

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

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

OR

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

For the fiscal year ended December 31, 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: 001-36185

DYNAGAS LNG PARTNERS LP

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English)

Republic of the Marshall Islands

(Jurisdiction of incorporation or organization)

Poseidonos Avenue and Foivis 2 Street

166 74 Glyfada, Athens, Greece

(Address of principal executive offices)

Michael Gregos

Poseidonos Avenue and Foivis 2 Street

166 74 Glyfada, Athens, Greece

Tel. +30 210 891 7960

(Name, Telephone, E-mail 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
Common units representing limited partnership interests	DLNG	New York Stock Exchange
9.00% Series A Cumulative Redeemable Preferred Units	DLNG PR A	New York Stock Exchange
8.75% Series B Fixed to Floating Rate Cumulative Redeemable Perpetual Preferred Units	DLNG PR B	New York Stock Exchange

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:

36,747,129 Common Units

35,526 General Partner Units

3,000,000 9.00% Series A Cumulative Redeemable Preferred Units

2,200,000 8.75% Series B Fixed to Floating Rate Cumulative Redeemable Perpetual Preferred Units

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes

☒ No

[Table of Contents](#)

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 definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

Emerging growth company ☐

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

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

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

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

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐ Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

☒ U.S. GAAP

☐ International Financial Reporting Standards as issued by the International Accounting Standards Board

☐ Other

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

☐ Item 17

☐ Item 18

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

☐ Yes

☒ No

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

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

☐ Yes

☐ No

PRESENTATION OF INFORMATION IN THIS ANNUAL REPORT

This annual report on Form 20-F for the year ended December 31, 2024, or this annual report, should be read in conjunction with the consolidated financial statements and accompanying notes included in this annual report. Unless the context otherwise requires, references in this annual report to “Dynagas LNG Partners,” the “Partnership,” “we,” “our,” and “us” or similar terms refer to Dynagas LNG Partners LP and its wholly owned subsidiaries, including Dynagas Operating LP. Dynagas Operating LP owns, directly or indirectly, a 100% interest in the entities that own the LNG carriers in our fleet that we refer to as our “Fleet.” References in this annual report to our “General Partner” refer to Dynagas GP LLC, the general partner of Dynagas LNG Partners LP. References in this annual report to our “Sponsor” are to Dynagas Holding Ltd. and its subsidiaries other than us or our subsidiaries and references to our “Manager” refer to Dynagas Ltd., which is wholly owned by the chairman of our Board of Directors, Mr. Georgios Prokopiou. References in this annual report to the “Prokopiou Family” are to our Chairman, Mr. Georgios Prokopiou, and certain members of his family.

All references in this annual report to “SEFE,” “Equinor,” “Yamal,” and “NextDecade” refer to SEFE Marketing and Trading Singapore Pte Ltd (formerly known as Gazprom Marketing & Trading Singapore Pte Ltd), Equinor ASA (formerly, Statoil ASA), Yamal Trade Pte. Ltd., and NextDecade Corporation (NASDAQ:NEXT), respectively, and certain of their subsidiaries or affiliates which are our current or prospective charterers.

Unless otherwise indicated, all references to “U.S. dollars,” “dollars,” and “\$” in this annual report are to the lawful currency of the United States. We use the term “LNG” to refer to liquefied natural gas, and we use the term “cbm” to refer to cubic meters in describing the carrying capacity of our vessels.

References herein to the “SEC” refer to the U.S. Securities and Exchange Commission; references herein to “NYSE” refer to the New York Stock Exchange; references herein to the “Partnership Agreement” refer to our Fourth Amended and Restated Agreement of Limited Partnership; references herein to “U.S. GAAP” refer to accounting principles generally accepted in the United States of America.

References herein to the “2024 Lease Financing” refer to the June 19, 2024 sale and leaseback agreements between certain subsidiaries of the Partnership and China Development Bank Financial Leasing Co. Ltd. for four of our vessels, the *OB River*, the *Clean Energy*, the *Amur River*, and the *Arctic Aurora*.

References herein to the “\$675 Million Credit Facility” refer to the 5-year syndicated \$675 million senior secured term loan entered into by the Partnership and leading international banks, which was repaid on June 29, 2024.

References herein to the “Master Agreement” refer to the master management agreement between the Partnership and the Manager for the provision of commercial, technical, crew, accounting and vessel administrative services to the Partnership’s owned or controlled vessels.

