applies, all sums payable in accordance with paragraph (c) above shall be paid to such account or accounts as the Owners may direct and shall be applied pursuant to Clause 4.2 (*Application of Transaction Documents Proceeds*) of the Security Trust Deed.
- (e) **Transfer of title** If the chartering of the Vessel or, as the case may be, the obligation of the Owners to deliver and charter the Vessel to the Charterers is terminated in accordance with the terms of this Charter, the obligation of the Charterers to pay Hire shall cease once the Charterers have made the payment pursuant to paragraph (c) above to the satisfaction of the Owners, whereupon the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (h) of Clause 52 (*Transfer of title*).

- (f) **Sale of Vessel** Following any termination to which this Clause 49 applies, if the Charterers have not paid to the Owners the Termination Sum on the applicable Termination Payment Date (and consequently the Owners have not transferred title to the Vessel to the Charterers in accordance with Clause 52 (*Transfer of title*)), the Owners shall be entitled (but not obliged) to sell the Vessel and apply the proceeds of a sale of the Vessel received or receivable, net of any fees, commissions, documented costs, disbursements or other expenses incurred by the Owners as a result of the Owners arranging the proposed sale (the "**Net Proceeds**"), against the Termination Sum and:
- (i) if the Net Proceeds do not exceed the Termination Sum, the Owners claim from the Charterers for any shortfall together with interest accrued thereon pursuant to paragraph (g) (*Default interest*) of Clause 40 (*Hire*) from the due date for payment thereof to the date of actual payment; or
 - (ii) if the Net Proceeds exceed the Termination Sum, any surplus shall be applied in the order set out in clause 4.2 (*Application of Transaction Document Proceeds*) of the Security Trust Deed,
- provided that** in the event:
- (A) the Owners have not yet entered into any agreement for the sale, charter or employment of the Vessel;
 - (B) the Charterers furnish the Owners with an Offer no later than the date falling thirty (30) days after the Termination Payment Date (or such later date as may be agreed by the Owners, the "**Latest MOA Date**"); and
 - (C) the potential buyer which has made the Offer (the "**Potential Buyer**") is acceptable to the Owners (acting reasonably, such acceptance not to be unreasonably withheld or delayed), the Owners shall, subject to the entry into of a memorandum of agreement for the Vessel between the Potential Buyer and the Owners which shall be on terms acceptable to the Owners (the "**Potential Buyer MOA**") by the Latest MOA Date, sell the Vessel to the Potential Buyer in accordance with the terms of the Potential Buyer MOA. For the avoidance of doubt, the Owners may at its sole discretion (acting reasonably) proceed to complete any sale, charter or employment of the Vessel arranged by the Owners notwithstanding the Offer furnished by the Charterers. The proceeds of such sale shall, for the avoidance of any doubt, be applied in accordance with this Clause 49(f)(i) and (ii) as above.
- For the purposes of this Clause 49(f):
- "Offer"** means a firm offer for the purchase of the Vessel:
- (i) for a purchase price in cash (payable on delivery and acceptance of the Vessel) not less than the Relevant Amount; and
 - (ii) on customary terms for sale and purchase of commercial vessels of similar type.
- "Relevant Amount"** means the aggregate of the Termination Sum to be determined by the Owners payable on the delivery date of the Vessel under any Potential Buyer MOA and to the extent not already included within such Termination Sum, any actual or estimated costs associated with the entry into the Potential Buyer MOA by the Potential Buyer and the conclusion of the transaction and the delivery of the Vessel thereunder, including any brokers' fees or commission.
- (g) **Owners' rights reserved** Without prejudice to the forgoing or to any other rights of the Owners under the Charter, at any time after a Termination Notice is served under paragraph (b) above, the Owners may, acting in their sole discretion without prejudice to the Charterers' obligations under Clause 43 (*Redelivery conditions*), retake possession of the Vessel and, the Charterers agree that the Owners, for such purpose, may put into force and exercise all their rights and entitlements at law and may enter upon any premises belonging to or in the occupation or under the control of the Charterers where the Vessel may be located as well as giving instructions to the Charterers' servants or agents for this purpose.

- (h) **Cumulative rights** The rights conferred upon the Owners by the provisions of this Clause 49 are cumulative and in addition to any rights which they may otherwise have in law or in equity or by virtue of the provisions of this Charter.

50. Sub-chartering and assignment

- (a) the Charterers shall not without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed):
- (i) let the Vessel on demise charter for any period;
 - (ii) enter into any consecutive time charter in respect of the Vessel for a term which exceeds, or which by virtue of any optional extension may exceed, twelve (12) months, or which would expire after the end of the Charter Period (except for the Initial Sub-Charter or as may be permitted under any Sub-Charter);
 - (iii) de-activate or lay up the Vessel; or
 - (iv) assign their rights under this Charter.
- (b) The Charterers acknowledge that the Owners' consent to any sub-bareboat chartering may be subject (amongst other things) to the Owners being satisfied as to the intended flag during such sub-bareboat chartering.
- (c) Without prejudice to anything contained in this Clause 50, the Charterers shall only enter into a Sub-Charter which is for a purpose for which the Vessel is suited and with a Sub-Charterer who is not a Restricted Person and in each case, the Charterers shall assign to the Owners all their earnings arising out of and in connection with any Sub-Charter and, subject to the Charterers' Assignment, all their rights and interest of any Sub-charter (as such term is defined in the Charterers' Assignment) upon such terms and conditions as the Owners may require and the Charterers shall serve a notice on any Sub-Charterer (subject to the Charterers' Assignment) and shall use reasonable commercial endeavors to obtain a written acknowledgement of such earnings assignment from such Sub-Charterer in such form as is required in good faith by the Owners or any Finance Party (as the case may be).
- (d) Without prejudice to paragraph (c) above, the Vessel shall not be employed, operated or managed in any manner which:
- (i) is contrary to any Sanctions and in particular, the Vessel shall not be used by or to benefit any party which is a target of Sanctions and/or is a Restricted Person or trade to any Restricted Country;
 - (ii) would result or reasonably be expected to result in any Obligor, the Sub-Charterers, or the Owners becoming a Restricted Person; or
 - (iii) would trigger the operation of any Sanctions limitation or exclusion clause in any insurance documentation.
- (e) The Charterers shall, at the Charterers' costs, provide the Owners with copies of the Vessel's contracts of employment (including contracts of employment entered into by the Sub-Charterer) and reasonable details relating to performance of such employment contracts every twelve (12) months from the Actual Delivery Date and from time to time, in each case, upon the Owners' written request.

51. **Name of Vessel**

- (a) Provided that the prior written consent has been given by the Owners (such approval not to be unreasonably withheld or delayed):
 - (i) the name of the Vessel may be chosen by the Charterers; and
 - (ii) the Vessel may be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.
- (b) Following the termination of this Charter (other than a Default Termination), the Charterers shall have the right to require the Owners to change the name of the Vessel so that the Charterers can use the name.

52. **Transfer of title**

Purchase option

- (a) The Charterers shall, from the date falling after and including the 3rd Anniversary, have the option to elect to purchase the Vessel from the Owners for the Purchase Option Price on the Purchase Option Date, subject to satisfaction of the following conditions:
 - (i) the Charterers have notified the Owners by serving an irrevocable written notice at least forty-five (45) days prior to the proposed Purchase Option Date of the Charterers' intention to exercise the option to purchase the Vessel on a Purchase Option Date (the "**Purchase Option Notice**"),
 - (ii) the proposed Purchase Option Date is a Hire Payment Date falling on or after the 3rd Anniversary;
 - (iii) no Total Loss having occurred under Clause 53 (*Total Loss*); and
 - (iv) no Termination Event having occurred and which is continuing or would occur as a result of such early termination.
- (b) The Purchase Option Notice, once given, shall be irrevocable and, unless with the Owners approve otherwise in writing, the Charterers shall have absolute obligation to pay the Purchase Option Price on the declared Purchase Option Date. Upon receipt of full payment of the Purchase Option Price on the Purchase Option Date, the Owners shall arrange for the title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (h) below.

Purchase obligation

- (c) In the event the Charterers do not exercise the option to purchase the Vessel prior to the expiry of the Charter Period in accordance with the preceding provisions of this Clause 52, the Charterers shall be obligated to pay the Purchase Obligation Price and purchase the Vessel from the Owners on the last day of the Charter Period in accordance with paragraphs (d) to (h) below against the full payment of the Purchase Obligation Price and all other amounts payable to the Owners under the Transaction Documents.

Transfer of title

- (d) (A) (as and where applicable) upon the Owners' receipt in full of the Termination Sum, or

- (B) (in the absence of a Termination Event) upon (i) the Owners' receipt of the full payment of the Purchase Option Price on the Purchase Option Date or (ii) full payment of the Purchase Obligation Price on the last day of the Charter Period,

and subject to payment of all Unpaid Sum under the Transaction Documents and Unpaid Sum (as such terms is defined in each Related Charter) under the Related Transaction Documents and the Charterers' compliance with the other terms and conditions set out in this Clause, the Owners shall do the following:

- (i) transfer the title to and ownership of the Vessel to the Charterers by delivering to the Charterers (in each case at the Charterers' costs):
- (A) a duly executed and acknowledged, notarised, legalised and/or apostilled (each to the extent compulsorily required by the Charterers' nominated flag state and as applicable) bill of sale; and
- (B) the Title Transfer PDA and such other documents as the Charterers may in good faith require to register the Vessel in their name; and
- (ii) to procure the deletion of any mortgage or prior Encumbrance created by the Owners in relation to the Vessel at the Charterers' cost and provide a copy of the Vessel's certificate of ownership and encumbrance from the registries dated the date of delivery evidencing that the Vessel is free from registered encumbrances and mortgages,

provided always that prior to such transfer or deletion (as the case may be), the Owners shall have received the letter of indemnity as referred to in paragraph (g) below from the Charterers and the Charter Guarantor, and the Charterers shall have performed all their obligations in connection herewith and with the Vessel, including without limitation the full payment of all Unpaid Sums, Taxes, charges, duties, costs and disbursements (including reasonable and documented legal fees) in relation to the Vessel.

- (e) The transfer in accordance with paragraph (d) above shall be made in all respects at the Charterers' expense on an "as is, where is" basis and the Owners shall give the Charterers no representations, warranties, agreements or guarantees whatsoever concerning or in connection with the Vessel, the Insurances, the Vessel's condition, state or class or anything related to the Vessel, expressed or implied, statutory or otherwise save that the Vessel is free of mortgages, liens and encumbrances created by the Owners.
- (f) The Owners shall have no responsibility for the registrability of a bill of sale referred to in paragraph (d) above executed by the Owners, as far as such bill of sale is prescribed in forms generally acceptable to the Vessel's registry at the date of execution of such bill of sale.
- (g) The Charterers shall, immediately prior to the receipt of the bill of sale referred to in paragraph (d) above, furnish the Owners with a letter of indemnity (in a form satisfactory to the Owners in good faith and with a validity period not less than 12 months from delivery of the Vessel evidenced by the duly executed Title Transfer PDA) duly executed by the Charter Guarantor whereby the Charter Guarantor shall state that, among other things, the Owners have and will have no interest, concern or connection with the Vessel after the date of such letter and that the Charter Guarantor shall indemnify the Owners and keep the Owners indemnified against any claims made by any person arising in connection with the Vessel.
- (h) If the chartering of the Vessel is terminated in accordance with this Clause 52, the obligation of the Charterers to pay the Hire shall cease once the Charterers have paid the relevant Purchase Option Price, Purchase Obligation Price, or the Termination Sum (as applicable) and any other sums payable by the Charterers to the Owners as required hereunder.

Early Prepayment Event

(i) If, at any time during the Agreement Term, a Charter Guarantor Change of Control Event occurs, then:

(A) the Charterers shall immediately notify the Owners;

(B) subject to no Total Loss under Clause 53 (*Total Loss*) having occurred and no Termination Event under Clause 49 (*Termination Events*) having occurred and being continuing, and regardless of whether the notice referred to in paragraph (A) above has been received by the Owners, the Owners may (but shall not be obliged to) notify the Charterers of its intention to terminate the Charter and require the transfer of title to the Vessel from the Owners to the Charterers in exchange for payment by the Charterers to the Owners of the Termination Sum within 15 days from receipt of such Owners' notification or on such later date specified by the Owners in writing; and

(C) the Charterers shall pay to the Owners the Termination Sum pursuant to the above.

For the avoidance of doubt, Hire shall in any event continue to be payable for the full period and this Charter shall otherwise continue to be in full force and effect until the Termination Sum has been received in full by the Owners.

53. Total Loss

(a) If circumstances exist giving rise to a Total Loss, the Charterers shall promptly notify the Owners of the facts of such Total Loss. If the Charterers wish to proceed on the basis of a Total Loss and advise the Owners thereof, the Owners shall agree to the Vessel being treated as a Total Loss for all purposes of this Charter. The Owners shall thereupon abandon the Vessel to the Charterers and/or execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a Total Loss. Without prejudice to the obligations of the Charterers to pay to the Owners all monies then due or thereafter to become due under this Charter, if the Vessel shall become a Total Loss during the Charter Period, the Charter Period shall end on the Settlement Date.

(b) If the Vessel becomes a Total Loss during the Charter Period, the Charterers shall, on the Settlement Date, pay to the Owners the amount calculated in accordance with paragraph (c) below.

(c) On the Settlement Date, the Charterers shall pay to the Owners an amount equal to the Termination Sum as at the applicable Termination Payment Date. The foregoing obligations of the Charterers under this paragraph (c) shall apply regardless of whether or not any moneys are payable under any Insurances in respect of the Vessel, regardless of the amount payable thereunder, regardless of the cause of the Total Loss and regardless of whether or not any of the said compensation shall become payable.

(d) All Total Loss Proceeds shall be paid to such account or accounts as the Owners may direct and shall be applied pursuant to Clause 4.2 (*Application of Transaction Documents Proceeds*) of the Security Trust Deed.

(e) The Charterers shall, at the Owners' request, provide satisfactory evidence, in the reasonable opinion of the Owners, as to the date on which the constructive total loss of the Vessel occurred pursuant to the definition of Total Loss.

(f) The Charterers shall continue to pay Hire on the days and in the amounts required under this Charter notwithstanding that the Vessel shall become a Total Loss provided always that no further instalments of Hire shall become due and payable after the Charterers have made the payment pursuant to paragraph (c) above.

54. Appointment of Approved Manager

- (a) The Charterers shall not and shall procure the Approved Managers will not appoint anyone other than the Approved Managers as managers or sub-manager of the Vessel without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed).
- (b) The Charterers shall ensure that the Vessel is at all times managed by the Approved Managers pursuant to the Ship Management Agreements as approved by the Owners in writing in advance.
- (c) the Approved Managers shall provide a Manager's Undertaking (in such form as the Owners may reasonably require) and, unless the Owners approve otherwise, the Manager's Undertaking shall in express terms confirm and undertake (among other things) that all claims of the Approved Managers against the Charterers (other than any Permitted Credit as such term is defined in the relevant Manager's Undertakings) shall be subordinated to the claims of the Owners under the Transaction Documents.
- (d) Upon the occurrence of a Termination Event and while the same is continuing, the Owners reserves the right to appoint such other ship management company as replacement for any Approved Manager which the Charterers may appoint.

55. Fees and expenses

- (a) Immediately upon signing of this Charter, the Charterers shall pay to the Owners a non-refundable arrangement fee in an amount of US\$445,000 (Dollars Four Hundred Forty Five Thousand only), which equals to one percent (1%) of the Original Principle (the "**Arrangement Fee**").
- (b) The Charterers shall bear all costs, fees (including documented legal fees) and disbursements reasonably incurred by the Owners and the Charterers in connection with:
 - (i) the negotiation, preparation and execution of this Charter and the other Transaction Documents or any Related Transaction Documents (in respect of the Related Charter listed in Schedule 3 hereto) and any amendment thereto (in an aggregate amount not exceeding US\$100,000);
 - (ii) the delivery of the Vessel under the MOA and this Charter, including, without limitation, the Registration Costs, the initial and annual registration fees and tonnage tax payable to the relevant ship registry;
 - (iii) subject to the remaining terms of this Charter, preparation or procurement of any survey, inspection, Valuation Report, tax or insurance advice;
 - (iv) the Charterers' exercising their purchase option right pursuant to Clause 52 (*Transfer of title*); and
 - (v) such other activities relevant to the transaction contemplated herein, subject to any terms which may be agreed between the Owners and the Charterers in relation to any fees.
- (c) The Charterers shall:
 - (i) pay to the Owners or to its order any of the Delivery Costs from time to time; and
 - (ii) pay to the Owners or to its order promptly on the Owners' written demand the amount of all costs and expenses (including legal fees) incurred by the Owners in connection with the enforcement of, or the preservation of any rights under, any Transaction Document.

56. Stamp duties and Taxes

The Charterers shall pay promptly but in any event within ten (10) Business Days (or other period as may be agreed by both parties) of demand all stamp, documentary or other like duties and Taxes to which the Charter, the MOA and the other Transaction Documents may be subject or give rise and shall indemnify the Owners within ten (10) Business Days of demand against any and all liabilities directly arising with respect to or resulting from any delay on the part of the Charterers to pay such duties or Taxes.

57. Operational notifiable events

- (a) The Owners are to be advised as soon as possible after the occurrence of any of the following events:
 - (i) when a material condition of class is applied by the Classification Society which is not promptly complied with taking into account any applicable grace period;
 - (ii) whenever the Vessel is arrested, confiscated, seized, requisitioned, impounded, forfeited or detained by any government or other competent authorities or any other persons for a period of at least two (2) days;
 - (iii) whenever a class or flag authority refuses to issue or withdraw trading certification;
 - (iv) in the event of a fire requiring the use of fixed fire systems or collision / grounding provided such events exceed the Threshold Amount;
 - (v) whenever the Vessel is planned for dry-docking, whether in accordance with Clause 10(g) (Part II) or any Sub-Charter and whether routine or emergency;
 - (vi) in the event of any material alteration and/or damage to the Vessel in excess of the Threshold Amount;
 - (vii) the Vessel is taken under tow save for any routine towage (including when leaving or entering a port);
 - (viii) any death or serious injury on board; or
 - (ix) any Environmental Incident provided such incident has a Material Adverse Effect.
- (b) The Charterers shall, upon the Owners' written request, supply to the Owners annual in-house full ship inspection report by the end of each calendar year.

58. Further indemnities

- (a) Whether or not any of the transactions contemplated hereby are consummated, the Charterers shall, in addition to the provisions under Clause 17 (*Indemnity*) (Part II) of this Charter, indemnify, protect, defend and hold harmless the Owners, the Security Trustee and the Finance Parties and their respective officers, directors, agents and employees (collectively, the "**Indemnitees**") (without duplication with any payment or insurance proceeds paid to the Indemnitees) throughout the Agreement Term from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, documented fees, claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, documented costs, expenses and disbursements, including reasonable legal fees and expenses, of whatsoever kind and nature, other than taxes imposed on the overall gross income of the Indemnitees, (collectively, the "**Expenses**"), imposed on, suffered or incurred by or asserted against any Indemnitee, in any way relating to, resulting from or arising out of or in connection with, in each case, directly or indirectly, any one or more of the following:

- (i) this Charter and any other Transaction Documents and any amendment, supplement or modification thereof or thereto pursuant to the terms of this Charter or requested by the Charterers;
- (ii) the Vessel or any part thereof, including with respect to:
 - (A) the manufacture, design, possession, use or non-use, operation, maintenance, testing, repair, overhaul, condition, alteration, modification, addition, improvement, storage, seaworthiness, replacement, repair of the Vessel or any part (including, in each case, latent or other defects, whether or not discoverable and any claim for patent, trademark, or copyright infringement and all liabilities, obligations, losses, damages and claims in any way relating to or arising out of spillage of cargo or fuel, out of injury to persons, properties or the environment or strict liability in tort);
 - (B) any claim or penalty arising out of violations of applicable law by the Charterers, the Sub-Charterers or any other sub-charterers;
 - (C) death or property damage of shippers or others;
 - (D) any liens in respect of the Vessel or any part thereof including, without limitation, liens arising out of or in connection with any cargo claims (whether or not such claims arose prior to or during the Charter Period) but excluding any liens arising out of or in connection with a direct act or omission of the Owners;
 - (E) any registration and/or tonnage fees (whether periodic or not) in respect of the Vessel payable to any registry of ships and any service fees payable to any service provider in relation to maintaining such registration at any registry of ships; or
 - (F) any claims in relation to any loss or damage to cargo on board the Vessel during the Charter Period; or
 - (G) all expenses suffered or incurred by the Owners which arise under or in connection with any applicable Environmental Law or any applicable Sanctions or any claim or penalty arising out of Sanctions or violations of applicable law by any of the Obligors, or any Sub-charterers;
- (iii) any breach of or failure to perform or observe, or any other non-compliance with, any covenant or agreement or other obligation to be performed by the Charterers under any Transaction Document to which it is a party or the falsity of any representation or warranty of the Charterers in any Transaction Document to which it is a party or the occurrence of any Termination Event;
- (iv) in preventing or attempting to prevent the arrest, confiscation, seizure, taking and execution, requisition, impounding, forfeiture or detention of the Vessel, or in securing or attempting to secure the release of the Vessel in connection with the exercise of the rights of a holder of a lien created by the Charterers;
- (v) incurred or suffered by the Owners in:
 - (A) procuring the delivery of the Vessel to the Charterers under Clause 35 (*Delivery*);
 - (B) any non-delivery to or acceptance by the Charterers of the Vessel under this Charter;

- (C) recovering possession of the Vessel following termination of this Charter under Clause 49 (*Termination Events*);
- (D) taking redelivery of the Vessel at the expiry of the Charter Period;
- (E) the Registration Costs;
- (vi) arising from the Master or officers of the Vessel or the Charterers' agents signing bills of lading or other documents;
- (vii) in connection with:
 - (A) the arrest, seizure, taking into custody or other detention by any court or other tribunal or by any governmental entity; or
 - (B) subjection to distress by reason of any process, claim, exercise of any rights conferred by a lien or by any other action whatsoever, of the Vessel which are expended, suffered or incurred as a result of or in connection with any claim or against, or liability of, the Charterers or any other member of the Charter Group, together with any documented costs and expenses or other outgoings which may be paid or incurred by the Owners in releasing the Vessel from any such arrest, seizure, custody, detention or distress.
- (b) The Charterers shall pay to the Owners promptly on the Owners written demand within ten (10) Business Days 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 Transaction Document including (without limitation) (i) any documented losses, costs and expenses which the Owners may from time to time sustain, incur or become liable for by reason of the Owners being deemed by any court or authority to be an operator, or in any way concerned in the operation, of the Vessel and (ii) collecting and recovering the proceeds of any claim under any of the Insurances.
- (c) Without prejudice to any right to damages or other claim which either party may, at any time, have against the other hereunder, it is hereby agreed and declared that the indemnities of the Owners by the Charterers contained in this Charter shall continue to have full force and effect notwithstanding any termination, cancellation or expiration of this Charter for a further period of 12 months following such termination, cancellation or expiration.

59. Further assurances and undertakings

- (a) The Charterers shall, and shall procure each of the other Obligor will, make all applications and execute all other documents and do all other acts and things as may be necessary to implement and to carry out their obligations under, and the intent of, this Charter.
- (b) The parties shall act in good faith to each other in respect of any dealings or matters under, or in connection with, this Charter.

60. Cumulative rights

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.

61. No waiver

No delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, or in connection with, this Charter will operate as a waiver. No waiver of any breach of any provision of this Charter will be effective unless that waiver is in writing and signed by the party against whom that waiver is claimed. No waiver of any breach will be, or be deemed to be, a waiver of any other or subsequent breach.

62. Entire agreement

- (a) Save for the other Transaction Documents and the Quiet Enjoyment Letter, 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.
- (b) This Charter may not be amended, altered or modified except by a written instrument executed by each of the parties to this Charter.

63. Invalidity

If any term or provision of this Charter or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable the remainder of this Charter or application of such term or provision to persons or circumstances (other than those as to which it is already invalid or unenforceable) shall (to the extent that such invalidity or unenforceability does not materially affect the operation of this Charter) not be affected thereby and each term and provision of this Charter shall be valid and be enforceable to the fullest extent permitted by law.

64. English language

All notices, communications and financial statements and reports under or in connection with this Charter and the other Transaction Documents shall be in English language or, if in any other language, shall be accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

65. No partnership

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.

66. Notices

- (a) Any notices to be given to the Owners under this Charter shall be sent in writing by courier, registered letter or email and addressed to:

Address: 3F, Building No.8, Beijing Friendship Hotel, Haidian District, Beijing, 100873, China

Email: Fang Zhao Qing / Zhu Xin

Attention: fangzhaoqing@msfl.com.cn / zhuxin@msfl.com.cn

or to such other address or email address as the Owners may notify to the Charterers in accordance with this Clause 66.

- (b) Any notices to be given to the Charterers under this Charter shall be sent in writing by courier, registered letter or email and addressed to:

Address: 3-5 Menandrou street, Kifissia, Athens, 14561

Email: legalconfidential@technomar.gr

Tel: +30 2106233670

Attention: Mrs. Maria Danezi

or to such other address, phone number or email address as the Charterers may notify to the Owners in accordance with this Clause 66.

- (c) Any such notice shall be deemed to have reached the party to whom it was addressed, when dispatched and acknowledged received (in case of a facsimile or an email) or when delivered (in case of courier or a registered letter). A notice or other such communication received on a non-working day or after business hours in the place of receipt shall be deemed to be served on the next following working day in such place.
- (d) Any communication or document to be made or delivered by one party to another under or in connection with the Transaction Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (e) Any such electronic communication or delivery as specified in paragraph (d) above to be made between an Obligor and the Owners may only be made in that way to the extent that those two parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.
- (f) Any such electronic communication or delivery as specified in paragraph (d) above made or delivered by one party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a party to the Owners only if it is addressed in such a manner as the Owners shall specify for this purpose.
- (g) Any electronic communication or document which becomes effective, in accordance with paragraph (iv) above, after 5:00 p.m. in the place in which the party to whom the relevant communication or document is sent or made available has its address for the purpose of this.

67. Conflicts

Unless stated otherwise, in the event of there being any conflict between the provisions of Clauses 1 (*Definitions*) (Part II) to 31 (*Notices*) (Part II) and the provisions of Clauses 32 (*Definitions*) to 76 (*Assignment and Transfer*), the provisions of Clauses 32 (*Definitions*) to 76 (*Assignment and Transfer*) shall prevail.

68. Survival of Charterers' obligations

The termination of this Charter for any cause whatsoever shall not affect the rights of the Owners under the Transaction Documents to recover from the Charterers any money due to the Owners in consequence thereof pursuant and subject to the terms hereof and all other rights of the Owners (including but not limited to any rights, benefits or indemnities which are provided to continue after the termination of this Charter, always subject to any applicable validity limitation stipulated in the relevant provisions of this Charter) are reserved hereunder pursuant and subject to the terms hereof.

69. Counterparts

This Charter may be executed in any number of counterparts and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall be deemed to constitute a full and original agreement for all purposes.

70. Third Parties Act

- (a) Any person which is an Indemnitee or a Finance Party from time to time and is not a party to this Charter shall be entitled to enforce such terms of this Charter as provided for in this Charter in relation to the obligations of the Charterers to such Indemnitee or (as the case may be) Finance Party, subject to the provisions of Clause 30 (*Dispute Resolution*), Clause 74 (*Arbitration*) and the Third Parties Act. The Third Parties Act applies to this Charter as set out in this Clause 70.
- (b) Save as provided above, a person who is not a party to this Charter has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Charter.