References herein to the “Omnibus Agreement” refer to the Omnibus Agreement, as amended and restated and as currently in effect, with our Sponsor. The Omnibus Agreement provides us with the right, but not the obligation, to purchase from our Sponsor any LNG carriers acquired or placed under contracts with an initial term of four or more years, for so long as the Omnibus Agreement is in full force and effect. Please see “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions.”

The “Yamal LNG Project” refers to the LNG production terminal on the Yamal Peninsula in Northern Russia. The terminal consists of three LNG trains with a total capacity of 16.5 million metric tons of LNG per year that require ice-class designated vessels to transport LNG from this facility, for which two of the vessels in our Fleet have been contracted. The Yamal LNG Project is a joint venture between NOVATEK (50.1%), TOTAL E&P Yamal (20%), China National Oil & Gas Exploration and Development Corporation (CNODC) (20%), and Yaym Limited (9.9%). Please see “Item 4. Information on the Partnership—B. Business Overview.”

FORWARD-LOOKING STATEMENTS

This annual report contains certain forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act) concerning future events and our operations, performance, and financial condition, including, in particular, the likelihood of our success in developing and expanding our business. The Private Securities Litigation Reform Act of 1995, or the PSLRA, provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business.

We desire to take advantage of the safe harbor provisions of the PSLRA and are including this cautionary statement in connection with this safe harbor legislation. This report and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” “projects,” “likely,” “would,” “could,” “seek,” “continue,” “possible,” “might,” “forecasts,” “will,” “may,” “potential,” “should,” and similar expressions are forward-looking statements. These forward-looking statements reflect management’s current views only as of the date of this annual report and are not intended to give any assurance as to future results. As a result, unitholders are cautioned not to rely on any forward-looking statements.

Forward-looking statements appear in a number of places in this annual report and include statements with respect to, among other things:

- LNG market trends, including charter rates, factors affecting supply and demand, and opportunities for the profitable operations of LNG carriers;
 - our anticipated growth strategies, including potential expansion into and acquisition of assets and businesses in other sectors of the shipping industry;
 - the effect of a worldwide economic slowdown;
 - potential turmoil in the global financial markets;
 - fluctuations and volatility in currencies, interest rates, and foreign exchange rates;
 - general market conditions, including fluctuations in charter hire rates and vessel values;
 - changes in our operating expenses, including dry-docking, surveys, upgrades, crewing and insurance costs, bunker prices, and fuel prices;
 - the adequacy of our insurance to cover our losses;
 - our ability to make cash distributions on the units or any increase or decrease in or elimination of our cash distributions;
 - our future financial condition or results of operations and our future revenues and expenses;
 - our ability to repay or refinance our current and future indebtedness and our settling of interest rate swaps (if any);
 - our ability to incur additional indebtedness on acceptable terms or at all, to access the public and private debt and equity markets, and to meet our restrictive covenants and other obligations under our current and future debt and financing agreements;
 - planned capital expenditures and availability of capital resources to fund capital expenditures;
 - the impact of increasing scrutiny and changing expectations from investors, lenders, charterers, and other market participants with respect to our Environmental, Social, and Governance (“ESG”) practices;
 - our ability to comply with additional costs and risks related to our ESG policies;
-

[Table of Contents](#)

- the effect of applicable tariffs, trade barriers, embargos and regulatory requirements, and changes thereto;
 - our ability to maintain long-term relationships with major LNG traders;
 - our ability to leverage our Sponsor's relationships and reputation in the shipping industry;
 - our ability to realize the expected benefits from our vessel acquisitions;
 - our ability to acquire newbuildings and second-hand vessels on terms acceptable to us from our Sponsor or third parties and the timely deliveries of such vessels if and when acquired;
 - our ability to compete successfully for future chartering opportunities upon the expiration or termination of existing vessel employment arrangements;
 - acceptance of a vessel by its charterer;
 - termination dates and extensions of charters;
 - the expected cost of, and our ability to comply with, governmental regulations, including regulations relating to ballast water and fuel sulfur, maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business;
 - availability of skilled labor, vessel crews, and management;
 - our anticipated incremental general and administrative expenses as a publicly traded limited partnership and our fees and expenses payable under the fleet management agreements and the administrative services agreement with our Manager;
 - our anticipated taxation and distributions to our unitholders;
 - estimated future maintenance and replacement capital expenditures;
 - our ability to retain key employees;
 - any non-compliance with the amendments by the International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels, or IMO (the amendments hereinafter referred to as IMO 2020), to Annex VI to the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as MARPOL, which reduced the maximum amount of sulfur that vessels may emit into the air and became effective January 1, 2020;
 - potential liability from any pending or future litigation and potential costs due to environmental damage and vessel collisions;
 - potential liability from future litigation related to claims raised by public-interest organizations or activism with regard to our failure to adapt or mitigate climate impact;
 - new environmental regulations and restrictions, whether at a global level stipulated by the International Maritime Organization, a regional level imposed by regional authorities such as the European Union, and/or a national level imposed by individual countries;
 - our ability to successfully compete for, enter into, and deliver our vessels under time charters or other employment arrangements for our existing vessels after our current charters expire and our ability to earn income in the spot market;
-