71. Waiver of immunity

- (a) To the extent that the parties may in any jurisdiction claim for themselves or their assets or revenues immunity from any proceedings, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the parties or their assets or revenues, the parties agree not to claim and irrevocably waive such immunity to the full extent permitted by the laws of such jurisdiction.
- (b) The parties consent generally in respect of any proceedings to the giving of any relief and the issue of any process in connection with such proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such proceedings. The Parties agree that in any proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of such Act.

72. FATCA

- (a) Subject to paragraph (d) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (b)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

- (c) Paragraph (b) above shall not oblige the Owners to do anything, and paragraph (b)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (b)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (d) above applies), then such Party shall be treated for the purposes of this Charter and the other Transaction Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) Each Party, Obligor may make any FATCA Deduction it is required by FATCA to make, and any payment required in connection with that FATCA Deduction, no Party or Obligor shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (f) Each Party or Obligor (if applicable) shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party or Obligor (if applicable) to whom it is making the payment.
- (g) For the purpose of this Clause 72, the following terms shall have the following meanings:
- "Code" means the United States Internal Revenue Code of 1986, as amended.
- "FATCA" means:
- (i) sections 1471 through 1474 of the Code or any associated regulations;
 - (ii) 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 (i) above; or
 - (iii) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (i) or (ii) 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 this Charter or the other Transaction Documents required by FATCA.
- "FATCA Exempt Party" means a Party that is entitled to receive payments free from any FATCA Deduction.

73. Governing Law

This Charter and any non-contractual obligations arising out of or in connection with it shall in all respect be governed by and construed in accordance with English law.

74. Arbitration

- (a) Any dispute arising out of or in connection with this Charter 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.

- (b) The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.
- (c) The reference shall be to three arbitrators, one to be appointed by each party and the third, subject to the provisions of the LMAA Terms, by the two so appointed. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both Parties as if the sole arbitrator had been appointed by agreement.
- (d) In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

75. Confidentiality

- (a) The Parties shall maintain the information provided in connection with the Transaction Documents strictly confidential and agree to disclose to no person other than:
 - (i) its board of directors, employees (only on a need to know basis), and shareholders, professional advisors (including the legal and accounting advisors and auditors) and rating agencies;
 - (ii) as may be required to be disclosed under applicable law or regulations or for the purpose of legal proceedings;
 - (iii) in the case of the Owners, (1) to any of its Affiliate (more than one of them, collectively, the "**Permitted Parties**"), any Finance Party or other actual or potential financier providing funding for the acquisition or refinancing of the Vessel (provided the same have entered into similar confidentiality arrangements), (2) to professional advisers, auditors, insurers or insurance brokers and service providers of the Permitted Parties who are under a duty of confidentiality to the Permitted Parties and (3) as required by any law or any government, quasi-government, administrative, regulatory or supervisory body or authority, court or tribunal with jurisdiction over any of the Permitted Parties;
 - (iv) in the case of the Charterers, to any Sub-Charterers (but subject always to paragraph (b) below) in respect of obtaining any consent required under the terms of any relevant Sub-Charter;
 - (v) any Approved Managers, the classification society and flag authorities, in each case as may be necessary in connection with the transactions contemplated hereunder; and
 - (vi) any person which is a classification society or other entity which the Owners, any of their Affiliates or a Finance Party has engaged to make the calculations necessary to enable the Owners, any of their Affiliates or a Finance Party to comply with their reporting obligations under the Poseidon Principles.

- (b) Any other disclosure by each Party shall be subject to the prior written consent of the other Party, provided that the Charterers may disclose any information provided in connection with the Transaction Documents to their subcontractors and any Sub-Charterers, in each case subject to the procurement of a confidentiality undertaking (in form and substance satisfactory to the Owners) from such sub-contractor or Sub-Charterers.

76. Assignment and Transfer

- (a) The Charterers shall not be permitted to assign or transfer any of their rights or obligations under this Charter without the Owners' written approval. The Owners shall have the right to assign or transfer any or all of their rights under this Charter in accordance with the provisions of Clause 5 of the Security Trust Deed.
- (b) Without limiting the generality of Clause 48(m) (*Further assurance*), the Charterer undertakes to execute, provide or procure the execution or provision (as the case may be) of such further information or document as is necessary to effect the assignment and/or transfer referred to in sub-paragraph (a) above.

77. Financing Charter

- (a) The Owners and the Charterers hereto acknowledge and agree that this Charter shall be construed as a "financing charter" for all purposes under the Liberian Maritime Law, and this Charter is intended to be treated as a preferred mortgage over the whole of the Vessel in favour of the Owners under any provision of law now existing or hereafter coming into force in the Republic of Liberia. The Charterers grant to the Owners, and the Owners retain as security for the payment and performance of all the Obligors their respective obligations under and in connection with the Transaction Documents, whether now or hereafter incurred, all of the Charterers' interest in and to the whole of the Vessel. The Charterers shall cause this Charter to be recorded in accordance with said Law.
- (b) For the purpose of recording this Charter as a Financing Charter under the laws of the Republic of Liberia, the maximum aggregate of the nominal amount of all charter hire payments, termination payments, purchase or put option amounts payable, or which may become payable, is United States Dollars Forty Four Million Five Hundred Thousand (US\$44,500,000), plus interest, liabilities, indemnities, costs, expenses, fees and performance of the Charterers' covenants.

[Execution page and scheduled to follow]

SCHEDULE 1
FORM OF PROTOCOL OF DELIVERY AND ACCEPTANCE

PROTOCOL OF DELIVERY AND ACCEPTANCE

It is hereby certified that pursuant to a bareboat charter dated _____ and made between **OCEAN JING SHIPPING LIMITED**, a company incorporated and existing under the laws of the Hong Kong Special Administrative Region of the People's Republic of China and having its registered office at Units 904-907, 9/F, Dah Sing Financial Centre, 248 Queen's Road East, Hong Kong, China (the "**Owners**") as owner and **GLOBAL SHIP LEASE 77 LLC**, a limited liability company incorporated and existing under the laws of the Republic of Liberia and having its registered office at 80 Broad Street, Monrovia, Liberia (the "**Bareboat Charterer**") as bareboat charterer (as may be amended and supplemented from time to time, the "**Bareboat Charter**") in respect of one (1) bulk carrier named "**BREMERHAVEN EXPRESS**" with IMO Number **9723253** (the "**Vessel**"), the Vessel is delivered for charter by the Owner to the Bareboat Charterer, and accepted by the Bareboat Charterer from the Owner at _____ hours (Beijing time) on the date hereof in accordance with the terms and conditions of the Bareboat Charter.

IN WITNESS WHEREOF, the Owner and the Bareboat Charterer have caused this PROTOCOL OF DELIVERY AND ACCEPTANCE to be executed by their duly authorised representative on this _____ day of _____.

THE OWNER
OCEAN JING SHIPPING LIMITED

by:

Name:

Title:

THE BAREBOAT CHARTERER
GLOBAL SHIP LEASE 77 LLC

by:

Name:

Title:

SCHEDULE 2
FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE

PROTOCOL OF DELIVERY AND ACCEPTANCE

"[VESSEL NAME]"

OCEAN JING SHIPPING LIMITED of [registered address], Hong Kong, China (the "Owners") deliver to GLOBAL SHIP LEASE 77 LLC of 80 Broad Street, Monrovia, Liberia (the "Bareboat Charterers") the Vessel described below and the Bareboat Charterers accept delivery of, title and risk to the Vessel pursuant to the terms and conditions of the bareboat charterer dated [•] (as may be amended and supplemented from time to time) and made between (1) the Owners and (2) the Bareboat Charterers.

Name of Vessel:	[•]
Flag:	[•]
Place of Registration:	[•]
IMO Number:	[•]
Gross Registered Tonnage:	[•]
Net Registered Tonnage:	[•]
Dated:	_____ 20[•]
At:	_____ hours (Beijing time)

THE OWNER	THE BAREBOAT CHARTERER
OCEAN JING SHIPPING LIMITED	GLOBAL SHIP LEASE 77 LLC
by:	by:
_____	_____
Name:	Name:
Title:	Title:

SCHEDULE 3
RELATED CHARTER AND RELEVANT INFORMATION

Name of Ship	IMO Number	Related Owners	Related Charterers
CZECH	9723241	OCEAN DANCE SHIPPING LIMITED	GLOBAL SHIP LEASE 76 LLC
SYDNEY EXPRESS	9723265	OCEAN RAINBOW SHIPPING LIMITED	GLOBAL SHIP LEASE 78 LLC
ISTANBUL EXPRESS	9723277	OCEAN TIANXIU SHIPPING LIMITED	GLOBAL SHIP LEASE 79 LLC

SIGNATURE PAGE

THE OWNER
OCEAN JING SHIPPING LIMITED

by:

/s/ Huang Mei

Name: Huang Mei

Title: Director

THE BAREBOAT CHARTERER
GLOBAL SHIP LEASE 77 LLC

by:

/s/ Aglaia Lida Papadi

Name: Aglaia Lida Papadi

Title: Attorney-in-fact

1. Shipbroker Not Applicable	BIMCO STANDARD BAREBOAT CHARTER CODE NAME:"BARECON 2001" 	
PART I		
2. Place and date 24 December 2024		
3. Owners/Place of Business (Cl. 1) OCEAN DANCE SHIPPING LIMITED, a company incorporated and existing under the laws of the Hong Kong Special Administrative Region of the People's Republic of China with Business Registration Number 62837853 and having its registered office at Units 904-907, 9/F, Dah Sing Financial Centre, 248 Queen's Road East, Hong Kong, China (also registered as a Foreign Maritime Entity in Liberia)	4. Bareboat Charterers/Place of business (Cl. 1) GLOBAL SHIP LEASE 76 LLC, a limited liability company incorporated and existing under the laws of the Republic of Liberia with Registration Number LLC-960400 and having its registered office at 80 Broad Street, Monrovia, Liberia	
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: CZECH IMO No.: 9723241 Flag: Republic of Liberia		
6. Type of Vessel Container Ship	7. GT/NT 94684 / 59902	
8. When/Where built 2015 / Hanjin Heavy Industries and Construction (Philippines), Zambales, Philippines	9. Total DWT (abt.) in metric tons on summer freeboard As per Class certificates	
10. Classification Society (Cl. 3) DNV on delivery; the Charterers may change to the Vessel's Classification Society to RINA at the Charterers' time and cost	11. Date of last special survey by the Vessel's classification society As per Class certificates	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) See Vessel's Class certificates		
13. Port or Place of delivery (Cl. 3) See Additional Clause 35 (Delivery)	14. Time for delivery (Cl. 4) See Additional Clause 35 (Delivery)	15. Cancelling date (Cl. 5) Not applicable
16. Port or Place of redelivery (Cl. 15) See Additional Clause 42 (Redelivery)	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15)	
18. Running days' notice if other than stated in Cl. 4 Not Applicable	19. Frequency of dry-docking (Cl. 10(g)) Not Applicable	
20. Trading Limits (Cl. 6) Trading worldwide, always safe/afloat, always within International Navigation Limits and subject to exclusions as per Joint War Risks Committee (JWC) Listed Areas (save as in accordance with clause 41 (Insurances) and any other country, port, place or zone prohibited by the Flag State and/or any of the Sanction Authorities (as defined in the Rider Clauses). Cargo Limits as per Vessel's classification society's requirement and the Vessel's specifications. Always subject to the terms and conditions contained in this Charter.		
21. Charter period (Cl. 2) One Hundred and Twenty (120) months, subject to terms of this Charter	22. Charter hire (Cl. 11) See Additional Clause 40 (Hire)	
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29) (Cl. 10(a)(ii)) Not Applicable		
24. Rate of interest payable acc. to Cl. 11(f) and, if applicable, acc. to PART IV Default Interest Rate as defined in the Additional Clauses See Additional Clauses	25. Currency and method of payment (Cl. 11) US\$ See Additional Clauses	

(continued)

"BARECON 2001" STANDARD BAREBOAT CHARTER

PART I

26. Place of payment; also state beneficiary and bank account (Cl. 11) See Additional Clause 40(d) (Payment account information)	27. Bank guarantee/bond (sum and place) (Cl.24) (optional) Not Applicable
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 Additional Clauses	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 Additional Clause 41 (Insurance)
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, (Cl. 14(g)) Not Applicable	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b)) or, if applicable, (Cl. 14(g)) See Additional Clause 41 (Insurance)
32. Latent defects (only to be filled in if period other than stated in Cl. 3) Not Applicable	33. Brokerage commission and to whom payable (Cl. 27) Not Applicable
34. Grace period (state number of clear banking days)(Cl. 28) See Additional Clauses	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration <u>must</u> be stated (Cl. 30) See Additional Clause 74 (Arbitration)
36. War cancellation (indicate countries agreed) (Cl. 26(f)) Not Applicable	
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)
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)
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) No (See Additional Clauses)	43. Bareboat Charter Registry (indicate with "yes" or "no" whether Part V applies) (optional) No (See Additional Clauses)
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if Part V applies)	45. Country of the Underlying Registry (only to be filled in if Part V applies)
46. Number of additional clauses covering special provisions, if agreed Additional Clauses 32 to 77 (both inclusive) and Schedules 1 - 3, as attached hereto, form integral part of this Charter. In the event of any conflict or inconsistency between the terms of Part I and Part II of this Charter with the terms of the Additional Clauses, the terms of the Additional Clauses shall prevail.	

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 the 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.

EXECUTION PAGE

Signature (Owners)

For and on behalf of
OCEAN DANCE SHIPPING LIMITED

Name: Huang Mei
Title: Director

Signature (Charterers)

For and on behalf of
GLOBAL SHIP LEASE 76 LLC

Name:
Title:

1. Definitions (See Also Additional Clauses)

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.

“Financial Instrument” means ~~the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28~~ any of the Finance Documents as defined in Additional Clause 32.

Any other defined terms shall have the meaning given to it in the Additional Clause.

2. Charter Period (See Additional Clauses)

~~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 Additional Clause 35)

~~(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 the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter.~~

~~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.~~

~~(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 for at least the number of months agreed in Box 12.~~

~~(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 Additional Clause 35)

~~(not applicable when Part III applies, as indicated in Box 37).~~

~~The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers’ consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.~~

~~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 keep the Charterers closely advised of possible changes in the Vessel’s position.~~

5. Cancelling (Not Applicable)

~~(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, 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.~~

~~(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.~~

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 Vessel’s P&I Club Owners’ prior approval has been obtained to loading thereof and upon the Owners’ request the Charterers shall provide the Owners with a copy of such approval from the Vessel’s P&I Club.

7. Surveys on Delivery and Redelivery (See Additional Clause)

~~(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.~~

8. Inspection (See Also Additional Clauses 48(r))

~~The Owners shall have the right at any time 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.~~

- (a) ~~to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. 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 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) ~~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.

~~The Charterers shall also permit the Owners to inspect the Vessel's logbooks 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 (See Additional Clause 37)

~~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 at the Owners' request. 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.~~

Within three (3) months from the Actual Delivery Date, the Charterers shall prepare and deliver to the Owners an inventory of the Vessel's major spare parts for the Main Engine, Diesel Generators and E.R. Auxiliary Machinery on board the Vessel.

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 **for vessels of this type** and ~~except as provided for in Clause 14(f), 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 **free of overdue recommendations and conditions** 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, the cost of compliance and time used in relation thereto shall be for the sole account of the Charterers, 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 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.

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. **See also Additional Clause 57 (Operational notifiable events).**

(d) Flag and Name of Vessel

~~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. See also Additional Clause 39 (Structural changes and alterations), paragraph (p) of Additional Clause 47 and Additional Clause 51 (Name of Vessel).~~

(e) Changes to the Vessel (See Additional Clause 39(a))

~~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 **in accordance with the Vessel's Classification Society's guidelines**. 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 at their expense and risk but **title to such additional equipment shall be deemed to have automatically passed to the Owners immediately upon such fitting** and the Charterers shall **at their expenses** remove such equipment **without damage to the Vessel at the time of redelivery end of the period** 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/indemnify** the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.

(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 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, ~~whichever is shorter.~~

11. Hire (See Additional Clause 40)

(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 in the amount indicated in Box 22 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 in cash without discount 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, shall be calculated proportionally according to the number of days and hours remaining before redelivery 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 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 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.~~

12. Mortgage (See Additional Clause 45)

(only to apply if Box 28 has been appropriately filled in)

Notwithstanding anything to the contrary in this Charter, no obligations will be imposed on the Charterers as a result of Owners entering into the Finance Documents which are more onerous than those imposed on the Charterers pursuant to this Charter.

~~^a(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(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 (Also see Additional Clause 41)

(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~~ shall 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 **reasonably** 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, 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 the moneys between the Owners and Charterers according to their respective interests. 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 (See Additional Clauses)

(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.~~
- (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.~~

- (I) ~~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 Additional Clauses 42 and 43)

~~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.~~
~~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.~~

16. Non-Lien (See also Additional Clauses)

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by their agents, which might have priority over the title and interest of the Owners in the Vessel **(other than the Permitted Encumbrances)**. 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 (See Additional Clause 58)

- (a) The Charterers shall indemnify the Owners against any loss, damage or **documented** 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 **(save for any liens caused directly by the Owners)** 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 **which is not attributable to any Obligor**, 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)~~ as a direct consequence of such arrest or detention **but, for the avoidance of doubt, in such circumstances, the Charterers shall continue to pay Hire.**

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 Additional Clauses)

- (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, 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-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.*

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 (See Additional Clauses)

- (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".~~

26. War (See Also Additional Clauses)

- (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, **provided that copies of such applicable additional insurance cover shall be provided to the Owners upon the Owners' reasonable request, 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 **unless copies of such applicable additional insurance cover are provided to the Owners upon the Owners' reasonable request.**
- (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.~~
- (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, 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 debarked under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, 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. In all cases, hire shall continue to be paid in accordance with Clause 14 and except as aforesaid all other provisions of this Charter shall apply until redelivery.~~

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 (See Additional Clauses)

- (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;
 - (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 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 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 fourteen (14) running 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
This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromise 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 (See Additional Clauses)

In the event of the termination of this Charter in accordance with the applicable provisions of this Charter 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 and the Additional Clauses, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners and the Charterer shall procure that the Master and crew follow the orders and directions of 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 (See Additional Clauses)

- (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 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;
 - ~~(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 (See Additional Clauses)

- ~~(a)~~ Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service;
- ~~(b)~~ The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively

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 Charterer 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 amount 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)
- (b) ~~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 by 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;~~
- (c) ~~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 Owner 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;~~
- (e) ~~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 re-delivery.

Without prejudice to Clause 15 (Part H), 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 date of hire per day or pro rata.

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.

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.~~

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**ADDITIONAL CLAUSES
TO BAREBOAT CHARTER FOR "CZECH"**

32. Definitions

In this Charter:

"Account Bank" means ABN AMRO Bank N.V. at Gustav Mahlerlaan 10, Postbus 283, 1000 EA Amsterdam (BIC: ABNANL2A) or such other first-class international bank or financial institution as nominated by the Charterers and approved by the Owners in writing from time to time (acting reasonably).

"Account Security" means the deed of charge or pledge or other legal instrument executed or to be executed by the Charterers in Agreed Form in favour of the Security Trustee conferring a Security Interest over the Earnings Account and all amounts from time to time standing to the credit to the Earnings Account.

"Actual Delivery Date" means the date of delivery of the Vessel by the Owners to the Charterers under this Charter.

"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.

"Agreed Form" means in relation to any document, that document in the form approved in writing by the Owners and agreed with the Charterers.

"Agreement Term" means the period commencing on the date of this Charter and terminating on the later of:

- (a) the expiration of the Charter Period; and
- (b) the date on which all money of any nature owed by the Obligor to the Owners under the Transaction Documents or otherwise in connection with the Vessel have been paid in full to the Owners and no obligations of the Obligor of any nature to the Owners or otherwise in connection with the Transaction Documents, the Related Transaction Documents or with the Vessel or the Related Vessels remain unperformed or undischarged.

"Anniversary" means each anniversary of the Actual Delivery Date.

"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 applicable jurisdictions including and without limitation, the United States of America, the European Union and the People's Republic of China and which in each case are:

- (a) issued, administered or enforced by any governmental agency having jurisdiction over any Obligor, the Owners or the Security Trustee; and
- (b) of any jurisdiction in which any Obligor, the Owners or the Trustee conduct business; or Security Interest to which any Obligor, the Owners or the Security Trustee is subjected or subject to.

"Anti-Terrorism Financing Laws" means all applicable anti-terrorism laws, statutes (including all applicable rules and regulations thereunder) and all applicable related or similar rules, regulations, guidelines, of any applicable 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, the Owners or the Security Trustee;

- (b) of any jurisdiction in which any Obligor, the Owners or the Security Trustee conducts business; or
- (c) to which any Obligor, the Owners or the Security Trustee is subjected or subject to.

"**Approved Insurer**" means, in respect of the Vessel, a first-class international insurance broker, underwriter or association acceptable to the Owners (acting reasonably).

"**Approved Manager**" means:

- (a) with respect to the technical management of the Vessel, TECHNOMAR SHIPPING INC., a company incorporated and existing under the laws of the Republic of Liberia with Registration Number C-76029 and having its registered office at 80 Broad Street, Monrovia, Liberia; and
- (b) with respect to the commercial management of the Vessel, CONCHART COMMERCIAL INC., a company incorporate 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, Republic of the Marshall Islands MH 96960; or
- (c) such other first class reputable ship technical and/or commercial manager acceptable to the Owners.

"**Approved Valuer**" means each of BRS Shipbrokers, MB Shipbrokers, Kontiki Shipbrokers, Howe Robinson and any other reputable and independent ship brokers proposed by the Charterers and approved by the Owners (acting reasonably).

"**Arrangement Fee**" has the meaning given to the term in Clause 55(a)(a)(a), being a sum of US\$445,000 (Dollars Four Hundred Forty Five Thousand only).

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

"**Break Costs**" means all costs, losses, premiums or penalties incurred by the Owners as a result of (i) the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the due date for payment of the sum in question and/or (ii) the Termination Payment Date does not fall on a Hire Payment Date (in each case, including any Break Costs incurred under the Finance Documents).

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks and financial markets are open for business:

- (a) in relation to any date for payment, in Amsterdam, Athens, Beijing and New York; and
- (b) for all other purposes, in Beijing and Athens.

"**Business Ethics Laws**" means any laws, regulations and/or other legally binding requirements or determinations in relation to bribery, corruption, fraud, money-laundering, terrorism, collusion bid-rigging or anti-trust, human rights violations (including forced labour and human trafficking) which are applicable to an Obligor or to any jurisdiction where activities are performed and which shall include: (i) the United Kingdom Bribery Act 2010, (ii) the United States Foreign Corrupt Practices Act 1977 and (iii) Prevention of Bribery Ordinance (Cap. 201) of the Laws of Hong Kong.

"**Cancellation Date**" means 31 January 2025 or such later date as the Owners may in their sole discretion approve in writing.

"**Cash Collateral**" has the meaning given to such term in Clause 4832..1(bb) (*Value maintenance*).

"**Charter Group**" means the Charterers, the Charter Guarantor and, the Subsidiaries of each of them from time to time.

"**Charter Guarantee**" means the deed of guarantee and indemnity executed or to be executed by the Charter Guarantor in favour of the Security Trustee in the Agreed Form.

"**Charter Guarantor**" means GLOBAL SHIP LEASE, INC., a corporation incorporated and existing under the laws of the Republic of Marshall Islands with corporation number 28891 and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH 96960, being the sole member and manager of the Charterers.

"**Charter Guarantor Change of Control Event**" means any of the following events:

- (i) the Charterer is not or ceases to be a wholly-owned direct or indirect Subsidiary of the Charter Guarantor;
- (ii) Mr George Giouroukos ceases to own at least 1 per cent. of the shares in the Charter Guarantor (either directly or through one or more of his affiliates);
- (iii) Mr George Giouroukos ceases to be the Executive Chairman of (or to hold an equivalent executive officer position in) the Charter Guarantor other than by reason of death or other incapacity in managing his affairs; or
- (iv) any person(s) own(s) more than 15 per cent. of the shares in the Charter Guarantor, other than Mr George Giouroukos (either directly or through one or more of his affiliates).

"**Charter Period**" means, subject to Clause 40(i) (*Illegality*), Clauses 49 (*Termination Events*), 52 (*Transfer of title*) and 53 (*Total Loss*), the period of One Hundred Twenty (120) months commencing from the Actual Delivery Date.

"**Charterers' Assignment**" means the deed of assignment executed or to be executed (as the case may be) by the Charterers in favour of the Security Trustee in the Agreed Form in relation to certain of the Charterers' rights and interest in and to (among other things) the (a) the Earnings, (b) the Insurances, and (c) the Requisition Compensation and (d) the Initial Sub-Charter and any other Sub-Charter (if any) which have a duration of twelve (12) months or more (including any option to renew or extend).

"**Classification Society**" means the vessel classification society referred to in Box 10 (*Classification Society*) of this Charter, or such other reputable classification society which is a member of the International Association of Classification Societies as the Charterers may select and the Owners may approve from time to time (acting reasonably).

"**Co-Assured Undertakings**" means an undertaking in respect of the Insurances by a party named as an assured or co-assured (as the case may be) on any of the Insurances (other than the Charterers, the Approved Managers, the Owners and the Finance Parties) in favour of the Owners and the Security Trustee.

"**Debt**" means the aggregate from time to time of all sums of any nature (together with all accrued unpaid interest on any of those sums) payable by any Obligor to the Owners under all or any of the Transaction Documents.

"**Default Interest Rate**" means a rate equivalent to the applicable Interest Rate plus two per cent. (2%) per annum (on a 360-day year basis).

"**Default Termination**" means a termination of the Charter Period pursuant to the provisions of Clause 49 (*Termination Events*).

"Delivery Costs" means the aggregate amount of all documented charges, fees, costs (including legal fees) and expenses whatsoever (with the only exception of the MOA Purchase Price) reasonably incurred and/or arising out of and/or in relation to:

- (i) the Owners' taking delivery of the Vessel under the MOA;
- (ii) the delivery of the Vessel by the Owners to the Charterers under this Charter; and
- (iii) the Registration Costs.

"Earnings" means all hires, freights, pool income and other sums payable to or for the account of the Charterers in respect of the Vessel including (without limitation) all remuneration for salvage and towage services, demurrage and detention moneys, contributions in general average, compensation in respect of any requisition for hire, and damages and other payments (whether awarded by any court or arbitral tribunal or by agreement or otherwise) for breach, termination or variation of any contract for the operation, employment or use of the Vessel.

"Earnings Account" means the account in the name of the Charterers (IBAN: NL35ABNA0139181253) opened with the Account Bank and subject to the Account Security acceptable to the Owners, and includes any sub-account thereof and such account which is designated by the Owners as the earnings account for the purposes of this Charter.

"Environmental Claim" means any claim by any person which arises out of an Environmental Incident which relates to any Environmental Law.

"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 arrested, attached, detained or enjoined and/or the Vessel and/or the Owners and/or the Charterers and/or any Approved Manager and/or any operator or manager of the Vessel is at fault or otherwise liable to any legal action; or
- (c) any other incident 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 Approved Manager and/or any operator or manager of the Vessel is at fault or otherwise liable to any legal action.

"Environmental Law" means any law or regulation having the force of law applicable to the Vessel or the use and employment of the Vessel by the Owners and the Charterers relating to pollution or protection of the environment, to the carriage of Environmentally Sensitive Material or to actual releases of Environmentally Sensitive Material.

"Environmental Permits" means any permit and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the Vessel.

"Environmentally Sensitive Material" means oil, oil products and any other substance (including any chemical, gas or other hazardous or noxious substance) which is polluting, toxic or hazardous.

"EU ETS Mandate Letter" means the mandate letter in respect of the Vessel addressed to the relevant entities charged with administering compliance with the EU-ETS Regulations and duly executed by the Owners and the Charterers and the Approved Manager nominated by the Charterers, mandating the Approved Manager as nominated by the Charterers and approved by the Owners as the party required to comply with and be responsible for compliance with the EU-ETS Regulations in place of the Owners.

"EU-ETS Regulations" means:

- (a) EU Emissions Trading Scheme (Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system as amended by Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023) and the Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 as the same may be amended, supplemented, superseded or readopted from time to time (whether with or without modifications); and
- (b) any applicable law implementing the above Directive and/or Implementing Regulation.

"**Finance Document**" means any facility agreement, security document, fee letter and any other document designated as such by the Finance Parties and the Owners, and which have been or may be (as the case may be) entered into between the Finance Parties and the Owners for the purpose of, among other things, financing or (as the case may be) refinancing all or any part of the Outstanding Principal.

"**Finance Party**" means any bank or financial institution which is or will be party to a Finance Document (other than the Owners and other entities which may have agreed or be intended as debtors and/or obligors thereunder) and "**Finance Parties**" means two or more of them.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in 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 amount raised under any other transaction (including any forward sale or hire purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"**Financial Institution**" means any bank or financial institution, 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.

"**Fixed Hire**" means in respect of each Hire Payment Date, an amount of US\$862,500 (Dollars Eight Hundred Sixty Two Thousand Five Hundred Only).

"**GAAP**" means generally accepted accounting principles in the United States or the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board, in either case as in effect from time to time.

"**Head MOA**" means the memorandum of agreement and its addendum no.1 both dated 29 November 2024 made by and between the Head Selles as sellers and the Charterers as buyers for the sale and purchase of the Vessel.

"**Head Sellers**" means Minsheng Zhi Qian (Tianjin) Shipping Leasing Company Limited, a company incorporated and existing under the laws of the People's Republic of China and having its registered office at Room 202, No.6262, Australia Road, Dongjiang Free Trade Pilot Zone, Tianjin (DJBS Free Trade Zone Branch No. 2519), China.

"**Hire**" means, in relation to each Hire Period, the aggregate amount of (A) the Fixed Hire and (B) the Variable Hire for that Hire Period.

"**Hire Payment Date**" means in relation to the Hire for each Hire Period, the last day of that Hire Period.

"**Hire Period**" means

- (a) in relation to the first Hire Period, the period commencing on the MOA Payment Date and ending on the last day of three (3) months of the Actual Delivery Date; and
- (b) in relation to each and every successive Hire Period, each and every consecutive three (3)-month period during the Charter Period commencing forthwith upon the expiration of the immediately previous Hire Period, provided that the last and final Hire Period shall end on the last day of the Charter Period.

"**Holding Company**" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"**Hong Kong**" means the Hong Kong Special Administrative Region of The People's Republic of China.

"**IAPPC**" means a valid international air pollution prevention certificate for the Vessel issued under Annex VI (Regulations for the Prevention of Air Pollution from Ships) to the International Convention for the Prevention of Pollution from Ships 1973 (as modified in 1978 and 1997).

"**Indemnitee**" has the meaning given to such term in Clause 58 (*Further indemnities*).

"**Initial Sub-Charter**" means the time charterparty dated 15 December 2020 in respect of the Vessel with the Initial Sub-Charterers as charterers, as amended, supplemented and novated from time to time, in particular, pursuant to the Initial Sub-Charter Novation Agreement.

"**Initial Sub-Charter Novation Agreement**" means the novation agreement to the Initial Sub-Charter entered into or to be entered into by and between the Initial Sub-Charterers as charterers, the Head Sellers as original owners and the Charterers as new owners, whereby subject and pursuant to the terms and conditions therein contained, with effect from the time and date of delivery of the Vessel by the Head Sellers to the Charterers under the Head MOA, all the rights and obligations of the Head Sellers (as owners) under the Initial Sub-Charter shall be novated to and assumed by the Charterers.

"Initial Sub-Charterers" means Hapag-Lloyd Aktiengesellschaft of Ballindamm 25, Hamburg, Germany.

"Innocent Owners' Interest Insurances" means all policies and contracts of innocent owners' interest insurance and innocent owners' additional perils insurance from time to time taken out by the Owners in relation to the Vessel.

"Insurances" means all policies and contracts of insurance which are from time to time taken out or entered into by the Charterers in respect of the Vessel or her earnings or otherwise in connection with the Vessel or her earnings.

"Interest Rate" means the rate of interest applicable for each Hire Period and any other period for which an interest rate is to be determined is the percentage rate per annum which is the aggregate of:

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

"Interpolated Term SOFR" means, in relation to any Outstanding Principal, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the applicable Term SOFR (as of the Quotation Day) for the longest period (for which Term SOFR is available) which is less than three (3) months; or
 - (ii) if no such Term SOFR is available for a period less than three (3) months, SOFR for the day which is three (3) US Government Securities Business Days before the Quotation Day; and
- (b) the applicable Term SOFR (as of the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds 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) (as amended by MSC 104 (73)) and A.913(22) (superseding Resolution A.788 (19)), as the same may be amended, supplemented or superseded from time to time (and the terms "safety management system", "Safety Management Certificate" and "Document of Compliance" have the same meanings as are given to them in the ISM Code).

"ISPS Code" means the International Ship and Port Facility Security Code adopted by the International Maritime Organisation (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.

"Legal Opinions" means the legal opinions provided to the Owners under Clause 36.(b)(vi) (*Conditions precedent and conditions subsequent*).

"Legal Reservations"

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against nonpayment of UK stamp duty may be void and defences of set-off or counterclaim;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"Manager's Undertakings" means the deed of undertaking executed or to be executed by each Approved Manager in favour of the Owners and the Security Trustee in the Agreed Form.

"Margin" means two point five per cent. (2.5%) per annum.

"Market Value" means the Market Value determined pursuant to Clause 4832..1(bb) (*Value maintenance*).

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

(a) the business, operations, property, financial condition of the Charter Group taken as a whole; or

(b) the ability of any Obligor to perform its or his obligations under the Transaction Documents to which it is a party; or

(c) the effectiveness or ranking of any Security Interest granted pursuant to any of the Transaction Documents or the rights or remedies of the Owners or the Security Trustee under any Transaction Document.

"MOA" has the meaning given to such term in Clause 34 (*Background*).

"MOA Payment Date" means the date on which the Owners remit the MOA Purchase Price to the client account of the Escrow Agent (as defined in the MOA) pursuant to Clause 3.2 (*Preposition*) of the MOA.

"MOA Purchase Price" means the purchase price as stated in clause 1 (*Purchase price*) of the MOA, being US\$44,500,000 (Dollars Forty Four Million Five Hundred Thousand Only).

"month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last day in that calendar month.

"Mortgagees' Interest Insurances" means all policies and contracts of mortgagees' interest insurance, mortgagees' additional perils insurance taken out by any Finance Party in relation to the Vessel.

"Obligors" means the Charterers, the Charter Guarantor and the Related Charterers.

"Original Principal" means an amount equal to the MOA Purchase Price, being US\$44,500,000 (Dollars Forty Four Million Five Hundred Thousand Only).

"Outstanding Principal" means, at any relevant time during the Agreement Term, an amount equal to the Original Principal as may be reduced by payment of Fixed Hire in accordance with Clause 40(a) (*Hire*) and prepayment of the Purchase Obligation Price in accordance with Clause 48(bb) (*Value maintenance*).

"Owners' Account" means, subject to Clause 40(d) (*Payment account information*), the Owner's bank account described in Box 26 (*Place of payment; also state beneficiary and bank account*) of this Charter.

"Party" means each of the Owners and the Charterers.

"Perfection Requirements" means any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration for the relevant Transaction Documents set out as perfection requirements (howsoever described) for such Transaction Documents in any legal opinion referred to under Clause 36 (*Conditions precedent and conditions subsequent*).

"PDA" means the protocol of delivery and acceptance in relation to the Vessel to be executed between the Owners and the Charterers, substantially in the form of Schedule 1 (*Form of Protocol of Delivery and Acceptance*) hereto.

"Permitted Security" means:

- (a) any Security Interest created pursuant to any Finance Document or otherwise created with the prior written consent of the Owners;
- (b) any liens for unpaid master's, officer's and crew's wages in accordance with usual maritime practice and are discharged within thirty (30) days;
- (c) any liens for salvage;
- (d) any liens for master's disbursements incurred in the ordinary course of trading and are discharged within thirty (30) days;
- (e) any other lien arising (i) by operation of law or (ii) otherwise in the ordinary course of operation, repair or maintenance of the Vessel and not as a result of any default or omission of any Obligor not exceeding an aggregate amount of US\$1,500,000 (Dollars One Million Five Hundred Thousand); or
- (f) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the Owners are prosecuting or defending such action in good faith by appropriate steps.

"Potential Termination Event" means, an event or circumstance specified in Clause 49 (*Termination Event*) which would, with the expiry of any applicable grace period, the giving of any notice, the lapse of time, a determination under the Transaction Documents or any combination of the foregoing, be a Termination Event.

"PRC" means the People's Republic of China.

"Purchase Obligation Price" means the amount due and payable by the Charterers to the Owners pursuant to paragraph (c) of Clause 52 (*Transfer of title*), being an amount of US\$10,000,000 (Dollars Ten Million only).

"Purchase Option Date" means any Hire Payment Date as specified in the Purchase Option Notice served in accordance with paragraph (a) of Clause 52 (*Transfer of title*), which shall be a Business Day falling on or after the 3rd Anniversary.

"Purchase Option Notice" has the meaning given to such term in Clause 52 (*Transfer of title*).

"Purchase Option Fee" means an amount equal to five per cent. (5%) of the Outstanding Principal as at the Purchase Option Date.

"Purchase Option Price" means the amount due and payable by the Charterers to the Owners pursuant to paragraph (b) of Clause 52 (*Transfer of title*), being the aggregate of:

- (a) the Outstanding Principal as at the Purchase Option Date;
- (b) the applicable Purchase Option Fee;
- (c) any Variable Hire which has accrued but is unpaid up to the Purchase Option Date (inclusive); and

- (d) all legal costs and expenses and other reasonable documented costs and expenses incurred by the Owners relating to exercise by the Charterers of their purchase option right pursuant to Clause 52 (*Transfer of title*).

"Quotation Day" means, in relation to any Hire Period and any other period for which an interest rate is to be determined, three (3) US Government Securities Business Days before the first day of that Hire Period (as the case may be) (unless the Owners, in their reasonable opinion, consider 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).

"Reference Rate" means, in relation to any Outstanding Principal:

- (a) the applicable Term SOFR as of the Quotation Day for a period of three (3) months; or
(b) as otherwise determined pursuant to Clause 40(l) (*Unavailability of Term SOFR*),

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

"Registration Costs" means any documented costs and expenses (including fees and taxes) in respect of:

- (a) the registration (or, as the case may be, any re-registration) of title to the Vessel in the Owners' name;
(b) the registration of the Owners as a foreign maritime entity (or similar) under the laws of the flag state (if applicable);
(c) the financing charter recordation in respect of this Charter with the shipping registry or other competent authority of the flag state or other relevant jurisdiction (if applicable);
(d) the bareboat charter registration in the name of the Charterers with the shipping registry or other competent authority of the flag state or other relevant jurisdiction (if applicable); and
(e) the maintenance of any of the aforementioned registrations and recordation on the Actual Delivery Date and for the duration of the Charter Period,

and without prejudice to the generality of the foregoing, the Registration Costs shall include all documented costs and expenses (including, not limited to, notarisation and legalisation or apostille cost and reasonable legal fees) incurred by the Owners in preparing and provision of instruments and documents required for effecting, maintaining and perfecting the aforesaid registration and recordation and all fees and charges and tonnage tax charged by the relevant ship registry or other authorities.

"Relevant Jurisdiction" means, in relation to an Obligor:

- (a) its jurisdiction of incorporation or formation (as the case may be);
(b) any jurisdiction where any asset subject to or intended to be subject to a Security Document to be executed by it is situated;
(c) any jurisdiction where it principally conducts its business; and
(d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**Related Charter**" means,

- (a) each bareboat charter party entered into or to be entered into the same day as this Charter or at any time after the date hereof, the details of which are listed in Schedule 3 hereto (*Related Charter and relevant information*); and
- (b) the bareboat charter party of any ship which may be entered into from time to time between the Owners or any Affiliate of the Owners (as owners) and a member of the Charter Group (as charterers).

"**Related Charterers**" means the charterers under any Related Charter.

"**Related Owners**" means the owners under any Related Charter.

"**Related Transaction Document**" means any "Transaction Document" as defined in each Related Charter.

"**Requisition Compensation**" means all compensation or other money which may from time to time be payable to the Charterers as a result of the Vessel being requisitioned for title or in any other way compulsorily acquired (other than by way of requisition for hire).

"**Restricted Countries**" means those countries subject to country-wide or territory-wide Sanctions and/or trade embargoes, in particular but not limited to pursuant to the U.S.'s Office of Foreign Asset Control of the U.S. Department of Treasury ("**OFAC**") at the date of this Charter, Cuba, Crimea, Iran, North Korea and Syria and any additional countries based on respective country-wide or territory-wide Sanctions being imposed by OFAC or any of the regulative bodies referred to in the definition of Restricted Person.

"**Restricted Person**" means a person or entity that is (a) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List; (b) a national of, incorporated under the laws of, or owned 50% or more or (directly or indirectly) controlled by, or acting on behalf of, a person organised under the laws of a country or territory that is a Restricted Country; or (c) otherwise a target of Sanctions ("**target of Sanctions**") signifying a person with whom a US person or other national of Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities); provided that provided that, in the case of a person or entity that is targeted only by "sectoral sanctions," or other Sanctions that do not generally prohibit transactions with such person, such person or entity shall be a Restricted Person with respect to a transaction only to the extent that a Party or any other person or entity organised or resident in the jurisdiction of a Sanctions Authority would be prohibited by the law of any such applicable jurisdiction from entering into, directly or indirectly, such transaction with such person.

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

- (a) imposed by law or regulation of (i) the United States government; (ii) the United Nations; (iii) the European Union; (iv) the People's Republic of China; (v) the United Kingdom; or (vi) the United Nations Security Council, the Office of Foreign Assets Control of the US Department of Treasury ("**OFAC**"), the United States Department of State, the Council of the European Union, the European Commission, and His Majesty's Treasury ("**HMT**") (together, the "**Sanctions Authorities**"); or
- (b) otherwise imposed by any law or regulation by which any Obligor is bound (which shall include without limitation, any extra-territorial sanctions imposed by law or regulation of the United States of America) or as regards a regulation, compliance with which is reasonable in the ordinary course of business of any Obligor,

against any state, natural or legal person, body or entity.

"**Sanctions List**" means the "Specially Designated Nationals and Blocked Persons" list maintained by the OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"**Security Documents**" means, in relation to the Vessel, the following:

- (a) the Account Security;
- (b) the Charterers' Assignment;
- (c) any Manager's Undertaking;
- (d) the Share Security;
- (e) the Security Documents under any Related Charter; and
- (f) any document designated by the Owners and the Charterers as a Security Document;

and "**Security Document**" means any one of them.

"**Security Interest**" means a mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, trust arrangement, title retention or other security interest or arrangement of any kind whatsoever.

"**Security Trust Deed**" means the deed executed or to be executed by (amongst others) the Security Trustee, the Owners, the Related Owners, the Charterers, the Related Charterers and the Charter Guarantor.

"**Security Trustee**" means OCEAN RAINBOW SHIPPING LIMITED, a company incorporated and existing under the laws of Hong Kong with Business Registration Number 62836611 and having its registered office at Units 904-907, 9/F Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong, China.

"**Settlement Date**" means, following a Total Loss of the Vessel, the earliest of:

- (a) the date which falls One Hundred (100) days after the date of occurrence of the Total Loss or, if such date is not a Business Day, the immediately preceding Business Day; and
- (b) the date on which the Owners receive the Total Loss Proceeds in respect of the Total Loss; and
- (c) the expiry date of the Charter Period.

"**Share Security**" means the deed of charge or pledge over all the limited liability company interests in the Charterers executed or (as the case may be) to be executed by the Charter Guarantor as chargor in favour of the Security Trustee.

"**Ship Management Agreement**" means any agreement made or to be made between the Charterers and any Approved Manager in respect of the technical and/or commercial management of the Vessel on such terms and conditions reasonably acceptable to the Owner.

"**Sub-Charter**" means, any charterparty in respect of the Vessel entered into by the Charterers (as disponent owners) for the employment of the Vessel.

"**Sub-Charterers**" means, in respect of the Vessel, any sub-charterers which are or will be parties to a Sub-Charter.

"**Subsidiary**" means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being "controlled" by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Tax**" or "**tax**" means, other than taxes imposed on the overall net income of the Owners, their Holding Company, their group and/or the Finance Parties, any FATCA Deduction, any present and future tax (including, without limitation, value added tax, consumption tax or any other tax in respect of added value or any income), levy, impost, duty or other charge or withholding of any nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and "**Taxes**", "**Taxation**" and "**taxation**" shall be construed accordingly.

"**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 each of the events specified in paragraph (a) of Clause 49 (*Termination Events*).

"**Termination Notice**" has the meaning given to such term in 40(i) (*Illegality*) and Clause 49(b) (*Owners' options after occurrence of a Termination Event*).

"**Termination Payment Date**" means:

- (a) in respect of a termination of this Charter in accordance with Clause 40(i) (*Illegality*), the date specified in the Termination Notice served on the Charterers pursuant to that Clause;
- (b) in respect of a termination of this Charter in accordance with Clause 40(j) (*Increased Costs*), the date specified in the Termination Notice served on the Charterers pursuant to that Clause;
- (c) in respect of a Default Termination, fifteen (15) days after the date on which the Termination Notice is served on the Charterers pursuant to paragraph (b) of Clause 49 (*Termination Events*) in respect of such Default Termination;
- (d) in respect of a Total Loss Termination, the Settlement Date in respect of the Total Loss which gives rise to such Total Loss Termination.

"**Termination Sum**" means an amount representing the Owners' losses as a result of the early termination of this Charter prior to the expiry of the Charter Period, which both parties acknowledge as a genuine and reasonable pre-estimate of the Owners' losses in the event of such termination and shall consist of the following:

- (a) the Outstanding Principal as at the Termination Payment Date;
- (b) an amount equal to six per cent. (6%) of the Outstanding Principal as at the Termination Payment Date, provided such amount shall not be payable and shall not form part of the Termination Sum in the event this Charter is terminated:
 - (A) as a result of a Total Loss Termination; or
 - (B) pursuant to the provisions of Clause 40(i) (*Illegality*) solely for the reason that it is unlawful or it is prohibited for the Owners (but not the Charterers) to charter the Vessel under this Charter; or

(C) pursuant to the provisions of Clause 40(j) (*Increased Costs*) at any time on or after the 3rd Anniversary of the Actual Delivery Date.

- (c) any Variable Hire which has accrued, but is unpaid, up to (and including) the Termination Payment Date;
- (d) any and all Unpaid Sums due and payable together with interest accrued thereon pursuant to Clause 40(g) (*Default Interest*);
- (e) any Break Costs; and
- (f) all liabilities, documented costs and expenses reasonably incurred by the Owners (including, without limitation, legal expenses).

"**Test Date**" means each of the following dates on which the Valuation Reports shall be provided to the Owners in accordance with Clause 4832..1(aa) (*Valuation Reports*):

- (i) 30 June and 31 December in each year during the Charter Period (each such Valuation Report to be at the Charterers' cost); and
- (ii) following the occurrence of a Termination Event and whilst the same is continuing, each other date as the Owners may require in their absolute discretion (with not less than 30 days prior notice to the Charterers) (each such additional Valuation Report shall be at the cost of the Charterers).

"**Third Parties Act**" means the Contracts (Rights of Third Parties) Act 1999.

"**Threshold Amount**" means **US\$1,500,000 (Dollars One Million Five Hundred Thousand only)** or the equivalent in any other currency.

"**Title Transfer PDA**" means the protocol of delivery and acceptance in relation to the Vessel to be executed between the Owners and the Charterers, substantially in the form of Schedule 2 (*Form of Title Transfer Protocol of Delivery and Acceptance*) hereto.

"**Total Loss**" means during the Charter Period:

- (a) actual or constructive or compromised or agreed or arranged total loss of the Vessel and for clarity, 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; or
- (b) the requisition for title or compulsory acquisition of the Vessel by any government or other competent authority (other than by way of requisition for hire) unless the Vessel is released and returned to the possession of the Owners or the Charterers within sixty (60) days after the requisition for title or compulsory acquisition in question; or
- (c) the capture, seizure, hijacking, theft, condemnation as prize, confiscation or forfeiture of the Vessel (not falling within paragraph (b) of this definition), unless the Vessel is released and returned to the possession of the Owners or the Charterers within ninety (90) days after the capture, seizure, arrest, detention, hijacking, theft, condemnation as prize, confiscation or forfeiture in question (for the avoidance of confusion, always excluding any arrest or detention or similar incident through judicial procedures or legal proceedings or, by reason of or in connection with maritime lien or any claim against an Obligor or arising out of or in relation to the use, operation, maintenance or management of the Vessel or, otherwise caused by or attributable to an Obligor), and for the purpose of this Charter, (i) an actual Total Loss of the Vessel shall be deemed to have occurred at the date and time when the Vessel was lost but if the date of the loss is unknown the actual Total Loss shall be deemed to have occurred on the date on which the Vessel was last reported, (ii) a constructive Total Loss shall be deemed to have occurred at the date and time at which a notice of abandonment of the Vessel is given to the insurers of the Vessel and (iii) a compromised, agreed or arranged Total Loss shall be deemed to have occurred on the date of the relevant compromise, agreement or arrangement.

"Total Loss Proceeds" means the proceeds of the Insurances or any other compensation of any description in respect of a Total Loss unconditionally received and retained by or on behalf of the Owners in respect of a Total Loss.

"Total Loss Termination" means a termination of the Charter Period pursuant to the provisions of paragraph (a) of Clause 53 (*Total Loss*).

"Transaction Documents" means, together:

- (a) this Charter;
- (b) the MOA;
- (c) the Charter Guarantee;
- (d) any Co-Assured Undertaking;
- (e) the Security Trust Deed; and
- (f) the Security Documents,

and such other documents as may in good faith be designated as such by the Owners from time to time.

"Unpaid Sum" means any sum due and payable but unpaid by any Obligor under the Transaction Documents.

"US Dollars", "Dollars", "USD", "US\$" and "\$" each means available and freely transferable and convertible funds in lawful currency of the United States of America.

"Valuation Report" means, in relation to the Vessel, a valuation report addressed to the Owners and prepared:

- (a) by an Approved Valuer selected by the Owners; and
- (b) assessed in Dollars by a desktop valuation on the basis of a charter-free sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer.

"Value Maintenance Ratio" means the ratio (expressed as a percentage) of:

- (a) the aggregate amount of the Market Value of the Vessel and any Cash Collateral already provided to restore the Value Maintenance Ratio; to
- (b) the then Outstanding Principal.

"Value Maintenance Threshold" means the ratio (expressed as a percentage) of one hundred and thirty per cent. (130%).

"Variable Hire" means in respect of each Hire Period, the interest accrued on the Outstanding Principal for each day during the relevant Hire Period and calculated on the basis of a year of three hundred sixty (360) days at the applicable Interest Rate by using the following formula:

$$\underline{VH} = (A \times B / 360) \times C$$

whereby:

VH = the amount of Variable Hire for that Hire Period

A = (in relation to the first Hire Payment Date) the Original Principal; or

(in relation to any other subsequent Hire Payment Date) the Outstanding Principal on the immediately preceding Hire Payment Date

B = the Interest Rate applicable to that Hire Period

C = the actual number of days during that Hire Period.

"Vessel" means the container ship named "CZECH" as more particularly described in Boxes 5 (*Vessel's name, call sign and flag*) to 10 (*Classification Society*) of this Charter.

"Quiet Enjoyment Letter" means, in relation to the Vessel, a letter which the Finance Parties (or, if any, their authorised agent on their behalf) shall issue in favour of the Charterers, such letter to be in a form acceptable to the Charterers, the Owners and the Finance Parties (each party acting reasonably) under which the Finance Parties (in the absence of any Termination Event) allow (i) the Charterers' unfettered use and quiet enjoyment without interruption of the Vessel in accordance with the terms and conditions of this Charter and (ii) the release of any mortgage over the Vessel following full payment of the relevant amount owed under this Charter at the relevant time.

33. Interpretations

(a) In this Charter, unless the context otherwise requires, any reference to:

- (i) to this Charter include the Schedules hereto and references to Clauses and Schedules are, unless otherwise specified, references to Clauses of and Schedules to this Charter and, in the case of a Schedule, to such Schedule as incorporated in this Charter as substituted from time to time;
- (ii) any statutory or other legislative provision shall be construed as including any statutory or legislative modification or re-enactment thereof, or any substitution therefor;
- (iii) the term "Vessel" includes any part of the Vessel, including, without limitation, any scrubbers installed on the Vessel;
- (iv) the "Owners", the "Charterers", the "Charter Guarantor", any "Approved Manager", any "Obligor", any "Sub-charterer", any "Related Owners", any "Related Charterers", the "Security Trustee", or any other person include any of their respective successors, permitted assignees and permitted transferees;
- (v) any agreement, instrument or document include such agreement, instrument or document as the same may from time to time by amended, modified, supplemented, novated or substituted;
- (vi) the "equivalent" in one currency (the "first currency") as at any date of an amount in another currency (the "second currency") shall be construed as a reference to the amount of the first currency which could be purchased with such amount of the second currency at the spot rate of exchange quoted by the Owners at or about 11:00 a.m. two (2) Business Days (being a day other than a Saturday or Sunday on which banks and foreign exchange markets are generally open for business in Shanghai) prior to such date for the purchase of the first currency with the second currency for delivery and value on such date;

- (vii) **"hereof", "herein" and "hereunder"** and other words of similar import means this Charter as a whole (including the Schedules) and not any particular part hereof;
 - (viii) **"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;
 - (ix) **"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, request or requirement, or official or judicial interpretation of any of the foregoing, in each case having the force of law and, if not having the force of law, in respect of which compliance is generally customary;
 - (x) the word **"person"** or **"persons"** or to words importing persons include, without limitation, any state, divisions of a state, government, individuals, partnerships, corporations, ventures, government agencies, committees, departments, authorities and other bodies, corporate or unincorporated, whether having distinct legal personality or not;
 - (xi) a **"regulation"** includes any regulation, rule, official directive (having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory authority;
 - (xii) the **"winding-up", "dissolution", "administration", "liquidation", "insolvency", "reorganisation", "readjustment of debt", "suspension of payments", "moratorium" or "bankruptcy"** (and their derivatives and cognate expressions) of any person shall each be construed so as to include the others and any equivalent or analogous proceedings or event under the laws of any jurisdiction in which such person is incorporated or any jurisdiction in which such person carries on business;
 - (xiii) **"protection and indemnity risks"** means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Club, including pollution risks 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 (Hull)(1/10/83) or clause 8 of the Institute Time Clauses (Hulls)(1/11/1995) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;
 - (xiv) a Potential Termination Event is **"continuing"** if it has not been remedied or waived and a Termination Event is **"continuing"** if it has not been remedied or waived; and
 - (xv) words denoting the plural number include the singular and vice versa.
- (b) Headings are for the purpose of reference only, have no legal or other significance, and shall be ignored in the interpretation of this Charter.
 - (c) A time of day (unless otherwise specified) is a reference to Beijing time.

34. Background

- (a) Pursuant to the Head MOA, the Head Sellers agreed to sell, and the Charterers agreed to purchase the Vessel subject to the terms and conditions therein contained.

- (b) At the request of the Charterers, the Owners (as buyers) entered into a memorandum of agreement of even date herewith (the "**MOA**") with the Charterers (as sellers) pursuant to which the Owners have agreed to purchase, and the Charterers have agreed to sell the Vessel subject to the terms and conditions therein contained.
- (c) The Vessel is ultimately intended for use by the Charterers and the Owners will finance the Charterers' acquisition of the Vessel with the arrangement that the Charterers will repay the Owners pursuant to the terms and conditions herein.
- (d) Accordingly, the parties hereby agree that this Charter is subject to the effective transfer of ownership of the Vessel to the Owners pursuant to the MOA.
- (e) If, prior to the Actual Delivery Date, in the absence of any Termination Event:
 - (i) it becomes unlawful for the Owners (as buyers) to perform or comply with any or all of their obligations under the MOA or any of the obligations of the Owners under the MOA is not or ceases to be legal, valid, binding and enforceable; or
 - (ii) the Head MOA expires, is cancelled, terminated, rescinded or suspended or, otherwise ceases to remain in full force and effect for any reason,neither party shall be liable to the other for any claim arising out of this Charter and this Charter shall immediately terminate and be cancelled (with the exception of Clause 17 (*Indemnity*) (Part II) and Clause 58 (*Further indemnities*)) provided (for the avoidance of any doubt) the Owners shall be entitled to retain the Arrangement Fee and, if the Arrangement Fee has not been paid, the Charterers shall immediately pay such amount in full together with interest thereon pursuant to Clause 40(g) (*Default Interest*).

35. Delivery

- (a) The Charterers expressly acknowledge and confirm that the Owners entered into the MOA to purchase the Vessel solely for the purpose of leasing the Vessel to the Charterers under this Charter and that the Owners shall have no obligation or duty whatsoever to survey, investigate or verify the condition or performance of the Vessel. The Charterers shall be responsible to, at the Charterers' costs and expenses, make arrangement to take physical delivery of the Vessel and all plans, drawings, manuals, technical documents, and certificates pertaining to the Vessels.
- (b) The Owners will deliver and the Charterers will take delivery of the Vessel under this Charter immediately, which to the extent possible shall be deemed to take place simultaneously, after the Sellers deliver the Vessel to the Owners under and subject to the terms of the MOA upon the Actual Delivery Date, subject to which, the Charterers will accept the Vessel on an "**as is where is**" basis on delivery under this Charter.
- (c) Notwithstanding anything to the contrary in this Charter and the MOA, the obligation of the Owners to purchase the Vessel from the Sellers and charter the Vessel to the Charterers pursuant to this Charter shall be subject to the following conditions:
 - (i) no Termination Event having occurred on or prior to the date of this Charter or the Actual Delivery Date;
 - (ii) the representations and warranties referred to in Clause 47 (*Charterers' representations and warranties*) being true and correct on the date of this Charter and the Actual Delivery Date;

- (iii) the Actual Delivery Date falls on or before the Cancellation Date (or such later date as may be agreed between the Owners (as buyers under the MOA) and Sellers; and
 - (iv) the Owners shall have received, or are satisfied that they will receive, the documents and evidence referred to in Clause 36 (*Conditions precedent and conditions subsequent*), in each case in all respects in form and substance satisfactory to them on or before the Actual Delivery Date.
- (d) Provided that the conditions referred to in paragraph (c) above have been fulfilled or waived to the satisfaction of the Owners (which shall be evidenced in writing by the Owners), the Owners and the Charterers agree that:
- (i) the Charterers shall, at their own expense, upon the Actual Delivery Date arrange for the Vessel to be registered in the name of the Owners under the Liberian flag and duly create and register a Financing Charter over the Vessel in favour of the Owners under the Liberian law as security for the obligations of the Obligors in connection with the Transaction Documents;
 - (ii) the acceptance by the Owners of the Vessel under the MOA shall constitute delivery of the Vessel to the Charterers under this Charter and the Charterers shall have no right to refuse acceptance of delivery of the Vessel under this Charter and such acceptance shall constitute,
 - (A) irrevocable, final and conclusive acceptance of the Vessel by the Charterers for all purposes of this Charter;
 - (B) irrevocable, final and conclusive evidence that, for the purposes of the obligations and liabilities of the Owners hereunder or in connection herewith, the Vessel is at the time of delivery to the Charterers seaworthy, in accordance with the provisions of this Charter, in good working order and repair and without defect or inherent vice whether or not discoverable by the Charterers and free and clear of all Security Interest and debts of whatsoever nature; and
 - (C) irrevocable, final and conclusive evidence that the Vessel is satisfactory in all respects and complies with the requirements of this Charter; and
 - (iii) the acceptance of delivery of the Vessel by the Charterers from the Owners pursuant to this Charter shall take place simultaneously with the acceptance of delivery of the Vessel by the Owners from the Sellers pursuant to the MOA;
 - (iv) the Charterers will accept (without reservation) the Vessel:
 - (A) on an "as is where is" basis in exactly the same form and state as the Vessel is delivered to the Owners pursuant to the MOA;
 - (B) in such form and state with any faults, deficiencies and errors of any description; and
 - (C) for the avoidance of doubt, no underwater inspection shall be performed at the time of commencement of this Charter on the basis that any repairs required at the next scheduled dry-docking are the responsibility of the Charterers;
 - (v) Notwithstanding and without prejudice to the foregoing, the Owners and the Charterers nonetheless agree to enter into and execute the PDA on Delivery.

- (e) The Charterers acknowledge and agree that the Owners are not the manufacturer or original supplier of the Vessel which has been purchased by the Owners pursuant to the MOA, and have therefore made no representations or warranties in respect of the Vessel or any part thereof, and hereby waive all their rights in respect of any warranty or condition implied (whether statutory or otherwise) on the part of the Owners and all claims against the Owners howsoever the same might arise at any time in respect of the Vessel, and/or arising out of the construction, operation or performance of the Vessel and the chartering thereof under this Charter (including, without limitation, in respect of the seaworthiness or otherwise of the Vessel).
- (f) In particular, and without prejudice to the generality of paragraph (e) above, the Owners shall be under no liability whatsoever, howsoever arising, in respect of the injury, death, loss, damage or delay of or to or in connection with the Vessel or any person or property whatsoever, whether onboard the Vessel or elsewhere, and irrespective of whether such injury, death, loss, damage or delay shall arise from the unseaworthiness of the Vessel. For the purpose of this paragraph (f), "delay" shall include delay to the Vessel (whether in respect of delivery under this Charter or thereafter and any other delay whatsoever).

36. Conditions precedent and conditions subsequent

- (a) Initial Conditions

Notwithstanding anything to the contrary in this Charter or the MOA, the performance by the Owners of any of the obligations of under this Charter and the MOA (including, without limitation to, preposition or payment of the MOA Purchase Price (or a part hereof) under the MOA) are subject to and conditional upon the Owners' receipt of following documents and evidence (in each case in form and substance acceptable to the Owners) prior to or contemporaneously with the execution of this Charter (or such other date as the Owners and the Charterers may agree):

- (i) the following documents duly executed by the parties thereto:

- (A) this Charter;
- (B) the MOA;
- (C) the Charter Guarantee;
- (D) the Security Trust Deed; and
- (E) the Share Security,

each together with all documents required by any of them, including without limitation to the original Certificate of Limited Liability Company Interest and other ancillary documents required under the Share Security (or, in case the Actual Delivery Date would occur within ten (10) Business Days of the date of this Charter, undertaking that the original certificate and documents shall be delivered to the Owners within ten (10) Business Days of the date hereof);

- (ii) the following documents in relation to each Obligor which is a party to the documents listed in above paragraph (i):

- (A) Copies of its constitutional documents including Certificate of Incorporation, Business Registration Certificate, Memorandum and Articles of Association (or equivalent in its place of incorporation);
- (B) Certificate of Goodstanding or other certification or documents of similar nature dated on or around the date of this Charter;

- (C) Certificate of Incumbency issued by relevant authority or company secretary or registered agent (as the case may be) dated on or around the date of this Charter showing its members/shareholders, directors and officers;
- (D) Resolutions of the board of directors and/or resolutions of shareholders/members (whichever is applicable), approving the execution of this Charter and any other Transaction Document to which it is a party and authorizing a person or persons to execute the same under seal (where appropriate), and any other notices and documents required in connection therewith;
- (E) Power of attorney of each person authorised to execute on its behalf this Charter and any other Transaction Document to which it is a party; and
- (F) Certificate of Director or Company Secretary dated the date of this Charter certifying that each copy document relating to it specified in this paragraph (ii) is correct, complete and in full force and effect and setting out the names of its directors, officers and shareholders and the proportion of shares held by each shareholder and the specimen signature(s) of each of the directors, officers and (if power of attorney is granted) the persons authorised under the power of attorney.

(iii) evidence satisfactory to the Owners that:

- (A) the Registration Costs and the Arrangement Fee have been paid in full;
- (B) on or immediately after the Actual Delivery Date,
 - (1) the Vessel will be registered in the name of the Owners; and
 - (2) a Financing Charter over the Vessel granted by the Charterers in favour of the Owners will be duly registered with the Liberian ship registry;
- (C) the Vessel is or will on the Actual Delivery Date insured in the manner required by the Transaction Documents.

The conditions precedent set out in paragraph (a) are for the sole benefit of the Owners and may be waived by the Owners in whole or in part, with or without conditions, without prejudicing the right of the Owners to require fulfilment of such conditions in whole or in part at any time thereafter.

(b) Conditions Precedent

Notwithstanding anything to the contrary in this Charter, the obligations of the Owners to charter the Vessel to the Charterers under this Charter are subject to and conditional upon the Owners' receipt of following documents and evidence (in each case in form and substance acceptable to the Owners) on or before the Actual Delivery Date:

(i) each of the following:

- (A) copies of the duly executed:
 - (1) Charterers' Assignment;
 - (2) Manager's Undertakings,

(3) any Co-Assured Undertaking (if applicable); and

(4) any other Security Documents (if any),

each together with all documents required by any of them (other than the documents set out in paragraph (d) of this Clause 36) including, without limitation, all notices of assignment and/or charge; and

(B) (if applicable) the duly executed Finance Document to which the Obligors are parties, together with all notices, consents, letters and other documents required to be received (in each case in form and substance acceptable to the Owners and the Finance Parties) other than the documents set out in paragraph (d) of this Clause 36;

(ii) the following documents in relation to the Charterers:

(A) Certificate of Goodstanding or other certification or documents of similar nature dated on or around the Actual Delivery Date; and

(B) Certificate of Director or Company Secretary dated the Actual Delivery Date certifying that none of the documents and evidence delivered to the Owners pursuant to Clause 36(a) (*Initial Conditions*) has been amended, modified or revoked in any way since its delivery to the Owners; and

(iii) if applicable, copies of all governmental and other consents, licences, approvals and authorisations as may be necessary to authorise the performance by each of the Obligors of its obligations under the Transaction Documents to which it or he is, or (as the case may be) will be a party, and the execution, validity and enforceability of such Transaction Documents;

(iv) a copy of the following:

(A) the current Document of Compliance (DOC) under the ISM Code of the Approved Manager with respect to technical management of the Vessel; and

(B) the Ship Management Agreement;

in each case together with all addenda, amendments or supplements;

(v) not later than two (2) Business Days prior to the Actual Delivery Date, evidence that:

(A) the Initial Sub-Charter Novation Agreement has been duly executed by all parties thereto;

(B) all fees, costs and expenses due from the Charterers under the MOA and/or Clause 55 (*Fees and expenses*) have been paid or will be paid by the Actual Delivery Date;

(C) letters of undertaking (together with attachments) from relevant insurers in respect of Insurances as required by the Charterers' Assignment will, on or immediately after the Actual Delivery Date, be duly executed in the agreed forms and delivered to the Security Trustee; and

(D) all notices, consents, acknowledgements and other documents required to be received, given or exchanged pursuant to the Transaction Documents having been duly executed and delivered pursuant to the terms thereof.

- (vi) a legal opinion of the legal advisers to the Owners in each relevant jurisdiction (being England, the Marshall Islands and the Republic of Liberia as at the date of this Charter), or confirmation satisfactory to the Owners that such an opinion will be given in such form and substance satisfactory to the Owners;
- (vii) such documentation and other evidence as is reasonably requested by the Owners in order for them to comply with all necessary "know your customer" or similar identification procedures in relation the transactions contemplated in the Transaction Documents; and
- (viii) such other consent, licence, approval, authorisation or other document, opinion or assurance which the Owners consider to be necessary or desirable in connection with their entry into and performance of the transactions contemplated by any of the Transaction Documents or for the validity and enforceability thereof (including, without limitation in relation to or for the purposes of any financing by the Owners),

provided that if the Owners (as buyers) have already received documents corresponding to the above provided by the Sellers (as sellers) pursuant to the MOA, this shall *pro tanto* satisfy the Charterers' obligation to provide the same documents under this Clause 36(b).

(c) Owners Right to Waive

If the Owners in their sole discretion agree to deliver the Vessel under this Charter to the Charterers before all of the documents and evidence required under paragraph (a) (*Initial Conditions*) or (b) (*Conditions Precedent*) of this Clause 36 have been delivered to or to the order of the Owners, the Charterers undertake to deliver all outstanding documents and evidence to or to the order of the Owners no later than ten (10) Business Days after the Actual Delivery Date or such other later date as specified by the Owners, acting in their sole discretion. The delivery of the Vessel by the Owners to the Charterers under this Charter shall not, unless otherwise notified by the Owners (acting in their sole discretion) to the Charterers in writing, be taken as a waiver of the Owners' right to require production of all the documents and evidenced required by this Clause 36.

(d) Conditions Subsequent

Without prejudice to the foregoing, the Charterers undertake to deliver or cause to be delivered to the Owners, the following documents and evidence (in each case in form and substance acceptable to the Owners):

- (i) within three (3) Business Days from the Actual Delivery Date:
 - (A) the letters of undertaking (together with attachments) from relevant insurers (or by the brokers through whom the Insurances are placed, or, in the case of entries in protection and indemnity or war risks associations, by their managers) in respect of Insurance as required under this Charter, the Charterers' Assignment and the Manager's Undertaking, in each case, in such form and substances in compliance with the requirements of the relevant Transaction Documents; and
 - (B) evidence that notice of assignment in respect of the Initial Sub-Charter required under the Charterers' Assignment has been served to the Initial Sub-Charterers and, the written acknowledgement thereof by the Initial Sub-Charterers, in each case, in such form and substances in compliance with the requirements of the Charterers' Assignment;
- (ii) within three (3) Business Days from the Actual Delivery Date, the following certification with respect to the Vessel (showing the Owners as the owner of the Vessel):

- (A) the Vessel's Safety Management Certificate (as such term is defined pursuant to the ISM Code);
 - (B) the Vessel's ISSC; and
 - (C) the Vessel's IAPPC;
- (iii) within ten (10) Business Days from the Actual Delivery Date, the originals of the Transaction Documents and other documents set out in Clauses 36(a) and 36(b) and the originals of the sellers' delivery documents set out in schedule 1 (*Seller's Delivery Documents*) of the MOA; and
- (iv) within two (2) months of the Actual Delivery Date,
- (A) the duly executed Account Security;
 - (B) evidence that notice of charge required under the Account Security has been served to the Account Bank and, the written acknowledgement thereof by the Account Bank in such form and substance satisfactory to the Owners; and
 - (C) a Dutch law legal opinion of the legal advisers to the Owners in respect of the Account Security.

Notwithstanding anything to the contrary in this Charter, the obligations of the Owners to charter, or continue to charter, the Vessel to the Charterers under this Charter shall be subject to the condition that any and all undertakings stipulated in the preceding paragraph are, and will be, fully complied with.

37. Bunkers and luboils

- (a) At delivery the Charterers shall take over and pay for all lubricating oil, hydraulic oil, greases, water and unbroached stores and provisions in the Vessel in accordance with the Head MOA.
- (b) In the case the Vessel shall be redelivered to the Owners, at delivery the Charterers shall be responsible to arrange, pay for and deliver to the Owners all bunkers (to the extent belonging to the Charterers), lubricating oil, hydraulic oil, greases, water and unbroached stores and provisions in the Vessel and, the Owners shall take over at no costs all such bunkers (to the extent belonging to the Charterers), lubricating oil, hydraulic oil, greases, water and provisions onboard the Vessel.

38. Further maintenance and operation

- (a) The good commercial maintenance practice under Clause 10 (*Maintenance and Operation*) (Part II) of this Charter shall be deemed to include:
 - (i) the maintenance and operation of the Vessel by the Charterers in accordance with:
 - (A) the relevant regulations, requirements and recommendations of the Classification Society and free of all overdue recommendations and requirements from the Classification Society;
 - (B) the relevant regulations, requirements and recommendations of the country and flag of the Vessel's registry;

- (C) any applicable IMO regulations (including but not limited to the ISM Code, the ISPS Code and MARPOL);
- (D) all other applicable regulations, requirements and recommendations; and
- (E) the Charterers' and the Charter's Guarantor's operations and maintenance standards;
- (ii) the maintenance and operation of the Vessel by the Charterers taking into account:
 - (A) engine manufacturers' recommended maintenance and service schedules;
 - (B) builder's operations and maintenance manuals; and
- (iii) recommended maintenance and service schedules of all installed equipment and pipework.
- (b) In addition to the above, the Charterers covenant with the Owners to provide, upon request, copies of the Vessel's class records, plans and drawing and all technical documents to the Owners as available to the Charterers.
- (c) The title to any equipment (or part thereof):
 - (i) placed on board as a result of operational requirements of the Charterers (whether due to the Charterers' requirement or by reason of new class requirements or compulsory legislation applicable to the Vessel) shall automatically be deemed to belong to the Owners immediately upon such placement, and such equipment may only be removed: (i) with the Owners' prior written consent (such consent not to be unreasonably withheld), (ii) at the Charterers' own expense, and (iii) without damage to the Vessel; and
 - (ii) replaced, renewed or substituted shall remain with the Owners until the part or equipment which replaced it or the new or substitute part or equipment becomes property of the Owners.
- (d) Without prejudice to any other provisions under this Charter, the Charterers shall maintain, use and operate the Vessel with commercially reasonable care as if the Charterers were the owner of the same.

39. Structural changes and alterations

- (a) The Charterers shall make no structural changes in the Vessel or changes in the machinery, engines, appurtenances or spare parts thereof without in each instance first securing the Owners' written consent thereto (such consent not to be unreasonably withheld). Under any and all circumstances, the Charterers shall procure that:
 - (i) any such changes do not have a material adverse effect on the Vessel's certification or the Vessel's fitness for purpose; and
 - (ii) the Charterers shall bear all time, costs and expenses in relation to any such changes; and
 - (iii) none of the changes will diminish the value of the Vessel and/or have a material adverse effect on the safety, performance, value or marketability of the Vessel.

If a Termination Event occurs and is continuing and the Owners exercise their right to retake possession of the Vessel pursuant to Clause 49(f) (*Owners' rights reserved*), the Charterers shall, without prejudice to their obligations under Clause 43 (*Redelivery conditions*), at their expense restore the Vessel to its former condition if so requested by the Owners (fair wear and tear excepted) unless the changes made are carried out:

- (i) with the prior written consent of the Owners (such consent not to be unreasonably withheld); or
 - (ii) to improve the performance, operation or marketability of the Vessel; or
 - (iii) as a result of mandatory law or a regulatory compliance.
- (b) Notwithstanding anything to the contrary in this Charter, no prior approval shall be required for any structural changes or other changes described in paragraph (a) of this Clause 39 which are carried out (i) as a result of mandatory law or regulatory compliance, or (ii) to improve the performance, operation or marketability of the Vessel in each case, at the Charterers' time and cost and for which written notice shall be provided to the Owners upon such structural change.
- (c) 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 shall be undertaken by the Charterers and be for the Charterers' account and the Charterers shall not have any right to recover from the Owners any part of the cost for such improvements, changes or new equipment either during the Charter Period or at redelivery of the Vessel. The Charterers shall give written notice to the Owners of any such improvement, structural changes or new equipment.

40. Hire

- (a) **Hire** In consideration of the Owners' agreement to charter the Vessel to the Charterers pursuant to the terms hereof, the Charterers shall pay to the Owners:
- (x) on each and every Hire Payment Date, the Hire applicable to each such Hire Payment Date; and
 - (y) on the last day of the Charter Period, the Purchase Obligation Price.
- (b) **Time of payment** The Hire shall be paid by the Charterers and received by the Owners on each Hire Payment Date (Beijing time).
- (c) **Non-Business Days** Any payment provided herein due on any day which is not a Business Day shall be payable on the immediately preceding Business Day.
- (d) **Payment account information** All payments under this Charter shall be made to the Owners' Account or such other account as the Owners may notify the Charterers from time to time.
- (e) **Charterers' Hire payment obligation absolute:** Following delivery of the Vessel to, and acceptance by, the Charterers under this Charter, the Charterers' obligation to pay Hire in accordance with this Clause 40 and to pay the Purchase Obligation Price in accordance with Clause 52 (*Transfer of Title*) shall be absolute irrespective of any contingency whatsoever including but not limited to:
- (i) any set-off, counterclaim, recoupment, defence or other right which either party to this Charter may have against the other;
 - (ii) any unavailability of the Vessel, for any reason, including but not limited to the Total Loss, any action or inaction by the Sub-Charterer, seaworthiness, condition, design, operation, merchantability or fitness for use or purpose of the Vessel or any apparent or latent defects in the Vessel or its machinery and equipment or the ineligibility of the Vessel for any particular use or trade or for registration of documentation under the laws of any relevant jurisdiction or lack of registration or the absence or withdrawal of any consent required under the applicable law of any relevant jurisdiction for the ownership, chartering, use or operation of the Vessel or any damage to the Vessel;

- (iii) any failure or delay on the part of either party to this Charter, whether with or without fault on its part, in performing or complying with any of the terms, conditions or other provisions of this Charter;
- (iv) any damage to or loss (including a Total Loss), destruction, capture, seizure, judicial attachment or arrest, forfeiture or marshal's or other sale of the Vessel;
- (v) any insolvency, bankruptcy, reorganisation, arrangement, readjustment of debt, dissolution, administration, liquidation or similar proceedings by or against the Owners, the Charterers or any Sub-Charterer, or any change in the constitution of the Owners, the Charterers or the Sub-Charterer;
- (vi) any invalidity or unenforceability or lack of due authorisation of or any defect in this Charter or any Sub-Charter; or
- (vii) any other cause which would but for this provision have the effect of terminating or in any way affecting the obligations of the Charterers hereunder,

it being the intention of the parties that the provisions of this Clause 40, and the obligation of the Charterers to pay Hire and all other amounts under this Charter, shall (save as expressly provided in this Clause 40) survive any frustration and that, save as expressly provided in this Charter, no moneys paid under this Charter by the Charterers to the Owners shall in any event or circumstance be repayable to the Charterers.

(f) ***All payments free from deductions***

- (i) All payments of Hire and all other Unpaid Sums to the Owners pursuant to this Charter and the other relevant Transaction Documents shall be made in immediately available funds in US dollars, free and clear of, and without deduction for or on account of, any bank charges or Taxes, unless the Charterers are required by law or regulation to make any such payment of Hire subject to such Taxes.
- (ii) In the event that the Charterers are required by any law or regulation to make any deduction or withholding on account of any Taxes which arise as a consequence of any payment due under this Charter, then:
 - (A) the Charterers shall notify the Owners promptly after they become aware of such requirement;
 - (B) the Charterers shall remit the amount of such Taxes to the appropriate taxation authority within five (5) Business Days or any other shorter time period as required under any applicable law or regulation and in any event prior to the date on which penalties attach thereto; and
 - (C) such payment shall be increased by such amount as may be necessary to ensure that the Owners receive a net amount which, after deducting or withholding such Taxes, is equal to the full amount which the Owners would have received had such payment not been subject to such Taxes.

- (iii) The Charterers shall forward to the Owners evidence reasonably satisfactory to the Owners that any such Taxes have been remitted to the appropriate taxation authority within thirty (30) days of the expiry of any time limit within which such Taxes must be so remitted or, if earlier, the date on which such Taxes are so remitted.
- (g) **Default interest** If the Charterers fail to pay any amount payable by it under a Transaction Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate of the Default Interest Rate over the amount of such Unpaid Sum for the period of such non-payment. Any interest accruing under this paragraph (g) shall be immediately payable by the Charterers on demand by the Owners. Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each period selected by the Owners but will remain immediately due and payable.
- (h) **Hire payment obligation to survive termination** In the event that this Charter is terminated for whatever reason, the Charterers' obligation to pay Hire and such other Unpaid Sum which (in each case) has accrued due before, and which remains unpaid, at the date of such termination shall continue notwithstanding such termination.
- (i) **Illegality** In the event that it becomes unlawful or it is prohibited for either the Owners or the Charterers to charter the Vessel pursuant to this Charter, then the Owners and Charterers shall notify the other party of the relevant event and negotiate in good faith for a period of thirty (30) days from the date of the receipt of the relevant notice by the other party (or such shorter period as required by the relevant laws) to agree an alternative arrangement. If such agreement is not reached within such thirty (30)-day period or such shorter period as applicable, the Charterers agree that, in such circumstances, the Owners shall have the right to terminate this Charter by delivering to the Charterers a Termination Notice, whereupon the Charterers shall be obliged to pay to the Owners the Termination Sum in accordance with paragraph (c) (*Payment of Termination Sum*) of Clause 49 (*Termination Events*). Upon payment of the Termination Sum in full, the Owners shall transfer the title to the Charterers in accordance with Clause 52 (*Transfer of title*).
- (j) **Increased Costs**
- (i) Subject to sub-paragraphs (iii) and (iv) below, the Charterers shall, within three (3) Business Days of a demand by the Owners, pay to the Owners the amount of any Increased Costs incurred by the Owners as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Charter, or (ii) compliance with any law or regulation made after the date of this Charter.

In this Clause:

"Increased Costs" means:

- (A) a reduction in the rate of return from the Hire or on the Owners' overall capital;
- (B) an additional or increased cost; or
- (C) a reduction of any amount due and payable under any Transaction Document,

which is incurred or suffered by the Owners to the extent that it is attributable to the Owners having entered into any Transaction Document or funding or performing its obligations under any Transaction Document.

- (ii) The Owners shall notify the Charterers of any claim arising from sub-paragraph (i) above (and of the event giving rise to such claim). The Owners shall, as soon as practicable after having made a demand in respect of such claim, provide a certificate confirming the amount of its Increased Costs.
- (iii) Sub-paragraph (i) above does not apply to the extent any Increased Costs is:
 - (A) compensated for by a payment made under sub-paragraph (i)(C) above; or
 - (B) attributable to a change in the rate of tax on the overall net income of the Owners (or a parent company of them) or an item covered by the additional payment in Clause 40(e) or a FATCA Deduction; or
 - (C) attributable to the wilful breach by the Owners of any law or regulation.
- (iv) In the event the Owners are entitled to an Increased Cost pursuant to the preceding provisions, the Parties shall negotiate in good faith for a period of thirty (30) days from the date of the receipt of the Owners' demand for the Increased Cost to agree an alternative arrangement. If such agreement is not reached within such thirty (30)-day period, the Charterers may notify the Owners in writing of their intention to terminate this Charter. Upon the Owners' receipt of the aforesaid Charterers' written notice of their intention to terminate, without prejudice to the Owners' entitlement to any Increased Cost prior to the Termination Payment Date, the Owners shall within (30) days of its receipt of such notice by the Charterers, terminate this Charter by delivering to the Charterers a Termination Notice, whereupon the Charterers shall be obliged to pay to the Owners the Termination Sum in accordance with paragraph of Clause 49(c) (*Payment of Termination Sum*). Upon payment of the Termination Sum in full, the Owners shall transfer the title to the Charterers in accordance with Clause 52 (*Transfer of title*).
- (k) **Break Costs** The Charterers shall, within five (5) Business Days of demand by the Owners, pay to the Owners their Break Costs.
- (l) **Unavailability of Term SOFR**
 - (i) *Interpolated Term SOFR*: If no Term SOFR is available for any Hire Period, the applicable Reference Rate shall be the Interpolated Term SOFR for three (3) months.
 - (ii) *Cost of funds*: If sub-paragraph (i) above applies but it is not possible to calculate the Interpolated Term SOFR for that Hire Period, the Interest Rate applicable for that Hire Period shall be the percentage rate per annum which is the sum of:
 - (A) the Margin; and
 - (B) the rate notified to the Charterers by the Owners which expresses as a percentage rate per annum as the Owners' cost of funds relating to the Outstanding Principal from whatever source it may reasonably select.
- (m) **Certificate conclusive** Any certificate or statement signed by an authorised signatory of the Owners purporting to show the amount of the Debt (or any part of the Debt) or any other amount referred to in any Transaction Document shall, save for manifest error or on any question of law, be conclusive evidence as against the Charterers of that amount.

41. Insurance

- (a) **Charterers' obligation to place insurance** During the Agreement Term, the Charterers shall at their expense keep the Vessel insured against fire and usual marine risks (including hull and machinery, excess and increased value risks), oil pollution liability risks, war risks (including blocking and trapping and additional premium for war risks), protection and indemnity risks and any other risks against which is compulsory to insure for the operation for the Vessel or in the Owners' reasonable opinion it is common market practice to insure for the operation, trading, management and/or for safety purposes for the Vessel in such market (but excluding loss of hire insurance) and all Insurances shall be:
- (i) in US Dollars; and
 - (ii) in such market and on such terms as are customary for owners of similar tonnage.
- (b) **Beneficiaries of Insurances** Such insurances shall be arranged by the Charterers to protect the interests of the Owners, the Charterers and (if any) the mortgagee of the Vessel or such other relevant Finance Party, and the Charterers shall be at liberty to protect under such insurances the interests of (i) any Approved Managers provided the Approved Manager shall first execute and deliver to the Owners the Manager's Undertaking and/or (ii) any crewing agent provided the crew agent shall first execute and deliver to the Owners a Co-Assured Undertaking substantially in the Agreed Form.
- (c) **Scope of insurance** Insurance policies shall cover the Owners, the Charterers and (if any) the Finance Parties according to their respective interests. The Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the Approved Insurer 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.
- (d) **Repairs etc. not covered by Insurances** The Charterers shall also 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
- (e) **H&M and war risks coverage** The Charterers shall arrange that, the hull and machinery and war risks (including blocking and trapping and additional premium for war risks) insurance shall be at any time in an amount not less than one hundred ten per cent. (110%) of the higher of (x) the Outstanding Principal applicable as at the relevant time and (y) the latest Market Value of the Vessel (the "**Minimum Insured Value**").
- The terms of the hull and machinery insurance and the identity of the Approved Insurer shall be acceptable to the Owners and (if any) the Finance Parties (such acceptance not to be unreasonably withheld or delayed).
- (f) **Protection and indemnity coverage** The Vessel shall be entered with China P&I Club or in a P&I Club which is a member of the International Group Association on customary terms, shall include freight, demurrage and defence cover and shall be covered against liability for pollution claims in an amount not less than the highest level of cover from time to time available under basic protection and indemnity club entry (currently US\$1,000,000,000).
- (g) **Named assureds, no alteration to terms of Insurances and insurance report** The Charterers:
- (i) undertake to place the Insurances in such markets, in such currency, on such terms and conditions, and with such brokers, underwriters and associations as are customary for owners of similar tonnage and are satisfactory to the Owners;

- (ii) shall name the Owners, the Charterers, the Approved Managers (provided the same is assigned in favour of the Security Trustee) and its crewing agent (provided the Co-Assured Undertaking shall have been delivered to the Owners) and if requested in writing by the Owners, any of the Finance Parties as the only named assureds;
 - (iii) shall not alter the terms of any of the Insurances nor allow any person to be co-assured under any of the Insurances without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed) and, if applicable, the Finance Parties, and will supply the Owners and, if applicable, the Finance Parties or procure that the Owners and, if applicable, the Finance Parties are supplied from time to time on request with such information as the Owners and, if applicable, any Finance Party may in their discretion require with regard to the Insurances and the brokers, underwriters or associations through or with which the Insurances are placed; and
 - (iv) shall reimburse within ten (10) Business Days of demand, not more than once per calendar year during the Agreement Term, the Owners and/or (if applicable) any finance Party for all documented costs and expenses reasonably incurred by the Owners and/or such Finance Party in obtaining a report on the adequacy of the Insurances from an insurance adviser instructed by the Owners and/or such Finance Party.
- (h) **Payment of Premiums etc.** The Charterers undertake duly and punctually to pay all premiums, calls and contributions, and all other sums at any time payable in connection with the Insurances, and, at their own expense, to arrange and provide any guarantees from time to time required by any protection and indemnity or war risks association. From time to time upon the Owners' request, the Charterers shall provide the Owners with (i) copies of all invoices issued by the brokers, underwriters or associations in respect of such premiums calls, contributions and other sums, and (ii) evidence satisfactory to the Owners and/or such Finance Party that such premiums, calls, contributions and other sums have been duly and punctually paid; that any such guarantees have been duly given; and that all declarations and notices required by the terms of any of the Insurances to be made or given by or on behalf of the Charterers to brokers, underwriters or associations have been duly and punctually made or given. Without prejudice to the generality of the foregoing, if the insurers of the war risks insurance require payment of premiums and/or calls because 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 the Charterers shall be obligated to procure the Insurances shall cover war risks areas subject to additional premium or call and such premiums and/or calls shall be paid and borne by the Charterers.
- (i) **Compliance with Insurances** The Charterers will comply in all respects with all terms and conditions of the Insurances and will make all such declarations to brokers, underwriters and associations as may be required to enable the Vessel to operate in accordance with the terms and conditions of the Insurances. The Charterers will not do, nor permit to be done, any act, nor make, nor permit to be made, any omission, as a result of which any of the Insurances may become liable to be suspended, cancelled or avoided, or may become unenforceable, or as a result of which any sums payable under or in connection with any of the Insurances may be reduced or become liable to be repaid or rescinded in whole or in part. In particular, but without limitation, the Charterers will not permit the Vessel to be employed other than in conformity with the Insurances without first taking out additional insurance cover in respect of that employment and, if applicable, the Finance Parties, and the Charterers, upon request, will promptly notify the Owners and, if applicable, the Finance Parties of any new requirement imposed by any broker, underwriter or association in relation to any of the Insurances.

- (j) **Renewal of Insurances** The Charterers will, no later than ten (10) Business Days before the expiry of any of the Insurances renew them and shall immediately give the Owners and, if applicable, the Finance Parties such details of those renewals to the Owners' and, if applicable, the Finance Parties' satisfaction.
- (k) **Delivery of documents relating to Insurances** The Charterers shall:
- (i) upon the Owners' request, deliver to the Owners and, if applicable, the Finance Parties copies of all policies, certificates of entry (endorsed with the appropriate loss payable clauses as may be required by the Owners and the Finance Parties from time to time) and other documents relating to the Insurances (including, without limitation, receipts for premiums, calls or contributions); and
 - (ii) procure that letters of undertaking (in such form and substance as are customary for the market) shall be issued to the Owners and, if applicable, the Finance Parties by the brokers through which the Insurances are placed (or, in the case of protection and indemnity or war risks associations, by their managers).
- (l) **Fleet cover** If the Vessel is at any time during the Agreement Term insured under any form of fleet cover, the Charterers shall procure that those letters of undertaking contain confirmation that the brokers, underwriters or association (as the case may be) will not set off claims relating to the Vessel against premiums, calls or contributions in respect of any other vessel or other insurance, and that the insurance cover of the Vessel will not be cancelled by reason of non-payment of premiums, calls or contributions relating to any other vessel or other insurance. Failing receipt of those confirmations, the Charterers will instruct the brokers, underwriters or association concerned to issue a separate policy or certificate for the Vessel.
- (m) **Provision of information on casualty, accidents or damage** The Charterers shall promptly notify the Owners and upon request, provide the Owners with sufficient information regarding any casualty or other accident or damage to the Vessel, detention of the Vessel or any Environmental Incident including, without limitation, any material communication with all parties involved in case of a claim under any of the Insurances, provided such casualty, accident, damage, detention of the Vessel or Environmental Incident exceeds the Threshold Amount.
- (n) **Step-in rights of Owners and Finance Parties** The Charterers agree that, at any time after the occurrence of a Termination Event which is continuing, the Owners and, if applicable, the Finance Parties shall be entitled to:
- (i) collect, sue for, recover and give a good discharge for all claims in respect of any of the Insurances;
 - (ii) to pay collecting brokers the customary commission on all sums collected in respect of those claims;
 - (iii) to compromise all such claims or refer them to arbitration or any other form of judicial or non-judicial determination; and
 - (iv) otherwise to deal with such claims in such manner as the Owners and, if applicable, the Finance Parties shall in their discretion think fit.
- (o) **Total loss insurance proceeds** Whether or not a Termination Event shall have occurred, the proceeds of any claim under any of the Insurances in respect of a Total Loss shall be paid and applied in accordance with Clause 53 (*Total Loss*).
- (p) **Payment of insurance proceeds**
- (i) The Owners agree that any amounts which may become due and payable to the Charterers under any protection and indemnity entry shall be paid to the Charterers to reimburse the Charterers for, and in discharge of, the loss, damage or expense in respect of which they shall have become due, unless, at the time the amount in question becomes due, a Termination Event shall have occurred and be continuing, in which event the Owners shall be entitled to receive the amounts in question and to apply them either in reduction of the Termination Sum owed by the Charterers pursuant to paragraph (c) of Clause 49 (*Termination Events*) or, at the option of the Owners, to the discharge of the liability in respect of which they were paid. For the avoidance of doubt, any amount which may become due and payable to the Owners under any protection and indemnity entry or insurance shall be paid to the Owners or to the Owners' order.

- (ii) Without prejudice to the forgoing and subject to the terms of the Finance Documents (if any), all claims (other than in respect of a Total Loss) in relation to other Insurances, shall, unless and during the occurrence of a continuing Termination Event, in which event all claims under the relevant policy shall be payable directly to the Owners, be payable as follows:
- (A) a claim in respect of any one casualty where the aggregate claim against all Approved Insurers does not exceed the Threshold Amount, prior to adjustment for any franchise or deductible under the terms of the relevant policy, shall be paid directly to the Charterers (as agent for the Owners) for the repair, salvage or other charges involved or as a reimbursement if the Charterers fully repaired the damage to the satisfaction of the Owners (acting reasonably) and paid all of the salvage or other charges;
- (B) a claim in respect of any one casualty where the aggregate claim against all Approved Insurers exceeds the Threshold Amount prior to adjustment for any franchise or deductible under the terms of the relevant policy, shall, subject to the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed), be paid to the Charterers as and when the Vessel is restored to her former state and condition and the liability in respect of which the insurance loss is payable is discharged, and provided that the Approved Insurers may with such consent make payment on account of repairs in the course of being effected, but, in the absence of such prior written consent shall be payable directly to the Owners.
- (q) **Settlement, compromise or abandonment of claims** The Charterers shall not settle, compromise or abandon any claim under or in connection with any of the Insurances (other than in the absence of any Termination Event that is continuing a claim of less than the Threshold Amount, prior to adjustment for any franchise or deductible under the terms of policy, arising other than from a Total Loss) without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed) and, if applicable, the Finance Parties.
- (r) **Owners' rights to maintain Insurances** If the Charterers fail to effect or keep in force the Insurances, the Owners may (but shall not be obliged to) effect and/or keep in force such insurances on the Vessel and such entries in protection and indemnity or war risks associations as the Owners in their discretion consider desirable, and the Owners may (but shall not be obliged to) pay any unpaid premiums, calls or contributions. The Charterers will reimburse the Owners from time to time within ten (10) Business Days of demand for all such premiums, calls or contributions paid by the Owners.
- (s) **Environmental protection issues** The Charterers shall comply strictly with the requirements of any legislation relating to pollution or protection of the environment which may from time to time be applicable to the Vessel in any jurisdiction in which the Vessel shall trade and in particular the Charterers shall comply strictly with the requirements of the United States Oil Pollution Act 1990 (the "Act") if the Vessel is to trade in the United States of America and Exclusive Economic Zone (as defined in the Act). Before any such trade is commenced and during the entire period during which such trade is carried on, the Charterers shall:

- (i) pay any additional premiums required to maintain protection and indemnity cover for oil pollution up to the limit available to the Charterers for the Vessel in the market; and
- (ii) make all such quarterly or other voyage declarations as may from time to time be required by the Vessel's protection and indemnity association in order to maintain such cover, and promptly deliver to the Owners and, if applicable, the Finance Parties copies of such declarations; and
- (iii) submit the Vessel to such additional periodic, classification, structural or other surveys which may be required by the Vessel's protection and indemnity insurers to maintain cover for such trade and promptly deliver to the Owners and, if applicable, the Finance Parties copies of reports made in respect of such surveys; and
- (iv) implement any recommendations contained in the reports issued following the surveys referred to in sub-paragraph (s)(iii) above within the relevant time limits; and
- (v) in addition to the foregoing (if such trade is in the United States of America and Exclusive Economic Zone):
 - (A) obtain and retain a certificate of financial responsibility under the Act in form and substance satisfactory to the United States Coast Guard and provide the Owners with evidence of the same; and
 - (B) procure that the protection and indemnity insurances do not contain a US Trading Exclusion Clause or any other analogous provision and provide the Owners with evidence that this is so; and
 - (C) comply strictly with any operational or structural regulations issued from time to time by any relevant authorities under the Act so that at all times the Vessel falls within the provisions which limit strict liability under the Act for oil pollution.
- (t) ***Innocent Owners' Interest Insurance*** The Owners shall be at liberty to take out an Innocent Owners' Interest Insurance and an Innocent Owners' Additional Perils (Oil Pollution) Insurance in relation to the Vessel in an amount up to the Minimum Insured Value and on such terms and conditions as the Owners may from time to time decide, and the Charterers shall from time to time upon the Owners' demand, reimburse the Owners for all costs, premiums and expenses paid or incurred by the Owners in connection with any Innocent Owners' Interest Insurance or Innocent Owners' Additional Perils (Oil Pollution) Insurance (or, if so request by the Owners, directly pay all such costs, premiums and expenses).
- (u) ***Cooperation by the Charterers*** The Charterers agree and undertake that:
 - (i) in the event that the Charterers receive any payment in relation to the Insurances in contravention of this Charter, the Charterers will hold such payment on trust and on behalf of the Owners;
 - (ii) the Charterers will not refuse, withhold (or otherwise delay giving) consent to the payment of any amount which becomes payable to the Owners under the Insurances (to the extent that such payment is payable to the Owners in accordance with terms of this Charter); and
 - (iii) from time to time on the written request of the Owners, the Charterers will promptly execute and deliver to the Owners all documents which the Owners may require for the purpose of obtaining any payment in relation to the Insurances (to the extent that such payment is payable to the Owners in accordance with the terms of this Charter).

- (v) **Freight, demurrage and defence** To the extent not already covered under the Vessel's Insurances, the Owners shall be at liberty to, in relation to the Vessel, take out freight, demurrage and defence cover on such terms and conditions as the Owners may from time to time decide. The Charterers shall from time to time upon the Owners' demand reimburse the Owners for all costs, premiums and expenses paid or incurred by the Owners in connection with such cover.
- (w) **Separate Insurance Interest** Notwithstanding that the interests of the Owners and Charterers are both covered under the Insurances, the provisions of this Clause 41 (*Insurance*) shall neither exclude nor discharge liability between the Owners and the Charterers under this Charter. Any payment of insurance proceeds is no bar to a claim by the Owners and/or their insurers against the Charterers to seek indemnity by way of subrogation. For the avoidance of any doubt, the Innocent Owners' Interest Insurances, Mortgagees' Interest Insurances and any other insurances taken out by the Owners and/or any Finance Party (as the case may be) are for the sole benefit of the Owners and/or any Finance Party (as the case may be), and any sum recoverable under such insurances shall not in any way exclude or discharge the obligations and liabilities of the Obligor under the Transaction Documents. Nothing herein shall prejudice any rights of recovery of the Owners or the Charterers (or their insurers) against third parties.

42. Redelivery

- (a) Following the occurrence of any Termination Event and while the same is continuing and subject to lapse of the Termination Payment Date, if the Owners decide to retake possession of the Vessel pursuant to paragraph (c) of Clause 49 (*Termination Events*), the Charterers shall, at their own cost and expense, redeliver or cause to be redelivered the Vessel to the Owners at the Vessel's current or next port of call, afloat at all times in a ready safe berth or anchorage, in accordance with Clause 43 (*Redelivery conditions*).
- (b) Without prejudice to the Owners' rights and remedies under or pursuant to any provision of this Charter, the Charterers shall continue to perform all the obligations, undertakings and liabilities with respect to the management, maintenance and insurance in respect of the Vessel under and pursuant to the terms of this Charter until redelivery of the Vessel.

43. Redelivery conditions

- (a) In addition to what has been agreed in Clauses 15 (*Redelivery*) (Part II) and 42 (*Redelivery*), the condition of the Vessel shall at redelivery be as follows:
- (i) the Vessel shall be free of any overdue class and statutory recommendations affecting its trading certificates;
- (ii) the Vessel must be redelivered with all equipment and spares or replacement items listed in the delivery inventory carried out pursuant to Clause 9 (Inventories, Oil and Stores) (Part II) unless such items have been consumed or used during the Agreement Term (or part thereof) and any spare parts on board or on order for any equipment installed on the Vessel following delivery (provided that any such items which are on lease or hire purchase shall be replaced with items of an equivalent standard and condition fair wear and tear excepted); all records, logs, plans, operating manuals and drawings, spare parts onboard shall be included at the time of redelivery in connection with a transfer of the Vessel or such other items as are then in the possession of the Charterers shall be delivered to the Owners;

- (iii) the Vessel must be redelivered with all national and international trading certificates and hull/machinery survey positions for both class and statutory surveys free of any overdue recommendation and qualifications valid and un-extended for a period of at least three (3) months beyond the redelivery date;
 - (iv) all of the Vessel's ballast tank coatings to be maintained in "Fair" (as such term (or its equivalent) may be defined and/or interpreted in the relevant survey report) condition as appropriate for the Vessel's age at the time of redelivery, fair wear and tear excepted;
 - (v) the Vessel shall have passed any flag or class surveys or inspections due within three (3) months after the date of redelivery and have its continuous survey system up to date;
 - (vi) the Vessel must be re-delivered with accommodation and common spaces for crew and officers substantially in the same condition as at the Actual Delivery Date, free of damage over and above fair wear and tear; with cargo spaces generally fit to carry the cargoes originally designed and intended for the Vessel; with main propulsion equipment, auxiliary equipment, cargo handling equipment, navigational equipment, etc., in such operating condition as provided for in this Charter (fair wear and tear excepted) unless used or disposed of in the ordinary course of business and trading of the Vessel and subject to such spare parts and equipment not belonging to a third party;
 - (vii) the Vessel shall be free and clear of all liens other than those created by or on the instructions of the Owners;
 - (viii) the condition of the cargo holds to be in accordance with the maintenance regime undertaken by the Charterers during the Charter Period since delivery; and
 - (ix) the anti-fouling coating system applied at the last scheduled dry-docking shall be in accordance with prevailing regulations at the time of application.
- (b) At redelivery, the Charterers shall ensure that the Vessel shall meet the following performance levels (which where relevant shall be determined by reference to the Vessel's log books):
- (i) all remaining bunkers shall be in compliance with all applicable laws, including without limitation, the global sulphur limit imposed by the International Maritime Organization (IMO) for vessels of this type;
 - (ii) available bunkers shall be sufficient to cover at least a voyage to a port for refueling;
 - (iii) all equipment controlling the habitability of the accommodation and service areas to be in proper working order, fair wear and tear excepted; and
 - (iv) available deadweight to be within one per cent (1%) of that achieved at delivery (as the same may be adjusted as a result of any upgrading of the Vessel carried out in accordance with this Charter (such adjustment to be agreed between the Owners and Charterers at the time such upgrading work is to be undertaken)).
- (c) The Owners and the Charterers shall be each appoint (at the Charterers' expense) an independent surveyor for the purpose of determining and agreeing in writing the condition of the Vessel at redelivery.
- (d) If the Vessel is not in the condition or does not meet the performance criteria required by this Clause 43, a list of deficiencies together with the costs of repairing/remedying such deficiencies shall be agreed by the respective surveyors.

- (e) The Charterers shall be obliged to repair any class items restricting the operation or trading of the Vessel prior to redelivery.
- (f) The Charterers shall be obliged to repair/remedy all such other deficiencies as are necessary to put the Vessel into the return condition required by this Clause 43.

44. Diver's inspection at redelivery

- (a) Unless the Vessel is returned in dry-dock, if the Owners so request, a diver's inspection is required to be performed at the time of redelivery and the following provisions shall apply:
 - (i) The Charterers shall, at the written request of the Owners, arrange at the Charterers' time and expense for an underwater inspection by a diver approved by the Classification Society immediately prior to the redelivery.
 - (ii) A video film of the inspection shall be made. The extent of the inspection and the conditions under which it is performed shall be to the satisfaction of the Classification Society.
 - (iii) If damage to the underwater parts is found, the Charterers shall arrange, at their time and costs, for the Vessel to be dry-docked (if required by the Classification Society) and repairs carried out to the satisfaction of the Classification Society.
 - (iv) If the conditions at the port of redelivery are unsuitable for such diver's inspection, the Charterers shall take the Vessel (in Charterers' time and at Charterers' expense) to a suitable alternative place nearest to the redelivery port unless an alternative solution is agreed.
 - (v) Without limiting the generality of sub-paragraph 55 (*Fees and expenses*), all costs relating to any diver's inspection shall be borne by the Charterers.

45. Owners' mortgage

- (a) The Charterers:
 - (i) acknowledge that the Owners are entitled and do intend to enter or have entered into certain funding arrangements with the Finance Parties in order to finance part of the Outstanding Principal, which funding arrangements may be secured, inter alia, by ship mortgages over the Vessel and (along with other related matters) the relevant Finance Documents provided that simultaneously with the Owners' execution of any such ship mortgages, the Owners shall ensure that the relevant Finance Parties execute and deliver to the Charterers a Quiet Enjoyment Letter in favour of the Charterers in a form mutually acceptable to the Finance Party and the Charterer (both acting reasonably);
 - (ii) irrevocably consent to any assignment, transfer and/or novation of the Owners' rights, interests and benefits in and to the Insurances, the Earnings and the Requisition Compensation and any Transaction Document to which it is a party in favour of the Finance Parties pursuant to the relevant Finance Documents or any Financial Institution; and
 - (iii) without limiting the generality of Clause 48(m) (*Further assurance*), undertake to execute, provide or procure the execution or provision (as the case may be) of such document as is necessary to effect the assignment transfer and/or novation referred to in sub-paragraph (ii) above, provided that any related costs shall be on the Owners' account. Provided that no Termination Event has occurred and is continuing, the Owners shall not, and shall procure that no-one claiming through them (as mortgagee, assignee or otherwise but in each case subject to the terms of the relevant Quiet Enjoyment Letter) will interfere with the Charterers' quiet use and possession of the Vessel throughout the Charter Period.

- (b) The Owners acknowledge and undertake that, subject to the Quiet Enjoyment Letter, no term of a Finance Document will prejudice or alter the rights of the Charterers under this Charter or any of the other Transaction Document.

46. Financial covenants

- (a) The Charterers shall procure that throughout the Charter Period,
- (i) the Charterers shall maintain a minimum Liquidity of not less than US\$300,000 (Dollars Three Hundred Thousand) for each ship owned, operated or chartered by it; and
 - (ii) the Charter Guarantor shall maintain a minimum Liquidity of not less than US\$20,000,000 (Dollars Twenty Million).
- (b) For the purpose of this Clause 46 (Financial covenants), "**Liquidity**" means:
- (i) in relation to the Charterers, the total cash or cash equivalent of the Charterers as shown in its most recent financial statements provided to the Owners in accordance with Clause 4832.1(a) (*Financial Statements*); and
 - (ii) in relation to the Charterer Guarantor, the total cash or cash equivalent of the Charterer Guarantor as shown in its most recent consolidated financial statements provided to the Owners in accordance with Clause 4832.1(a) (*Financial Statements*).
- (c) If at any time any other Financial Indebtedness of the Charter Guarantor and/or any of its Subsidiaries shall include any financial covenant in respect of the Charter Guarantor (whether set forth as a covenant, undertaking, event of default, restriction or other such provision) (a "**Financial Covenant**") that would be more beneficial to the Owners than any analogous provision contained in this Charter (an "**Additional Financial Covenant**"), then such Additional Financial Covenant shall be deemed automatically incorporated into the terms of this Charter (an "**MFN Amendment**"). Such MFN Amendment shall be reversed and the financial covenants restored to those that were in effect immediately prior to an MFN Amendment when (i) such other financial indebtedness containing the Additional Financial Covenant is repaid in full other than as a result of or in connection with an actual event of default (howsoever defined); or (ii) the original terms of an Additional Financial Covenant provided that it has ceased to apply. The Charterers shall promptly notify the Owners of any change or event that requires the incorporation or reverse of an MFN Amendment. The Charterers agree that it will, and will procure that the Charter Guarantor will, promptly enter into such necessary documentation as may be required to amend and supplement the Charter Guarantee and this Charter so as to reflect and incorporate such new or amended financial covenants that are more favourable to the Owners in accordance with this clause.

47. Charterers' representations and warranties

- (a) The Charterers make the representations and warranties set out in this Clause 47 to the Owners on the date of this Charter and on the Actual Delivery Date:

- (i) **Status:** each Obligor is a company or (as applicable) corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation, in good standing and has the power to own its assets and carry on its business as it is being conducted;
- (ii) **Binding obligations:** Subject to the Legal Reservations, the obligations expressed to be assumed by each Obligor in each Transaction Document to which it or he/she is a party are legal, valid, binding and enforceable obligations and no limit on any of their powers will be exceeded as a result of the borrowings, granting of security or giving of guarantees contemplated by the Transaction Documents or the performance by any of them of any of their obligations thereunder;
- (iii) **No breach:** the entry into and performance by each Obligor of, and the transactions contemplated by, each Transaction Document to which it or he is a party do not conflict with:
 - (A) any applicable law or regulation (including Anti-Money Laundering Laws, anti-corruption and anti-bribery laws, Anti-Terrorism Financing Laws, Sanctions);
 - (B) its constitutional documents; or
 - (C) any document binding on it, or any of its or his/her assets;
- (iv) **Due authorisation:** each Obligor has the power to enter into, perform and deliver, and has taken all necessary action to authorise its or his/her entry into, performance and delivery of, each Transaction Document to which it or he/she is a party and the transactions contemplated thereunder;
- (v) **Validity and admissibility in evidence:** all consents, licences, approvals, authorisations, filings and registrations required:
 - (A) to enable each Obligor to lawfully enter into, exercise its or his/her rights and comply with its or his/her obligations in each Transaction Document to which it or he/she is a party;
 - (B) to ensure the obligations expressed to be assumed by each of the Obligors in the Transaction Documents are legal, valid and binding; and
 - (C) to make each Transaction Document to which each Obligor is a party admissible in evidence in its jurisdiction of incorporation,have been obtained or effected and are in full force and effect;
- (vi) **Governing law and judgments:** Subject to the Legal Reservations, in any proceedings taken in any of the Obligors' jurisdiction of incorporation or residence in relation to any of the Transaction Documents in which there is any express choice of the law of a particular country as the governing law thereof, that choice of law and any judgment or (if applicable) arbitral award obtained in that country will be recognised and enforced;
- (vii) **No deductions or withholding:** no Obligor is required under the laws of its jurisdiction of incorporation or residence to make any deduction for or on account of tax from any payment it may make under each Transaction Document to which it or he is a party;
- (viii) **No filing or stamp Taxes:** under the laws of the jurisdiction of incorporation of each Obligor and subject to any Perfection Requirements, it is not necessary that any of the Transaction Documents to which such Obligor 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 on or in relation thereto or the transactions contemplated thereby (other than any filing or recording or enrolling of any tax which is referred to in the legal opinions delivered to the Owner);

- (ix) **No default:** no Termination Event has occurred and is continuing or might reasonably be expected to result from any Obligor's entry into and performance of each Transaction Document to which such Obligor is a party;
- (x) **No misleading information:** subject to any qualification (if applicable) set out in such information, any factual information provided by the Charterers to the Owners was true and accurate in all material respects as at the date it was provided or as the date at which such information was stated;
- (xi) **Claims pari passu:** Subject to the Legal Reservations, the payment obligations of each Obligor under each Transaction Document to which it or he/she is a party rank at least *pari passu* with the claims of all other unsecured and unsubordinated creditors of such Obligor, except for obligations mandatorily preferred by law applying to companies generally;
- (xii) **No material proceedings:** no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have (to the best of the Charterers' knowledge) been started against an Obligor which, if adversely determined, has a Material Adverse Effect;
- (xiii) **No immunity:** none of the Obligors nor any of its or his assets has any right to immunity from set-off, legal proceedings, attachment prior to judgment, other attachment or execution of judgment on the grounds of sovereign immunity or otherwise;
- (xiv) **No winding-up:** 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 it, or all or any part of its/his/her assets;
- (xv) **Anti-Money Laundering Laws etc.:** each Obligor is not in breach of Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws and each of the Obligor has instituted and maintained systems, controls, policies or 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;
- (xvi) **Sanctions:**
 - (A) no Obligor nor any of their respective directors, officers, and to the best of the Charterers' knowledge and belief, employees;
 - (B) each Obligor and their respective directors, officers, and to the best of the Charterers' knowledge and belief, employees, 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;

- (C) in the case a Sub-Charterer becomes a Restricted Person or acts in breach of any Sanctions, the Charterers shall, upon becoming aware of such event, (i) immediately terminate the Sub-Charter with such Sub-Charterer and (ii) procure a replacement Sub-Charter (reasonably acceptable to the Owners) as soon as practicable and in any case within 60 days; and
 - (D) in the case an Approved Manager becomes a Restricted Person or acts in breach of any Sanctions, the Charterers shall, upon becoming aware of such event, immediately terminate its appointment and appoint a substitute Approved Manager (reasonably acceptable to the Owners) as soon as practicable and in any case within one month.
- (xvii) **Security:** each of the Obligors is the legal and beneficial owner of all assets and other property which it or he/she purports to charge, pledge, assign or otherwise secure pursuant to each Transaction Document and those Transaction Documents to which it or he/she is a party create and give rise to valid and effective security having the ranking expressed in those Transaction Documents;
- (xviii) **Environmental Law:**
- (A) no circumstances have occurred which would prevent the compliance by the Obligors in a manner or to an extent which has a Material Adverse Effect; and
 - (B) no Environmental Claim has been commenced against any Obligor where, if determined against such Obligor, has a Material Adverse Effect;
- (xix) **Taxation:**
- (A) no Obligor is overdue in the filing of any Tax returns and no Obligor is overdue in the payment of any Taxes, save in the case of Taxes which are being contested on bona fide grounds or in the case the overdue payment amount does not exceeds US\$50,000 and the relevant Obligor is taking steps to make prompt payment of the same;
 - (B) no claims or investigations are being made or conducted against any Obligor with respect to Taxes;
- (xx) **No Material Adverse Effect:** no event or circumstance has occurred which has a Material Adverse Effect;
- (b) Each representation and warranty in Clause 47(a) (other than in sub-paragraphs (a)(xii) (*No material proceedings*) and (a)(vii) (*No deductions or withholding*)) above is deemed to be repeated by the Charterers by reference to the facts and circumstances then existing on each day on which Hire or any other amount is payable under this Charter and, the representation and warranty in Clause 47(a)(xvi) (*Sanctions*) above (other than in relation to any Approved Manager) shall be deemed to be made and repeated on the date when the Owners shall transfer the title of the Vessel under Clause 52 (*Transfer of title*).

48. Charterers' undertakings

The Charterers hereby undertake to the Owners that they will comply in full and procure compliance (where applicable) with the following undertakings throughout the Agreement Term:

- (a) **Financial Statements** The Charterers shall supply, and shall procure the Charter Guarantor will supply, to the Owners as soon as the same become available, but in any event within:
- (i) one hundred and eighty (180) days after the end of the Charter Guarantor's financial year, the Charter Guarantor's audited consolidated financial statements for that financial year; and
 - (ii) one hundred and twenty (120) days after the 6-month period ending on 30 June in each financial year of the Charter Guarantor, the semi-annual consolidated unaudited financial statements of the Charter Guarantor, for that 6-month period;
- So long as such financial statements are available at the Charter Guarantor's website, the relevant obligation will be deemed to have been met.
- (b) **Requirements as to financial statements** Each set of financial statements delivered to the Owners under Clause 48(a) (*Financial Statements*):
- (i) shall be in English;
 - (ii) shall be certified by an authorised signatory of the relevant Obligor as fairly representing its financial condition as at the date at which those financial statements were drawn up; and
 - (iii) shall be prepared in accordance with GAAP.
- (c) **Information: miscellaneous** The Charterers shall:
- (i) immediately notify the Owners of the occurrence of any Charter Guarantor Change of Control Event;
 - (ii) promptly upon becoming aware of them, supply to the Owners details of any litigation, arbitration or administrative proceedings which are current or pending against any Obligor provided such litigation, arbitration or administrative proceeding if adversely determined has a Material Adverse Effect;
 - (iii) promptly, supply to the Owners such further information regarding the financial condition, business and operations of any of the Obligor as the Owners or any Finance Party may reasonably request;
 - (iv) if the Owners so request, provide to the Owners a copy of such Sub-Charter which the Owners may reasonably request; and
 - (v) supply to the Owners, or procure that the Approved Managers supply to the Owners, management report on a quarterly basis (including an estimate/budget of the Vessel's OPEX, such as crewing costs, insurances, repair and maintenance, stores, spares, lubricants and dry-docking expenses).
- (d) **Notification of Termination Event** The Charterers shall, and shall procure the Charter Guarantor will, promptly, upon becoming aware of the same, inform the Owners in writing of the occurrence of any Termination Event (and the steps, if any, being taken to remedy this) and, upon the Owners' request, confirm to the Owners that, save as previously notified to the Owners or as notified in such confirmation, no Potential Termination Event or Termination Event is continuing and, if applicable, specifying the steps being taken to remedy it.

- (e) **Maintenance of legal validity** Each Obligor will comply with the terms of and do all that is necessary to maintain in full force and effect all Perfection Requirements and Authorizations required under any applicable law or regulation to enable it to perform its obligations under this Charter and the Transaction Documents to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence of such Transaction Documents in their jurisdiction of incorporation and all other applicable jurisdictions;
- (f) **Taxation** Each Obligor will pay and discharge all Taxes applicable to, or imposed on or in relation to, it, its business and its assets within the time period allowed without incurring penalties unless and only to the extent that:
- (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Owners under Clause 54.1 (*Financial statements*); and
 - (iii) such payment can be lawfully withheld.
- (g) **Negative pledge** The Charterers will not create or permit to subsist any Security Interest (other than Permitted Security) or other third party rights over any of their present or future rights and interests in or towards any Transaction Document or the Vessel other than a Security Interest created by the Transaction Documents, the Finance Documents or otherwise with the written consent of the Owners.
- (h) **Environmental compliance** The Charterers shall, and shall procure each Obligor to:
- (i) comply with all Environmental Laws;
 - (ii) obtain, maintain and ensure compliance with all requisite Environmental Approvals; and
 - (iii) implement procedures to monitor compliance with and to prevent liability under any Environmental Law applicable to it where failure to do so has a Material Adverse Effect.
- (i) **Environmental Claims** The Charterers shall, promptly inform the Owners in writing of any Environmental Claim against any Obligor which is current or pending which, if adversely determined against, such Obligor shall have a Material Adverse Effect or, the claim amount of which exceeds US\$1,500,000 (Dollars One Million Five Hundred Thousand only).
- (d) **Compliance with laws etc.** The Charterers shall:
- (i) and shall procure that each other Obligor will:
 - (A) comply with all applicable laws, including Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
 - (B) maintain systems, controls, policies or procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws; and
 - (ii) not use, or permit or authorize any person to directly use, the MOA Purchase Price for any purpose that would breach any Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws; and

- (iii) not lend, invest, contribute or otherwise make available the MOA Purchase Price to or for any other person in a manner which would result in a violation of any Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws.

- (j) **Sanctions** The Charterers shall comply and shall procure that each other Obligor comply with all laws and regulations in respect of Sanctions, and in particular, they shall effect and maintain a sanctions compliance policy or procedure to ensure compliance with all such laws and regulations implemented from time to time.

Without prejudice to the generality of the preceding, the Charterers shall comply or procure compliance with the following undertakings commencing from the date hereof and up to the last day of the Agreement Term that:

- (i) they shall comply, and will procure that each other Obligor, each other member of the Charter Group and their respective directors, officers, materially comply with all laws and regulations in respect of Sanctions and is not a Restricted Person and does not act directly or indirectly on behalf of a Restricted Person, and in particular, they shall effect and maintain a sanctions compliance policy or procedure to ensure compliance with all such laws and regulations implemented from time to time;
- (ii) the Vessel shall not be employed, operated or managed in any manner which (x) is contrary to any Sanctions and in particular, the Vessel shall not be used by or to benefit any party which is a target of Sanctions and/or is a Restricted Person or call any port in North Korea, Iran, Syria, Cuba or Crimea or trade to any area or country where trading the Vessel to such area or country would constitute a breach of any Sanctions, (y) would result in any Obligor or the Owners becoming a Restricted Person or (z) would trigger the operation of any sanctions limitation or exclusion clause in any insurance documentation;
- (iii) 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, 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 directors or officers is a Restricted Person or has otherwise become a target of Sanctions) as well as, in the case of an Obligor, provide upon request 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;
- (iv) the Charterers will, and will use best endeavours to procure that each other Obligor will provide all information in relation to its business and operations which may be relevant for the purposes of ascertaining whether it is in compliance with all laws and regulations and Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws applicable to and/or binding on it, and in particular, the Charterers shall notify the Owners in writing immediately upon being aware that any of the Charterers' shareholders, directors and officers is a Restricted Person or has otherwise become a target of any Sanctions;
- (v) The Charterers undertake to procure that no Obligor shall use any revenue or benefit derived from any activity or dealing with a Restricted Person in discharging any obligation due or owing to the Owners;
- (vi) The Charterers will not, and will not permit or authorise any other person to, utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of any transactions contemplated by the Transaction Documents to fund any trade, business or other activities (x) involving or for the benefit of any Restricted Party or (y) in any manner that would result in the Obligor or, the Owners being in breach of any Sanctions or becoming a Restricted Person; and

- (vii) The Charterers shall procure that each Obligor shall, promptly upon becoming aware of them supply to the Owners details of any claim action, suit or proceedings against it with respect to Sanctions by any Sanctions Authority.
 - (k) **Loans or other financial commitments** Other than as necessarily required in the ordinary course of business, trading and operation of the Vessel, the Charterers shall not make any loan or enter in any guarantee and indemnity or otherwise voluntarily assume any actual or contingent liability in respect of any obligation of any other person except pursuant to the Transaction Documents and the Related Transaction Documents.
 - (l) **Earnings and Earnings Account**
 - (i) Following the occurrence of a Termination Event which is continuing when directed by the Owners to do so, the Charterers shall procure that each of the Sub-Charterers shall, on each Hire Payment Date, credit all payments of "Hire" (as such term is described in each Sub-Charter) and all other amounts payable thereunder directly to the Owners' Account;
 - (ii) throughout the Agreement Term, the Charterers shall:
 - (A) promptly upon receipt supply to the Owners monthly bank statements of the Earnings Account and shall promptly supply such other financial information and explanations as the Owners may from time to time reasonably require in connection with the Charterers; and
 - (B) ensure that any and all of the Earnings are deposited into the Earnings Account.
 - (m) **Further assurance** The Charterers shall at their own expense,
 - (i) promptly take all such action as the Owners may reasonably require for the purpose of perfecting or protecting any of the Owners' rights with respect to the Security Interest created or evidenced by the Transaction Documents; and
 - (ii) do and perform such other and further acts and execute and deliver any and all such other agreements, instruments and documents as may be required by law to establish, maintain and protect the rights and remedies of the Owners and/or the Finance Parties (as the case may be) and to carry out and effect the intent and purpose of this Charter, the other Transaction Documents and, to the extent consistent with the terms of this Charter, the Finance Documents (as applicable).
 - (n) **Change of business** The Charterers shall not and will procure no Obligor will, without the prior written consent of the Owners, make any substantial change to the general nature of their respective businesses form that carried on at the date of this Charter.
 - (o) **Certificate of financial responsibility** The Charterers shall, if required, obtain and maintain a certificate of financial responsibility in relation to the Vessel which is to call at the United States of America.
 - (p) **Registration** The Charterers shall not change or permit a change to the flag of the Vessel throughout the duration of this Charter without the prior written consent of the Owners or the Finance Parties (if applicable) (such consent not to be unreasonably withheld or delayed). Any change to the flag of the Vessel shall be at the cost of the Charterers (which shall include any reasonable costs of the Finance Parties (if applicable)).
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- (q) **ISM and ISPS Compliance** The Charterers shall ensure that each ISM Company and ISPS Company complies in all material respects with the ISM Code and the ISPS Code, respectively, or any replacements thereof and in particular (without prejudice to the generality of the foregoing) shall ensure that such company holds (i) a valid and current Document of Compliance issued pursuant to the ISM Code, (ii) a valid and current SMC issued in respect of the Vessel pursuant to the ISM Code, and (iii) an ISSC in respect of the Vessel, and the Charterers shall promptly, upon request, supply the Owners with copies of the same.
- (r) **Inspection of Vessel and inspection reports** In the absence of a Termination Event which is continuing, subject to there being no undue interference with the operation of the Vessel,
- (iii) the Owners shall be entitled to, once a year, (at the Charterers' cost) inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf (in each case at the Charterers' cost) in order to ascertain the condition of the Vessel and the Charterers shall provide all necessary assistance and facilities in connection with such inspection or survey; and,
- (iv) the Charterers shall further, if so requested in writing by the Owners and at the Charterers' cost, provide to the Owners one inspection report each year as to the condition of the Vessel,
- provided always however** that if a Termination Event has occurred and the same be continuing, the Owners may at any time and at the Charterers' cost conduct such inspection without prior notice to the Charterers and the Charterers shall be deemed to have granted such permission and shall provide such necessary assistance to the Owners in respect of such inspection.
- (s) **"Know your customer" checks** If:
- (i) the introduction of or any change in (or in the interpretation, administration or applicable of) any law or regulation made after the dates of this Charter;
- (ii) any change in the status of the Charterers after the date of this Charter;
- (iii) a proposed assignment or transfer by Owners of any of their rights and obligations under this Charter,
- obliges the Owners to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Charterers shall promptly upon the request of the Owners supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Owners to carry out and be satisfied they have complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Transaction Documents.
- (t) **Dividends and share redemption**
- (i) The Charterers shall not make or pay (nor is the Charter Guarantor entitled to receive) any dividend or other distribution (in cash or in kind) following the occurrence of any Termination Event and while it is continuing;
- (ii) The Charterers shall not effect any form of redemption or return in respect of its limited liability company interests; and

- (iii) Unless the Owners shall approve otherwise in writing, the Charterers shall not admit any new member or members or issue any further shares (certificated or uncertificated) unless issued to the Charter Guarantor and being charged in favour the Security Trustee and will procure that the Charter Guarantor will not consent to the admission of any new member of the Charterers.
- (u) **Claims pari passu** The Charterers shall ensure that at all times any unsecured and unsubordinated claims of the Owners against it under the Transaction Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are preferred by laws of general application to companies.
- (v) **Merger and demerger** The Charterers shall not enter into any amalgamation, merger, demerger or corporate restructuring without the prior written consent of the Owners, which shall not be unreasonably withheld.
- (w) **Subordination** The Charterers acknowledge to and undertake with the Owners that, throughout the Agreement Term, any Financial Indebtedness incurred by the Charterers including all shareholder's and intercompany loans from time to time granted by the shareholders of the Charterers, any Obligor or any other member of the Charterer Group:
- (i) are and shall at all times be subordinated to the Owners' rights under the Transaction Documents;
 - (ii) are and shall be subordinated in all respects to all amounts owing and which may in future become owing by the Charterers under the Transaction Documents;
 - (iii) following the occurrence of a Termination Event and while the same is continuing, shall not be repaid or be subject to payment of interest (although interest may accrue);and
 - (iv) are and shall remain unsecured by any Security Interest over the whole or any part of the assets of the Charterers,
- and the Charterers shall and shall procure that the Obligors and the relevant Affiliate to the Charterers and/or the Charter Guarantor shall upon the Owners' request, enter into a subordination agreement in favour of the Owners or such other arrangement acceptable to the Owners and such other counterparty.
- (x) **Management Agreement** The Charterers shall not and shall procure neither of the Approved Managers to materially amend, vary, novate, supplement, supersede, waive or terminate any term of any Ship Management Agreement without the prior written consent of the Owners.
- (y) **Greenhouse gas emissions** The Charterers shall:
- (i) upon request of the Owners, provide a duly executed and, if required by the Owners, notarised and apostilled original of the EU ETS Mandate Letter and take such action as the Owners may require for such EU ETS Mandate Letter to be submitted to and recorded by the relevant authorities;
 - (ii) do all that is reasonably required of them to comply with the EU-ETS Regulations; and
 - (iii) whenever requested by Owners, promptly provide to the Owners particulars of all and any outstanding charges due or collectable by the relevant entities charged with administering compliance with the EU-ETS Regulations applicable to it or in respect of the Vessel.

The Charterers will pay or cause to be paid all amounts reasonably required to be paid by it or the Owners in respect of the Vessel arising out of or in connection with the EU-ETS Regulations, and the Charterers will promptly, and in any event within fifteen (15) Business Days of demand, indemnify the Owners for any and all amounts required to be paid by the Owners in connection with any EU-ETS Regulations in respect of the Vessel, together with (i) all losses, costs and expenses suffered or incurred by the Owners in connection with compliance by them with any EU-ETS Regulations in respect of the Vessel, and (ii) any penalties, charges or other amounts levied against the Owners due to any breach by the Charterers of its obligations under this Clause 48(y).

(z) **Other negative undertakings** The Charterers shall not, without the prior written consent of the Owners,

- (i) enter into any transactions other than on arms' length commercial terms; or
- (ii) 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 of its assets (save and except as provided under the terms of this Charter and other Transaction Documents); or
- (iii) conduct any business or activity other than the chartering and operation of vessels and other ancillary activities; or
- (i) sell, transfer or otherwise dispose of any of its assets or its receivables on recourse terms or enter into or permit to subsist any other preferential arrangement having a similar effect.

(aa) **Valuation Reports** The Charterers will, on or before each Test Date, deliver or procure the delivery to the Owners of the Valuation Reports (as required under Clause 48(bb) (*Value maintenance*)) to determine the Market Value) dated not earlier than ten (10) days before the Test Date.

(bb) **Value maintenance**

- (i) In order to determine the Market Value on a Test Date for the purposes of testing the Value Maintenance Ratio, the Market Value shall be determined by the Owners to be (x) the mathematic average of two valuations from the Valuation Reports obtained in accordance with Clause 48(aa) (*Valuation Reports*) or, in the event the difference between the two Valuation Reports obtained is greater than 5%, the arithmetic average of the three Valuation Reports, the third Valuation Report being obtained from a further Approved Valuer selected by the Owners or, (y) if the Charterers fail to deliver or procure the delivery of the Valuation Reports to the Owners in accordance with Clause 48(aa) (*Valuation Reports*), the valuation from one Valuation Report arranged by the Owners (each such Valuation Report shall be at the costs of the Charterers); and in either case; if the valuation given by an Approved Valuer comes up with a value range, the lowest value within the range shall be taken to determine the Market Value.
- (ii) If, after conducting the Value Maintenance Ratio test on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is less than the Value Maintenance Threshold, then the Charterers shall, within thirty (30) days of the Owners' demand, provide cash collateral in the amount of the shortfall (the "**Cash Collateral**") and deposit the same in the Owners' Account in order to restore the Value Maintenance Ratio to comply with the Value Maintenance Threshold.
- (iii) Any Cash Collateral paid to the Owners in accordance with paragraph (ii) above shall secure the due observance and performance by the Obligors of their obligations and undertakings contained in the Transaction Documents. Following the occurrence of a Termination Event which is continuing in respect of any failure in payment of Hire, the Owners shall have the right to utilise the Cash Collateral or a part thereof to pay any outstanding Hire, whereupon the Charterers shall forthwith, and in any event within five (5) Business Days, pay and deposit with the Owners such additional amount as may be required to make up the Cash Collateral. Any remaining Cash Collateral shall only be returned to the Charterers if, (A) on a Test Date after the provision of such Cash Collateral, the Value Maintenance Ratio is no less than the Value Maintenance Threshold and (B) immediately following the return of such Cash Collateral, the Value Maintenance Ratio remains no less than the Value Maintenance Threshold provided that the Charterers may at any time after the expiration of the Agreement Term request for release and return of the remaining Cash Collateral.

- (iv) Without prejudice to paragraph (ii) above, the Charterers shall have the option (instead of providing the Cash Collateral), within (30) days of the Owners' request:
 - (a) to pay such amount to the Owners to prepay the Purchase Obligation Price, or provided the Purchase Obligation Price has been prepaid in full, any undue Fixed Hire in inverse order of maturity, to enable compliance with the Value Maintenance Ratio; or
 - (b) to provide additional security satisfactory to the Owners (acting reasonably).

49. Termination Events

- (a) Each of the following events shall constitute a Termination Event:
 - (i) **Failure to pay** an Obligor fails to pay on the due date any sum payable pursuant to the Transaction Document to which it or he is a party; provided no Termination Event shall occur under Clause 49(a)(i) in relation to a failure to pay any Hire on the relevant due date if such Obligor can demonstrate to the reasonable satisfaction of the Owners that all necessary instructions were given to effect such payment and the non-receipt thereof is attributable solely to an administrative or technical error or an error in the banking system and payment of such Hire is made within three (3) Business Days of its original due date; or
 - (ii) **Specific covenants** an Obligor fails comply with Clause 46 (*Financial covenants*); or
 - (iii) **Other obligations** an Obligor fails duly to perform or comply with any of the obligations expressed to be assumed by it in any Transaction Document (other than those referred to in Clause 49(a)(ii)(*Specific covenants*)) and where, in the opinion of the Owners, such default is capable of remedy, such default is not remedied to the Owners' satisfaction within seven (7) Business Days after written notice from the Owners requesting action to remedy the same; or
 - (iv) **Misrepresentation** any representation or statement made by any Obligor in or pursuant to a Transaction Document to which it or he is a party or in any notice, certificate, instrument or statement contemplated thereby or made or delivered pursuant hereto or thereto is, or proves to be, untrue or incorrect in any material respect when made or deemed to be repeated unless such misrepresentation is in the opinion of the Owners capable of remedy and is remedied to the Owners' satisfaction within thirty (30) days of the earlier of the relevant Obligor becoming aware of any such misrepresentation or the Owners' notice to the relevant Obligor of such misrepresentation; or

(v) **Cross default** any of the following events:

- (A) any Financial Indebtedness of an Obligor is not paid when due nor within any originally applicable grace period;
- (B) any Financial Indebtedness of an Obligor 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 an Obligor is cancelled or suspended by a creditor of an Obligor as a result of an event of default (however described); and
- (D) any creditor of an Obligor becomes entitled to declare any Financial Indebtedness of an Obligor due and payable prior to its specified maturity as a result of an event of default (however described),

provided that no Termination Event will occur under this Clause 49(a)(iii) if, the aggregate amount of such Financial Indebtedness referred to in this Clause 49(a)(v) (x) in respect of the Charter Guarantor, is less than ten million Dollars (US\$10,000,000) and (y) in respect of the Charterers, is less than five hundred thousand Dollars (US\$500,000); or

(vi) **Insolvency**

(A) an Obligor:

- (x) is unable or admits inability to pay its debts as they fall due;
- (y) is deemed to, or is declared to, be unable to pay its debts under applicable law;
- (z) suspends or threatens to suspend making payments on any of its debts; or

other than the Charter Guarantor, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or

- (B) the Charter Guarantor, any of its Subsidiaries or any of their respective directors or authorised representatives by reason of actual or anticipated financial difficulties take any steps (whether by submitting or presenting a document setting out a proposal or proposed terms or otherwise) with more than 35% (by value) of creditors of the Charter Group (taken as a whole) with a view to obtaining any form of moratorium, suspension or deferral of payments or reorganisation of debt (or certain debt), provided that this Clause 49(a)(vi)(B) shall not apply where the relevant steps are being taken solely with the Owners or any of the Owners Subsidiaries; or
- (C) the value of the assets of an Obligor is less than its liabilities (taking into account contingent and prospective liabilities); or
- (D) a moratorium is declared in respect of any indebtedness of an Obligor. If a moratorium occurs, the ending of the moratorium will not remedy any Termination Event caused by that moratorium; or

(vii) **Winding-up** 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, administration, bankruptcy or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of an Obligor;
- (B) a composition, compromise, assignment or arrangement with any creditor of an Obligor;
- (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of an Obligor or any of its assets;
- (D) enforcement of any Security Interest over any assets of an Obligor;

or any analogous procedure or step is taken in any jurisdiction. This Clause 49(a)(vii) shall not apply to (x) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within twenty one (21) days of commencement or (y) any arrest or detention of the Vessel from which the Vessel is released within twenty one (21) days from the date of that arrest or detention; or

(viii) **Cessation of business** any Obligor ceases or threatens to cease, to carry on all or, any material part of such Obligor's business; or

(ix) **Unlawfulness** at any time:

- (A) it is or becomes unlawful for any Obligor to perform or comply with any or all of its obligations under the Transaction Documents to which it or he is a party;
- (B) any of the obligations of the Charterers under the Transaction Documents to which they are parties are not or cease to be legal, valid and binding; or
- (C) any Transaction Documents or any Encumbrance created or purported to be created by the Transaction Documents ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to such Transaction Document (other than the Owners) to be ineffective,

and no agreement is reached between the Owners and the Charterers to agree an alternative arrangement within thirty (30) days from the date of occurrence of any of the events stated above; or

(x) **Repudiation** an Obligor repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any such Transaction Document; or

(xi) **Validity and admissibility** at any time any act, condition or thing required to be done, fulfilled or performed in order:

- (A) to enable any Obligor lawfully to enter into, exercise its rights under and perform the respective obligations expressed to be assumed by it in the Transaction Documents;
- (B) to ensure that the obligations expressed to be assumed by each of the Obligors in the Transaction Documents are legal, valid and binding; or
- (C) to make the Transaction Documents admissible in evidence in any applicable jurisdiction,

is not done, fulfilled or performed within thirty (30) days after notification from the Owners to the relevant Obligor requiring the same to be done, fulfilled or performed; or

(xii) **ISM Code and ISPS Code** for any reason whatsoever, the Vessel ceases to:

- (A) comply with the ISM Code or the ISPS Code; or
- (B) be managed by an Approved Manager on terms in all respects approved by the Owners,

in each case, which is not remedied within three (3) Business Days after the earlier of written notice from the Owners requesting action to remedy the same or the Charterers becoming aware of the same; or

(xiii) **Sanctions and AML laws etc.,**

- (A) any Obligor is in breach of any Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws; or
- (B) any Obligor becomes a Restricted Person, or is owned or controlled by a Restricted Person, or owns or controls a Restricted Person; or
- (C) if as a result of any Sanctions, the Owners are prohibited from performing any of their obligations under the Transaction Documents or the transactions contemplated under the Transaction Documents; or
- (D) a Sub-Charterer becomes a Restricted Person and the Owners fail to effect immediate termination of the Sub-Charter with such Sub-Charterer or fail to procure (within 60 days) a replacement Sub-Charter reasonably satisfactory to the Owners; or

(xiv) **Arrest** the Vessel is arrested or seized for any reason whatsoever (other than caused solely and directly by any action or omission from the Owners) unless the Vessel is released and returned to the possession of the Charterers within sixty (60) days of such arrest or seizure; or

(xv) **Registration** the registration of the Vessel becomes void or voidable or liable to cancellation or termination, or the country of registration of the Vessel becomes involved in war (whether or not declared) or civil war or is occupied by any other power and the Owners consider that, as a result, safety of Owners' title to the Vessel is materially prejudiced other than caused directly or indirectly by the actions of the Owners; or

(xvi) **Material adverse change** at any time there shall occur any event or change which has a Material Adverse Effect; or

(xvii) **Material litigation** any litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started or threatened in connection with any Obligor which, if adversely determined, has a Material Adverse Effect; or

(xviii) **MOA and Initial Sub-Charter**

- (A) any of the Sellers' default (as such term is described in the MOA) occurs under the MOA; or
- (B) the Initial Sub-Charter is terminated, cancelled, repudiated or otherwise ceases to remain in full force and effect before the end of its agreed term, provided that no Termination Event will occur under this sub-paragraph, if a replacement Sub-Charter with material terms and conditions satisfactory to the Owners is entered into by the Charterers and assigned to the Owners in form and substance acceptable the Owners within 60 days after the termination, cancellation, repudiation or cessation of effectiveness of the Initial Sub-Charter; or

- (xix) **Related Charter** a "Termination Event" (as such term is defined in each Related Charter) occurs under any Related Charter which is continuing.
- (b) **Owners' options after occurrence of a Termination Event** At any time after a Termination Event shall have occurred and be continuing and if applicable, following the lapse of any applicable grace period, the Owners may:
- (i) at their option and by delivering to the Charterers a Termination Notice, terminate this Charter with immediate effect or on the date specified in such Termination Notice, and withdraw the Vessel from the service of the Charterers without noting any protest and without interference by any court or any other formality whatsoever, whereupon the Vessel shall no longer be in the possession of the Charterers with the consent of the Owners, and the Charterers shall redeliver the Vessel to the Owners in accordance with Clauses 42 (*Redelivery*) and 43 (*Redelivery conditions*), whereupon the Owners may:
 - (A) (in the event that the Charterers fail to pay the Termination Sum in full on the Termination Payment Date) at their option (but shall be under no obligation to), sell the Vessel to such party, at such time and on such terms and conditions as they may, in their absolute discretion, think fit; and/or
 - (B) generally, use or dispose of the Vessel as the Owners may see fit subject only to the terms of this Charter; and/or
 - (ii) apply any amount then standing to the credit to the Earnings Account against any Unpaid Sum or such other amounts which the Charterer or other Obligor may owe under the Transaction Documents; and/or
 - (iii) (without prejudice to sub-paragraph (ii) above) enforce any Security Interest created pursuant to the relevant Transaction Documents.
- (c) **Payment of Termination Sum** On the Termination Payment Date in respect of any termination of the chartering of the Vessel under this Charter in accordance with paragraph (b) above, the Charterers shall pay to the Owners an amount equal to the Termination Sum.
- (d) **Owners' application of Termination Sum** Following any termination to which this Clause 49 applies, all sums payable in accordance with paragraph (c) above shall be paid to such account or accounts as the Owners may direct and shall be applied pursuant to Clause 4.2 (*Application of Transaction Documents Proceeds*) of the Security Trust Deed.
- (e) **Transfer of title** If the chartering of the Vessel or, as the case may be, the obligation of the Owners to deliver and charter the Vessel to the Charterers is terminated in accordance with the terms of this Charter, the obligation of the Charterers to pay Hire shall cease once the Charterers have made the payment pursuant to paragraph (c) above to the satisfaction of the Owners, whereupon the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (h) of Clause 52 (*Transfer of title*).
- (f) **Sale of Vessel** Following any termination to which this Clause 49 applies, if the Charterers have not paid to the Owners the Termination Sum on the applicable Termination Payment Date (and consequently the Owners have not transferred title to the Vessel to the Charterers in accordance with Clause 52 (*Transfer of title*)), the Owners shall be entitled (but not obliged) to sell the Vessel and apply the proceeds of a sale of the Vessel received or receivable, net of any fees, commissions, documented costs, disbursements or other expenses incurred by the Owners as a result of the Owners arranging the proposed sale (the "**Net Proceeds**"), against the Termination Sum and:

- (i) if the Net Proceeds do not exceed the Termination Sum, the Owners claim from the Charterers for any shortfall together with interest accrued thereon pursuant to paragraph (g) (*Default interest*) of Clause 40 (*Hire*) from the due date for payment thereof to the date of actual payment; or
- (ii) if the Net Proceeds exceed the Termination Sum, any surplus shall be applied in the order set out in clause 4.2 (*Application of Transaction Document Proceeds*) of the Security Trust Deed,

provided that in the event:

- (A) the Owners have not yet entered into any agreement for the sale, charter or employment of the Vessel;
- (B) the Charterers furnish the Owners with an Offer no later than the date falling thirty (30) days after the Termination Payment Date (or such later date as may be agreed by the Owners, the "**Latest MOA Date**"); and
- (C) the potential buyer which has made the Offer (the "**Potential Buyer**") is acceptable to the Owners (acting reasonably, such acceptance not to be unreasonably withheld or delayed), the Owners shall, subject to the entry into of a memorandum of agreement for the Vessel between the Potential Buyer and the Owners which shall be on terms acceptable to the Owners (the "**Potential Buyer MOA**") by the Latest MOA Date, sell the Vessel to the Potential Buyer in accordance with the terms of the Potential Buyer MOA. For the avoidance of doubt, the Owners may at its sole discretion (acting reasonably) proceed to complete any sale, charter or employment of the Vessel arranged by the Owners notwithstanding the Offer furnished by the Charterers. The proceeds of such sale shall, for the avoidance of any doubt, be applied in accordance with this Clause 49(f)(i) and (ii) as above.

For the purposes of this Clause 49(f):

"Offer" means a firm offer for the purchase of the Vessel:

- (i) for a purchase price in cash (payable on delivery and acceptance of the Vessel) not less than the Relevant Amount; and
- (ii) on customary terms for sale and purchase of commercial vessels of similar type.

"Relevant Amount" means the aggregate of the Termination Sum to be determined by the Owners payable on the delivery date of the Vessel under any Potential Buyer MOA and to the extent not already included within such Termination Sum, any actual or estimated costs associated with the entry into the Potential Buyer MOA by the Potential Buyer and the conclusion of the transaction and the delivery of the Vessel thereunder, including any brokers' fees or commission.

- (g) **Owners' rights reserved** Without prejudice to the forgoing or to any other rights of the Owners under the Charter, at any time after a Termination Notice is served under paragraph (b) above, the Owners may, acting in their sole discretion without prejudice to the Charterers' obligations under Clause 43 (*Redelivery conditions*), retake possession of the Vessel and, the Charterers agree that the Owners, for such purpose, may put into force and exercise all their rights and entitlements at law and may enter upon any premises belonging to or in the occupation or under the control of the Charterers where the Vessel may be located as well as giving instructions to the Charterers' servants or agents for this purpose.

- (h) **Cumulative rights** The rights conferred upon the Owners by the provisions of this Clause 49 are cumulative and in addition to any rights which they may otherwise have in law or in equity or by virtue of the provisions of this Charter.

50. Sub-chartering and assignment

- (a) the Charterers shall not without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed):
- (i) let the Vessel on demise charter for any period;
 - (ii) enter into any consecutive time charter in respect of the Vessel for a term which exceeds, or which by virtue of any optional extension may exceed, twelve (12) months, or which would expire after the end of the Charter Period (except for the Initial Sub-Charter or as may be permitted under any Sub-Charter);
 - (iii) de-activate or lay up the Vessel; or
 - (iv) assign their rights under this Charter.
- (b) The Charterers acknowledge that the Owners' consent to any sub-bareboat chartering may be subject (amongst other things) to the Owners being satisfied as to the intended flag during such sub-bareboat chartering.
- (c) Without prejudice to anything contained in this Clause 50, the Charterers shall only enter into a Sub-Charter which is for a purpose for which the Vessel is suited and with a Sub-Charterer who is not a Restricted Person and in each case, the Charterers shall assign to the Owners all their earnings arising out of and in connection with any Sub-Charter and, subject to the Charterers' Assignment, all their rights and interest of any Sub-charter (as such term is defined in the Charterers' Assignment) upon such terms and conditions as the Owners may require and the Charterers shall serve a notice on any Sub-Charterer (subject to the Charterers' Assignment) and shall use reasonable commercial endeavors to obtain a written acknowledgement of such earnings assignment from such Sub-Charterer in such form as is required in good faith by the Owners or any Finance Party (as the case may be).
- (d) Without prejudice to paragraph (c) above, the Vessel shall not be employed, operated or managed in any manner which:
- (i) is contrary to any Sanctions and in particular, the Vessel shall not be used by or to benefit any party which is a target of Sanctions and/or is a Restricted Person or trade to any Restricted Country;
 - (ii) would result or reasonably be expected to result in any Obligor, the Sub-Charterers, or the Owners becoming a Restricted Person; or
 - (iii) would trigger the operation of any Sanctions limitation or exclusion clause in any insurance documentation.
- (e) The Charterers shall, at the Charterers' costs, provide the Owners with copies of the Vessel's contracts of employment (including contracts of employment entered into by the Sub-Charterer) and reasonable details relating to performance of such employment contracts every twelve (12) months from the Actual Delivery Date and from time to time, in each case, upon the Owners' written request.

51. Name of Vessel

- (a) Provided that the prior written consent has been given by the Owners (such approval not to be unreasonably withheld or delayed):
- (i) the name of the Vessel may be chosen by the Charterers; and
 - (ii) the Vessel may be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.
- (b) Following the termination of this Charter (other than a Default Termination), the Charterers shall have the right to require the Owners to change the name of the Vessel so that the Charterers can use the name.

52. Transfer of title

Purchase option

- (a) The Charterers shall, from the date falling after and including the 3rd Anniversary, have the option to elect to purchase the Vessel from the Owners for the Purchase Option Price on the Purchase Option Date, subject to satisfaction of the following conditions:
- (i) the Charterers have notified the Owners by serving an irrevocable written notice at least forty-five (45) days prior to the proposed Purchase Option Date of the Charterers' intention to exercise the option to purchase the Vessel on a Purchase Option Date (the "**Purchase Option Notice**");
 - (ii) the proposed Purchase Option Date is a Hire Payment Date falling on or after the 3rd Anniversary;
 - (iii) no Total Loss having occurred under Clause 53 (*Total Loss*); and
 - (iv) no Termination Event having occurred and which is continuing or would occur as a result of such early termination.
- (b) The Purchase Option Notice, once given, shall be irrevocable and, unless with the Owners approve otherwise in writing, the Charterers shall have absolute obligation to pay the Purchase Option Price on the declared Purchase Option Date. Upon receipt of full payment of the Purchase Option Price on the Purchase Option Date, the Owners shall arrange for the title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (h) below.

Purchase obligation

- (c) In the event the Charterers do not exercise the option to purchase the Vessel prior to the expiry of the Charter Period in accordance with the preceding provisions of this Clause 52, the Charterers shall be obligated to pay the Purchase Obligation Price and purchase the Vessel from the Owners on the last day of the Charter Period in accordance with paragraphs (d) to (h) below against the full payment of the Purchase Obligation Price and all other amounts payable to the Owners under the Transaction Documents.

Transfer of title

- (d) (A) (as and where applicable) upon the Owners' receipt in full of the Termination Sum, or
- (B) (in the absence of a Termination Event) upon (i) the Owners' receipt of the full payment of the Purchase Option Price on the Purchase Option Date or (ii) full payment of the Purchase Obligation Price on the last day of the Charter Period,

and subject to payment of all Unpaid Sum under the Transaction Documents and Unpaid Sum (as such terms is defined in each Related Charter) under the Related Transaction Documents and the Charterers' compliance with the other terms and conditions set out in this Clause, the Owners shall do the following:

- (i) transfer the title to and ownership of the Vessel to the Charterers by delivering to the Charterers (in each case at the Charterers' costs):
 - (A) a duly executed and acknowledged, notarised, legalised and/or apostilled (each to the extent compulsorily required by the Charterers' nominated flag state and as applicable) bill of sale; and
 - (B) the Title Transfer PDA and such other documents as the Charterers may in good faith require to register the Vessel in their name; and
- (ii) to procure the deletion of any mortgage or prior Encumbrance created by the Owners in relation to the Vessel at the Charterers' cost and provide a copy of the Vessel's certificate of ownership and encumbrance from the registries dated the date of delivery evidencing that the Vessel is free from registered encumbrances and mortgages,

provided always that prior to such transfer or deletion (as the case may be), the Owners shall have received the letter of indemnity as referred to in paragraph (g) below from the Charterers and the Charter Guarantor, and the Charterers shall have performed all their obligations in connection herewith and with the Vessel, including without limitation the full payment of all Unpaid Sums, Taxes, charges, duties, costs and disbursements (including reasonable and documented legal fees) in relation to the Vessel.

- (e) The transfer in accordance with paragraph (d) above shall be made in all respects at the Charterers' expense on an "as is, where is" basis and the Owners shall give the Charterers no representations, warranties, agreements or guarantees whatsoever concerning or in connection with the Vessel, the Insurances, the Vessel's condition, state or class or anything related to the Vessel, expressed or implied, statutory or otherwise save that the Vessel is free of mortgages, liens and encumbrances created by the Owners.
- (f) The Owners shall have no responsibility for the registrability of a bill of sale referred to in paragraph (d) above executed by the Owners, as far as such bill of sale is prescribed in forms generally acceptable to the Vessel's registry at the date of execution of such bill of sale.
- (g) The Charterers shall, immediately prior to the receipt of the bill of sale referred to in paragraph (d) above, furnish the Owners with a letter of indemnity (in a form satisfactory to the Owners in good faith and with a validity period not less than 12 months from delivery of the Vessel evidenced by the duly executed Title Transfer PDA) duly executed by the Charter Guarantor whereby the Charter Guarantor shall state that, among other things, the Owners have and will have no interest, concern or connection with the Vessel after the date of such letter and that the Charter Guarantor shall indemnify the Owners and keep the Owners indemnified against any claims made by any person arising in connection with the Vessel.
- (h) If the chartering of the Vessel is terminated in accordance with this Clause 52, the obligation of the Charterers to pay the Hire shall cease once the Charterers have paid the relevant Purchase Option Price, Purchase Obligation Price, or the Termination Sum (as applicable) and any other sums payable by the Charterers to the Owners as required hereunder.

Early Prepayment Event

(i) If, at any time during the Agreement Term, a Charter Guarantor Change of Control Event occurs, then:

- (A) the Charterers shall immediately notify the Owners;
- (B) subject to no Total Loss under Clause 53 (*Total Loss*) having occurred and no Termination Event under Clause 49 (*Termination Events*) having occurred and being continuing, and regardless of whether the notice referred to in paragraph (A) above has been received by the Owners, the Owners may (but shall not be obliged to) notify the Charterers of its intention to terminate the Charter and require the transfer of title to the Vessel from the Owners to the Charterers in exchange for payment by the Charterers to the Owners of the Termination Sum within 15 days from receipt of such Owners' notification or on such later date specified by the Owners in writing; and
- (C) the Charterers shall pay to the Owners the Termination Sum pursuant to the above.

For the avoidance of doubt, Hire shall in any event continue to be payable for the full period and this Charter shall otherwise continue to be in full force and effect until the Termination Sum has been received in full by the Owners.

53. Total Loss

- (a) If circumstances exist giving rise to a Total Loss, the Charterers shall promptly notify the Owners of the facts of such Total Loss. If the Charterers wish to proceed on the basis of a Total Loss and advise the Owners thereof, the Owners shall agree to the Vessel being treated as a Total Loss for all purposes of this Charter. The Owners shall thereupon abandon the Vessel to the Charterers and/or execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a Total Loss. Without prejudice to the obligations of the Charterers to pay to the Owners all monies then due or thereafter to become due under this Charter, if the Vessel shall become a Total Loss during the Charter Period, the Charter Period shall end on the Settlement Date.
- (b) If the Vessel becomes a Total Loss during the Charter Period, the Charterers shall, on the Settlement Date, pay to the Owners the amount calculated in accordance with paragraph (c) below.
- (c) On the Settlement Date, the Charterers shall pay to the Owners an amount equal to the Termination Sum as at the applicable Termination Payment Date. The foregoing obligations of the Charterers under this paragraph (c) shall apply regardless of whether or not any moneys are payable under any Insurances in respect of the Vessel, regardless of the amount payable thereunder, regardless of the cause of the Total Loss and regardless of whether or not any of the said compensation shall become payable.
- (d) All Total Loss Proceeds shall be paid to such account or accounts as the Owners may direct and shall be applied pursuant to Clause 4.2 (*Application of Transaction Documents Proceeds*) of the Security Trust Deed.
- (e) The Charterers shall, at the Owners' request, provide satisfactory evidence, in the reasonable opinion of the Owners, as to the date on which the constructive total loss of the Vessel occurred pursuant to the definition of Total Loss.
- (f) The Charterers shall continue to pay Hire on the days and in the amounts required under this Charter notwithstanding that the Vessel shall become a Total Loss provided always that no further instalments of Hire shall become due and payable after the Charterers have made the payment pursuant to paragraph (c) above.

54. Appointment of Approved Manager

- (a) The Charterers shall not and shall procure the Approved Managers will not appoint anyone other than the Approved Managers as managers or sub-manager of the Vessel without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed).
- (b) The Charterers shall ensure that the Vessel is at all times managed by the Approved Managers pursuant to the Ship Management Agreements as approved by the Owners in writing in advance.
- (c) the Approved Managers shall provide a Manager's Undertaking (in such form as the Owners may reasonably require) and, unless the Owners approve otherwise, the Manager's Undertaking shall in express terms confirm and undertake (among other things) that all claims of the Approved Managers against the Charterers (other than any Permitted Credit as such term is defined in the relevant Manager's Undertakings) shall be subordinated to the claims of the Owners under the Transaction Documents.
- (d) Upon the occurrence of a Termination Event and while the same is continuing, the Owners reserves the right to appoint such other ship management company as replacement for any Approved Manager which the Charterers may appoint.

55. Fees and expenses

- (a) Immediately upon signing of this Charter, the Charterers shall pay to the Owners a non-refundable arrangement fee in an amount of US\$445,000 (Dollars Four Hundred Forty Five Thousand only), which equals to one percent (1%) of the Original Principle (the "**Arrangement Fee**").
- (b) The Charterers shall bear all costs, fees (including documented legal fees) and disbursements reasonably incurred by the Owners and the Charterers in connection with:
 - (i) the negotiation, preparation and execution of this Charter and the other Transaction Documents or any Related Transaction Documents (in respect of the Related Charter listed in Schedule 3 hereto) and any amendment thereto (in an aggregate amount not exceeding US\$100,000);
 - (ii) the delivery of the Vessel under the MOA and this Charter, including, without limitation, the Registration Costs, the initial and annual registration fees and tonnage tax payable to the relevant ship registry;
 - (iii) subject to the remaining terms of this Charter, preparation or procurement of any survey, inspection, Valuation Report, tax or insurance advice;
 - (iv) the Charterers' exercising their purchase option right pursuant to Clause 52 (*Transfer of title*); and
 - (v) such other activities relevant to the transaction contemplated herein, subject to any terms which may be agreed between the Owners and the Charterers in relation to any fees.
- (c) The Charterers shall:
 - (i) pay to the Owners or to its order any of the Delivery Costs from time to time; and
 - (ii) pay to the Owners or to its order promptly on the Owners' written demand the amount of all costs and expenses (including legal fees) incurred by the Owners in connection with the enforcement of, or the preservation of any rights under, any Transaction Document.

56. Stamp duties and Taxes

The Charterers shall pay promptly but in any event within ten (10) Business Days (or other period as may be agreed by both parties) of demand all stamp, documentary or other like duties and Taxes to which the Charter, the MOA and the other Transaction Documents may be subject or give rise and shall indemnify the Owners within ten (10) Business Days of demand against any and all liabilities directly arising with respect to or resulting from any delay on the part of the Charterers to pay such duties or Taxes.

57. Operational notifiable events

- (a) The Owners are to be advised as soon as possible after the occurrence of any of the following events:
- (i) when a material condition of class is applied by the Classification Society which is not promptly complied with taking into account any applicable grace period;
 - (ii) whenever the Vessel is arrested, confiscated, seized, requisitioned, impounded, forfeited or detained by any government or other competent authorities or any other persons for a period of at least two (2) days;
 - (iii) whenever a class or flag authority refuses to issue or withdraw trading certification;
 - (iv) in the event of a fire requiring the use of fixed fire systems or collision / grounding provided such events exceed the Threshold Amount;
 - (v) whenever the Vessel is planned for dry-docking, whether in accordance with Clause 10(g) (Part II) or any Sub-Charter and whether routine or emergency;
 - (vi) in the event of any material alteration and/or damage to the Vessel in excess of the Threshold Amount;
 - (vii) the Vessel is taken under tow save for any routine towage (including when leaving or entering a port);
 - (viii) any death or serious injury on board; or
 - (ix) any Environmental Incident provided such incident has a Material Adverse Effect.
- (b) The Charterers shall, upon the Owners' written request, supply to the Owners annual in-house full ship inspection report by the end of each calendar year.

58. Further indemnities

- (a) Whether or not any of the transactions contemplated hereby are consummated, the Charterers shall, in addition to the provisions under Clause 17 (*Indemnity*) (Part II) of this Charter, indemnify, protect, defend and hold harmless the Owners, the Security Trustee and the Finance Parties and their respective officers, directors, agents and employees (collectively, the "**Indemnitees**") (without duplication with any payment or insurance proceeds paid to the Indemnitees) throughout the Agreement Term from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, documented fees, claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, documented costs, expenses and disbursements, including reasonable legal fees and expenses, of whatsoever kind and nature, other than taxes imposed on the overall gross income of the Indemnitees, (collectively, the "**Expenses**"), imposed on, suffered or incurred by or asserted against any Indemnitee, in any way relating to, resulting from or arising out of or in connection with, in each case, directly or indirectly, any one or more of the following:

- (i) this Charter and any other Transaction Documents and any amendment, supplement or modification thereof or thereto pursuant to the terms of this Charter or requested by the Charterers;
- (ii) the Vessel or any part thereof, including with respect to:
 - (A) the manufacture, design, possession, use or non-use, operation, maintenance, testing, repair, overhaul, condition, alteration, modification, addition, improvement, storage, seaworthiness, replacement, repair of the Vessel or any part (including, in each case, latent or other defects, whether or not discoverable and any claim for patent, trademark, or copyright infringement and all liabilities, obligations, losses, damages and claims in any way relating to or arising out of spillage of cargo or fuel, out of injury to persons, properties or the environment or strict liability in tort);
 - (B) any claim or penalty arising out of violations of applicable law by the Charterers, the Sub-Charterers or any other sub-charterers;
 - (C) death or property damage of shippers or others;
 - (D) any liens in respect of the Vessel or any part thereof including, without limitation, liens arising out of or in connection with any cargo claims (whether or not such claims arose prior to or during the Charter Period) but excluding any liens arising out of or in connection with a direct act or omission of the Owners;
 - (E) any registration and/or tonnage fees (whether periodic or not) in respect of the Vessel payable to any registry of ships and any service fees payable to any service provider in relation to maintaining such registration at any registry of ships; or
 - (F) any claims in relation to any loss or damage to cargo on board the Vessel during the Charter Period; or
 - (G) all expenses suffered or incurred by the Owners which arise under or in connection with any applicable Environmental Law or any applicable Sanctions or any claim or penalty arising out of Sanctions or violations of applicable law by any of the Obligors, or any Sub-charterers;
- (iii) any breach of or failure to perform or observe, or any other non-compliance with, any covenant or agreement or other obligation to be performed by the Charterers under any Transaction Document to which it is a party or the falsity of any representation or warranty of the Charterers in any Transaction Document to which it is a party or the occurrence of any Termination Event;
- (iv) in preventing or attempting to prevent the arrest, confiscation, seizure, taking and execution, requisition, impounding, forfeiture or detention of the Vessel, or in securing or attempting to secure the release of the Vessel in connection with the exercise of the rights of a holder of a lien created by the Charterers;
- (v) incurred or suffered by the Owners in:
 - (A) procuring the delivery of the Vessel to the Charterers under Clause 35 (*Delivery*);
 - (B) any non-delivery to or acceptance by the Charterers of the Vessel under this Charter;

- (C) recovering possession of the Vessel following termination of this Charter under Clause 49 (*Termination Events*);
- (D) taking redelivery of the Vessel at the expiry of the Charter Period;
- (E) the Registration Costs;
- (vi) arising from the Master or officers of the Vessel or the Charterers' agents signing bills of lading or other documents;
- (vii) in connection with:
 - (A) the arrest, seizure, taking into custody or other detention by any court or other tribunal or by any governmental entity; or
 - (B) subjection to distress by reason of any process, claim, exercise of any rights conferred by a lien or by any other action whatsoever, of the Vessel which are expended, suffered or incurred as a result of or in connection with any claim or against, or liability of, the Charterers or any other member of the Charter Group, together with any documented costs and expenses or other outgoings which may be paid or incurred by the Owners in releasing the Vessel from any such arrest, seizure, custody, detention or distress.
- (b) The Charterers shall pay to the Owners promptly on the Owners written demand within ten (10) Business Days 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 Transaction Document including (without limitation) (i) any documented losses, costs and expenses which the Owners may from time to time sustain, incur or become liable for by reason of the Owners being deemed by any court or authority to be an operator, or in any way concerned in the operation, of the Vessel and (ii) collecting and recovering the proceeds of any claim under any of the Insurances.
- (c) Without prejudice to any right to damages or other claim which either party may, at any time, have against the other hereunder, it is hereby agreed and declared that the indemnities of the Owners by the Charterers contained in this Charter shall continue to have full force and effect notwithstanding any termination, cancellation or expiration of this Charter for a further period of 12 months following such termination, cancellation or expiration.

59. Further assurances and undertakings

- (a) The Charterers shall, and shall procure each of the other Obligor will, make all applications and execute all other documents and do all other acts and things as may be necessary to implement and to carry out their obligations under, and the intent of, this Charter.
- (b) The parties shall act in good faith to each other in respect of any dealings or matters under, or in connection with, this Charter.

60. Cumulative rights

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.

61. No waiver

No delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, or in connection with, this Charter will operate as a waiver. No waiver of any breach of any provision of this Charter will be effective unless that waiver is in writing and signed by the party against whom that waiver is claimed. No waiver of any breach will be, or be deemed to be, a waiver of any other or subsequent breach.

62. Entire agreement

- (a) Save for the other Transaction Documents and the Quiet Enjoyment Letter, 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.
- (b) This Charter may not be amended, altered or modified except by a written instrument executed by each of the parties to this Charter.

63. Invalidity

If any term or provision of this Charter or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable the remainder of this Charter or application of such term or provision to persons or circumstances (other than those as to which it is already invalid or unenforceable) shall (to the extent that such invalidity or unenforceability does not materially affect the operation of this Charter) not be affected thereby and each term and provision of this Charter shall be valid and be enforceable to the fullest extent permitted by law.

64. English language

All notices, communications and financial statements and reports under or in connection with this Charter and the other Transaction Documents shall be in English language or, if in any other language, shall be accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

65. No partnership

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.

66. Notices

- (a) Any notices to be given to the Owners under this Charter shall be sent in writing by courier, registered letter or email and addressed to:

Address: 3F, Building No.8, Beijing Friendship Hotel, Haidian District, Beijing, 100873, China

Email: Fang Zhao Qing / Zhu Xin

Attention: fangzhaoqing@msfl.com.cn / zhuxin@msfl.com.cn

or to such other address or email address as the Owners may notify to the Charterers in accordance with this Clause 66.

- (b) Any notices to be given to the Charterers under this Charter shall be sent in writing by courier, registered letter or email and addressed to:

Address: 3-5 Menandrou street, Kifissia, Athens, 14561

Email: legalconfidential@technomar.gr

Tel: +30 2106233670

Attention: Mrs. Maria Danezi

or to such other address, phone number or email address as the Charterers may notify to the Owners in accordance with this Clause 66.

- (c) Any such notice shall be deemed to have reached the party to whom it was addressed, when dispatched and acknowledged received (in case of a facsimile or an email) or when delivered (in case of courier or a registered letter). A notice or other such communication received on a non-working day or after business hours in the place of receipt shall be deemed to be served on the next following working day in such place.
- (d) Any communication or document to be made or delivered by one party to another under or in connection with the Transaction Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (e) Any such electronic communication or delivery as specified in paragraph (d) above to be made between an Obligor and the Owners may only be made in that way to the extent that those two parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.
- (f) Any such electronic communication or delivery as specified in paragraph (d) above made or delivered by one party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a party to the Owners only if it is addressed in such a manner as the Owners shall specify for this purpose.
- (g) Any electronic communication or document which becomes effective, in accordance with paragraph (iv) above, after 5:00 p.m. in the place in which the party to whom the relevant communication or document is sent or made available has its address for the purpose of this.

67. Conflicts

Unless stated otherwise, in the event of there being any conflict between the provisions of Clauses 1 (*Definitions*) (Part II) to 31 (*Notices*) (Part II) and the provisions of Clauses 32 (*Definitions*) to 76 (*Assignment and Transfer*), the provisions of Clauses 32 (*Definitions*) to 76 (*Assignment and Transfer*) shall prevail.

68. Survival of Charterers' obligations

The termination of this Charter for any cause whatsoever shall not affect the rights of the Owners under the Transaction Documents to recover from the Charterers any money due to the Owners in consequence thereof pursuant and subject to the terms hereof and all other rights of the Owners (including but not limited to any rights, benefits or indemnities which are provided to continue after the termination of this Charter, always subject to any applicable validity limitation stipulated in the relevant provisions of this Charter) are reserved hereunder pursuant and subject to the terms hereof.

69. Counterparts

This Charter may be executed in any number of counterparts and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall be deemed to constitute a full and original agreement for all purposes.

70. Third Parties Act

- (a) Any person which is an Indemnitee or a Finance Party from time to time and is not a party to this Charter shall be entitled to enforce such terms of this Charter as provided for in this Charter in relation to the obligations of the Charterers to such Indemnitee or (as the case may be) Finance Party, subject to the provisions of Clause 30 (*Dispute Resolution*), Clause 74 (*Arbitration*) and the Third Parties Act. The Third Parties Act applies to this Charter as set out in this Clause 70.
- (b) Save as provided above, a person who is not a party to this Charter has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Charter.

71. Waiver of immunity

- (a) To the extent that the parties may in any jurisdiction claim for themselves or their assets or revenues immunity from any proceedings, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the parties or their assets or revenues, the parties agree not to claim and irrevocably waive such immunity to the full extent permitted by the laws of such jurisdiction.
- (b) The parties consent generally in respect of any proceedings to the giving of any relief and the issue of any process in connection with such proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such proceedings. The Parties agree that in any proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of such Act.

72. FATCA

- (a) Subject to paragraph (d) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (b)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

- (c) Paragraph (b) above shall not oblige the Owners to do anything, and paragraph (b)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (b)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (d) above applies), then such Party shall be treated for the purposes of this Charter and the other Transaction Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) Each Party, Obligor may make any FATCA Deduction it is required by FATCA to make, and any payment required in connection with that FATCA Deduction, no Party or Obligor shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (f) Each Party or Obligor (if applicable) shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party or Obligor (if applicable) to whom it is making the payment.
- (g) For the purpose of this Clause 72, the following terms shall have the following meanings:

"Code" means the United States Internal Revenue Code of 1986, as amended.

"FATCA" means:

- (i) sections 1471 through 1474 of the Code or any associated regulations;
- (ii) 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 (i) above; or
- (iii) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (i) or (ii) 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 this Charter or the other Transaction Documents required by FATCA.

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

73. Governing Law

This Charter and any non-contractual obligations arising out of or in connection with it shall in all respect be governed by and construed in accordance with English law.

74. Arbitration

- (a) Any dispute arising out of or in connection with this Charter 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.

- (b) The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.
- (c) The reference shall be to three arbitrators, one to be appointed by each party and the third, subject to the provisions of the LMAA Terms, by the two so appointed. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both Parties as if the sole arbitrator had been appointed by agreement.
- (d) In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

75. Confidentiality

- (a) The Parties shall maintain the information provided in connection with the Transaction Documents strictly confidential and agree to disclose to no person other than:
 - (i) its board of directors, employees (only on a need to know basis), and shareholders, professional advisors (including the legal and accounting advisors and auditors) and rating agencies;
 - (ii) as may be required to be disclosed under applicable law or regulations or for the purpose of legal proceedings;
 - (iii) in the case of the Owners, (1) to any of its Affiliate (more than one of them, collectively, the “**Permitted Parties**”), any Finance Party or other actual or potential financier providing funding for the acquisition or refinancing of the Vessel (provided the same have entered into similar confidentiality arrangements), (2) to professional advisers, auditors, insurers or insurance brokers and service providers of the Permitted Parties who are under a duty of confidentiality to the Permitted Parties and (3) as required by any law or any government, quasi-government, administrative, regulatory or supervisory body or authority, court or tribunal with jurisdiction over any of the Permitted Parties;
 - (iv) in the case of the Charterers, to any Sub-Charterers (but subject always to paragraph (b) below) in respect of obtaining any consent required under the terms of any relevant Sub-Charter;
 - (v) any Approved Managers, the classification society and flag authorities, in each case as may be necessary in connection with the transactions contemplated hereunder; and
 - (vi) any person which is a classification society or other entity which the Owners, any of their Affiliates or a Finance Party has engaged to make the calculations necessary to enable the Owners, any of their Affiliates or a Finance Party to comply with their reporting obligations under the Poseidon Principles.

- (b) Any other disclosure by each Party shall be subject to the prior written consent of the other Party, provided that the Charterers may disclose any information provided in connection with the Transaction Documents to their subcontractors and any Sub-Charterers, in each case subject to the procurement of a confidentiality undertaking (in form and substance satisfactory to the Owners) from such sub-contractor or Sub-Charterers.

76. Assignment and Transfer

- (a) The Charterers shall not be permitted to assign or transfer any of their rights or obligations under this Charter without the Owners' written approval. The Owners shall have the right to assign or transfer any or all of their rights under this Charter in accordance with the provisions of Clause 5 of the Security Trust Deed.
- (b) Without limiting the generality of Clause 48(m) (*Further assurance*), the Charterer undertakes to execute, provide or procure the execution or provision (as the case may be) of such further information or document as is necessary to effect the assignment and/or transfer referred to in sub-paragraph (a) above.

77. Financing Charter

- (a) The Owners and the Charterers hereto acknowledge and agree that this Charter shall be construed as a "financing charter" for all purposes under the Liberian Maritime Law, and this Charter is intended to be treated as a preferred mortgage over the whole of the Vessel in favour of the Owners under any provision of law now existing or hereafter coming into force in the Republic of Liberia. The Charterers grant to the Owners, and the Owners retain as security for the payment and performance of all the Obligors their respective obligations under and in connection with the Transaction Documents, whether now or hereafter incurred, all of the Charterers' interest in and to the whole of the Vessel. The Charterers shall cause this Charter to be recorded in accordance with said Law.
- (b) For the purpose of recording this Charter as a Financing Charter under the laws of the Republic of Liberia, the maximum aggregate of the nominal amount of all charter hire payments, termination payments, purchase or put option amounts payable, or which may become payable, is United States Dollars Forty Four Million Five Hundred Thousand (US\$44,500,000), plus interest, liabilities, indemnities, costs, expenses, fees and performance of the Charterers' covenants.

[Execution page and scheduled to follow]

SCHEDULE 1
FORM OF PROTOCOL OF DELIVERY AND ACCEPTANCE

PROTOCOL OF DELIVERY AND ACCEPTANCE

It is hereby certified that pursuant to a bareboat charter dated _____ and made between **OCEAN DANCE SHIPPING LIMITED**, a company incorporated and existing under the laws of the Hong Kong Special Administrative Region of the People's Republic of China and having its registered office at Units 904-907, 9/F, Dah Sing Financial Centre, 248 Queen's Road East, Hong Kong, China (the "**Owners**") as owner and **GLOBAL SHIP LEASE 76 LLC**, a limited liability company incorporated and existing under the laws of the Republic of Liberia and having its registered office at 80 Broad Street, Monrovia, Liberia (the "**Bareboat Charterer**") as bareboat charterer (as may be amended and supplemented from time to time, the "**Bareboat Charter**") in respect of one (1) bulk carrier named "**CZECH**" with IMO Number **9723241** (the "**Vessel**"), the Vessel is delivered for charter by the Owner to the Bareboat Charterer, and accepted by the Bareboat Charterer from the Owner at _____ hours (Beijing time) on the date hereof in accordance with the terms and conditions of the Bareboat Charter.

IN WITNESS WHEREOF, the Owner and the Bareboat Charterer have caused this PROTOCOL OF DELIVERY AND ACCEPTANCE to be executed by their duly authorised representative on this _____ day of _____.

THE OWNER
OCEAN DANCE SHIPPING LIMITED

by:

Name:

Title:

THE BAREBOAT CHARTERER
GLOBAL SHIP LEASE 76 LLC

by:

Name:

Title:

SCHEDULE 2
FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE

PROTOCOL OF DELIVERY AND ACCEPTANCE

"[VESSEL NAME]"

OCEAN DANCE SHIPPING LIMITED of [registered address], Hong Kong, China (the "Owners") deliver to GLOBAL SHIP LEASE 76 LLC of 80 Broad Street, Monrovia, Liberia (the "Bareboat Charterers") the Vessel described below and the Bareboat Charterers accept delivery of, title and risk to the Vessel pursuant to the terms and conditions of the bareboat charterer dated [●] (as may be amended and supplemented from time to time) and made between (1) the Owners and (2) the Bareboat Charterers.

Name of Vessel:	[●]
Flag:	[●]
Place of Registration:	[●]
IMO Number:	[●]
Gross Registered Tonnage:	[●]
Net Registered Tonnage:	[●]
Dated:	_____ 20[●]
At:	_____ hours (Beijing time)

THE OWNER
OCEAN DANCE SHIPPING LIMITED

THE BAREBOAT CHARTERER
GLOBAL SHIP LEASE 76 LLC

by:	by:
_____	_____
Name:	Name:
Title:	Title:

SCHEDULE 3
RELATED CHARTER AND RELEVANT INFORMATION

Name of Ship	IMO Number	Related Owners	Related Charterers
BREMERHAVEN EXPRESS	9723253	OCEAN JING SHIPPING LIMITED	GLOBAL SHIP LEASE 77 LLC
SYDNEY EXPRESS	9723265	OCEAN RAINBOW SHIPPING LIMITED	GLOBAL SHIP LEASE 78 LLC
ISTANBUL EXPRESS	9723277	OCEAN TIANXIU SHIPPING LIMITED	GLOBAL SHIP LEASE 79 LLC

SIGNATURE PAGE

THE OWNER
OCEAN DANCE SHIPPING LIMITED

by:

/s/ Huang Mei

Name: Huang Mei

Title: Director

THE BAREBOAT CHARTERER
GLOBAL SHIP LEASE 76 LLC

by:

/s/ Aglaia Lida Papadi

Name: Aglaia Lida Papadi

Title: Attorney-in-fact

No.	Name	Business	Jurisdiction
1	Global Ship Lease, Inc.	Holding	Republic of Marshall Islands
2	GSL Rome LLC	Sub-holding	Republic of Marshall Islands
3	Poseidon Containers Holdings LLC	Sub-holding	Republic of Marshall Islands
4	K&T Marine LLC (dissolved 30/10/2024)	Sub-holding	Republic of Marshall Islands
5	GSL Enterprises Ltd.	Service company	Republic of Marshall Islands
6	GSL Legacy Holding LLC	Sub-holding	Republic of Marshall Islands
7	Knausen Holding LLC	Sub-holding	Republic of Marshall Islands
8	GSL Alcazar Inc.	Owns CMA CGM Alcazar	Republic of Marshall Islands
9	GSL Holdings, Inc. (dissolved 30/10/2024)	Sub-holding	Republic of Marshall Islands
10	Global Ship Lease Investments, Inc. (dissolved 30/10/2024)	Sub-holding	Republic of Marshall Islands
11	Aris Marine LLC	Owns Maira	Republic of Marshall Islands
12	Aphrodite Marine LLC	Owns Nikolas	Republic of Marshall Islands
13	Athena Marine LLC	Owns Newyorker	Republic of Marshall Islands
14	Hephaestus Marine LLC	Owns Dolphin II	Republic of Marshall Islands
15	Pericles Marine LLC	Owns Athena	Republic of Marshall Islands
16	Zeus One Marine LLC	Owns Orca I	Republic of Marshall Islands
17	Leonidas Marine LLC	Owns Agios Dimitrios	Republic of Marshall Islands
18	Odysseus Marine LLC (dissolved 30/10/2024)	Sub-holding	Republic of Marshall Islands
19	Alexander Marine LLC	Owns Colombia Express (ex Mary)	Republic of Marshall Islands
20	Hector Marine LLC	Owns Panama Express (ex Kristina)	Republic of Marshall Islands
21	Ikaros Marine LLC	Owns Costa Rica Express (Katherine)	Republic of Marshall Islands
22	Tasman Marine LLC	Owns Tasman	Republic of Marshall Islands
23	Hudson Marine LLC	Owns Dimitris Y (ex Zim Europe)	Republic of Marshall Islands
24	Drake Marine LLC	Owns Ian H	Republic of Marshall Islands
25	Triton Containers Holdings LLC (dissolved 30/10/2024)	Sub-holding	Republic of Marshall Islands
26	Triton NB LLC (dissolved 30/10/2024)	Sub-holding	Republic of Marshall Islands
27	Philippos Marine LLC	Owns Nicaragua Express (ex Alexandra)	Republic of Marshall Islands
28	Aristoteles Marine LLC	Owns Mexico Express (ex Alexis)	Republic of Marshall Islands
29	Menealos Marine LLC	Owns Jamaica Express (ex Olivia I)I	Republic of Marshall Islands
30	Odysia Containers Holdings LLC (dissolved 30/10/2024)	Sub-holding	Republic of Marshall Islands
31	Odysia NB LLC (dissolved 30/10/2024)	Sub-holding	Republic of Marshall Islands
32	Laertis Marine LLC	Owns ZIM Norfolk	Republic of Marshall Islands
33	Penelope Marine LLC	Owns ZIM Xiamen	Republic of Marshall Islands
34	Telemachus Marine LLC	Owns Anthea Y	Republic of Marshall Islands
35	Global Ship Lease 30 LLC	Owns GSL Eleni	Republic of Marshall Islands
36	Global Ship Lease 31 LLC	Owns GSL Kalliopi	Republic of Marshall Islands
37	Global Ship Lease 32 LLC	Owns GSL Grania	Republic of Marshall Islands
38	Global Ship Lease 33 LLC	Owns GSL Vinia	Liberia
39	Global Ship Lease 34 LLC	Owns GSL Christel Elisabeth	Liberia
40	Global Ship Lease 35 LLC	Owns GSL Nicoletta	Liberia
41	Global Ship Lease 36 LLC	Owns GSL Christen	Liberia
42	Global Ship Lease 38 LLC	Owns Manet	Liberia
43	Global Ship Lease 40 LLC	Owns Keta	Liberia
44	Global Ship Lease 41 LLC	Owns Julie	Liberia
45	Global Ship Lease 42 LLC	Owns GSL Valerie	Liberia
46	Global Ship Lease 43 LLC	Owns GSL Ningbo	Liberia
47	Global Ship Lease 44 LLC	Owns Marie Delmas	Liberia
48	Global Ship Lease 45 LLC	Owns Kumasi	Liberia
49	Global Ship Lease 47 LLC	Owns GSL Chateau d 'If	Liberia
50	Global Ship Lease 48 LLC	Owns CMA CGM Berlioz	Liberia
51	Global Ship Lease 49 LLC	Owns CMA CGM Sambhar	Liberia
52	Global Ship Lease 50 LLC	Owns CMA CGM Jamaica	Liberia
53	Global Ship Lease 51 LLC	Owns CMA CGM America	Liberia
54	Global Ship Lease 52 LLC	Owns MSC Qingdao	Liberia
55	Global Ship Lease 53 LLC	Owns MSC Tianjin	Liberia
56	Global Ship Lease 54 LLC	Owns CMA CGM Thalassa	Liberia
57	Global Ship Lease 20 Limited	Inactive	Hong Kong
58	Global Ship Lease 21	Inactive	Hong Kong
59	Global Ship Lease 22 Limited (dissolved March 8, 2024)	Inactive	Hong Kong
60	Global Ship Lease 23 Limited	Inactive	Hong Kong
61	Global Ship Lease 26 Limited (dissolved March 8, 2024)	Inactive	Hong Kong
62	Global Ship Lease Services Limited (dissolved September 24, 2024)	Service company	UK
63	GSL Arcadia LLC	Owns GSL Arcadia	Liberia
64	GSL Tegea LLC	Owns GSL Tegea	Liberia
65	GSL MYNY LLC	Owns GSL MYNY	Liberia
66	GSL Melita LLC	Owns GSL Melita	Liberia
67	GSL Maria LLC	Owns GSL Maria	Liberia
68	GSL Violetta LLC	Owns GSL Violetta	Liberia
69	GSL Dorothea LLC	Owns GSL Dorothea	Liberia
70	Global Ship Lease 55 LLC	Owns GSL Susan	Liberia
71	Global Ship Lease 57 LLC	Owns GSL Rossi	Liberia
72	Global Ship Lease 58 LLC	Owns GSL Alice	Liberia
73	Global Ship Lease 59 LLC	Owns GSL Melina	Liberia

74	Global Ship Lease 60 LLC	Owns GSL Eleftheria	Liberia
75	Global Ship Lease 61 LLC	Owns GSL Mercer	Liberia
76	Global Ship Lease 62 LLC	Owns GSL Mamitsa (ex Matson Molokai)	Liberia
77	Global Ship Lease 63 LLC	Owns GSL Lalo	Liberia
78	Global Ship Lease 64 LLC	Owns GSL Elizabeth	Liberia
79	Global Ship Lease 65 LLC	Owns GSL Chloe	Liberia
80	Global Ship Lease 66 LLC	Owns GSL Maren	Liberia
81	Global Ship Lease 67 LLC	Owned GSL Amstel (sold March 23, 2023)	Liberia
82	Global Ship Lease 68 LLC ⁽¹⁾	Owns GSL Kithira	Liberia
83	Global Ship Lease 69 LLC ⁽¹⁾	Owns GSL Tripoli	Liberia
84	Global Ship Lease 70 LLC ⁽¹⁾	Owns GSL Syros	Liberia
85	Global Ship Lease 71 LLC ⁽¹⁾	Owns GSL Tinos	Liberia
86	Global Ship Lease 72 LLC	Owns GSL Alexandra	Liberia
87	Global Ship Lease 73 LLC	Owns GSL Sofia	Liberia
88	Global Ship Lease 74 LLC	Owns GSL Effie	Liberia
89	Global Ship Lease 75 LLC	Owns GSL Lydia	Liberia
90	GSL KALAMATA LLC	Sub-holding	Liberia
91	GSL KITHIRA HOLDING LLC	Sub-holding	Liberia
92	Global Ship Lease 78 LLC ⁽¹⁾	Owns Sydney Express (delivered December 6, 2024)	Liberia
93	Global Ship Lease 79 LLC ⁽¹⁾	Owns Istanbul Express (delivered December 11, 2024)	Liberia
94	Global Ship Lease 77 LLC ⁽¹⁾	Owns Bremerhaven Express (delivered December 30, 2024)	Liberia
95	Global Ship Lease 76 LLC ⁽¹⁾	Owns Czech (delivered January 9, 2025)	Liberia

(1) Currently, under a sale and leaseback transaction.

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

I, Thomas A. Lister, Chief Executive Officer of the Company, certify that:

1. I have reviewed this Annual Report on Form 20-F of Global Ship Lease, Inc.;
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.

Dated: March 18, 2025

By: /s/ Thomas A. Lister
Thomas A. Lister
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

I, Anastasios Psaropoulos, Chief Financial Officer of the Company, certify that:

1. I have reviewed this Annual Report on Form 20-F of Global Ship Lease, Inc.;
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.

Dated: March 18, 2025

By: /s/ Anastasios Psaropoulos
Anastasios Psaropoulos
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Global Ship Lease, Inc. (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Form 20-F"), I, Thomas A. Lister, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 20-F fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 18, 2025

By: /s/ Thomas A. Lister
Thomas A. Lister
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Global Ship Lease, Inc. (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Form 20-F"), I, Anastasios Psaropoulos, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 20-F fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 18, 2025

By: /s/ Anastasios Psaropoulos
Anastasios Psaropoulos
Chief Financial Officer
(Principal Financial Officer)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 (Nos. 333-267468, 333-231509 and 333-258800) and Form S-8 (Nos. 333-264113 and 333-258992) of Global Ship Lease, Inc. of our report dated March 18, 2025 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece

March 18, 2025



c/o GSL Enterprises Ltd.
9 Irodou Attikou Street
Kifisia, Athens 14561
Greece

March 17, 2025

Ladies and Gentlemen:

Reference is made to the Annual Report on Form 20-F of Global Ship Lease, Inc. (the "Company") for the year ended December 31, 2024 (the "Annual Report") and the registration statements on Form F-3 (File Nos. 333-267468, 333-231509 and 333-258800) and Form S-8 (File Nos. 333-258992 and 333-264113) of the Company, as may be amended, including the prospectuses contained therein (together, the "Registration Statements"). We hereby consent to all references to our name in the Annual Report and to the use of the statistical information and industry and market data supplied by us as set forth in the Annual Report and to the incorporation by reference of the same into the Registration Statements. We further advise the Company that our role has been limited to the provision of such statistical information and industry and market data supplied by us. With respect to such information and data, we advise you that:

- (1) we have accurately described the information and data of the container shipping industry, subject to the availability and reliability of the data supporting the statistical and graphical information presented; and
- (2) our methodologies for collecting information and data may differ from those of other sources and does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the container shipping industry.

We hereby consent to the filing of this letter as an exhibit to the Annual Report, which is incorporated by reference into the Registration Statements.

Yours faithfully,

Maritime Strategies International Ltd.

A handwritten signature in purple ink, appearing to read "A Kent", is written over a horizontal line.

Managing Director
Adam Kent

CONSENT OF WATSON FARLEY & WILLIAMS LLP

Reference is made to the annual report on Form 20-F of Global Ship Lease, Inc. (the “Company”) for the year ended December 31, 2024 (the “Annual Report”) and the Registration Statements on Form F-3 (File Nos. 333-231509, 333-258800, and 333-267468) and Form S-8 (File Nos. 333-258992 and 333-264113) of the Company including the prospectuses contained therein (together, the “Registration Statements”). We hereby consent to (i) the filing of this letter as an exhibit to the Annual Report, which is incorporated by reference into the Registration Statements and (ii) each reference to us and the discussions of advice provided by us in the Annual Report under the section “Item 10. Additional Information—E. Taxation” and to the incorporation by reference of the same in the Registration Statements, in each case, without admitting we are “experts” within the meaning of the Securities Act of 1933, as amended, or the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder with respect to any part of the Registration Statements.

/s/ Watson Farley & Williams LLP

Watson Farley & Williams LLP

New York, New York

March 18, 2025