[Table of Contents](#)

- business disruptions, including supply chain congestion, due to climate conditions, political events, trade wars, public health threats and outbreaks of highly communicable diseases, and international hostilities and instability, ongoing war, piracy or acts by terrorists, or other disasters;
- the impact of adverse weather and natural disasters;
- future sales of our common units in the public market;
- any malfunction or disruption of information technology systems and networks that our operations rely on or any impact of a possible cybersecurity event;
- our business strategy and other plans and objectives for future operations;
- technology risks associated with energy transition and fleet and/or systems renewal, including in respect of alternative propulsion systems; and
- other factors detailed in this annual report and from time to time included in our periodic reports.

Forward-looking statements in this annual report are estimates reflecting the judgment of senior management and involve known and unknown risks and uncertainties. These forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may not occur or differ materially from those expressed or implied by such forward-looking statements. Accordingly, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report under the heading “Item 3. Key Information—D. Risk Factors.” These factors and the other risk factors described in this annual report are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

We undertake no obligation, and specifically decline any obligation, to update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable laws. New factors emerge from time to time, and it is not possible for us to predict all of these factors which may adversely affect our results. Further, we cannot assess the effect of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. If one of more forward-looking statements are updated, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements.

We make no prediction or statement about the performance of our units or our debt securities. The various disclosures included in this annual report and in our other filings made with the U.S. Securities and Exchange Commission, or the SEC, that attempt to advise interested parties of the risks and factors that may affect our business, prospects, and results of operations should be carefully reviewed and considered.

TABLE OF CONTENTS

PART I		1
ITEM 1.	IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS	1
ITEM 2.	OFFER STATISTICS AND EXPECTED TIMETABLE	1
ITEM 3.	KEY INFORMATION	1
ITEM 4.	INFORMATION ON THE PARTNERSHIP	47
ITEM 4A.	UNRESOLVED STAFF COMMENTS	88
ITEM 5.	OPERATING AND FINANCIAL REVIEW AND PROSPECTS	88
ITEM 6.	DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	104
ITEM 7.	MAJOR UNITHOLDERS AND RELATED PARTY TRANSACTIONS	108
ITEM 8.	FINANCIAL INFORMATION	116
ITEM 9.	THE OFFER AND LISTING	119
ITEM 10.	ADDITIONAL INFORMATION	120
ITEM 11.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	128
ITEM 12.	DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES	130
PART II		131
ITEM 13.	DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES	131
ITEM 14.	MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS	131
ITEM 15.	CONTROLS AND PROCEDURES	131
ITEM 16.	[RESERVED]	132
ITEM 16A.	AUDIT COMMITTEE FINANCIAL EXPERT	132
ITEM 16B.	CODE OF ETHICS	132
ITEM 16C.	PRINCIPAL ACCOUNTANT FEES AND SERVICES	132
ITEM 16D.	EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES	133
ITEM 16E.	PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS	133
ITEM 16F.	CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT	133
ITEM 16G.	CORPORATE GOVERNANCE	134
ITEM 16H.	MINE SAFETY DISCLOSURE	134
ITEM 16I.	DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS	134
ITEM 16J.	INSIDER TRADING POLICIES	135
ITEM 16K.	CYBERSECURITY	135
PART III		136
ITEM 17.	FINANCIAL STATEMENTS	136
ITEM 18.	FINANCIAL STATEMENTS	136
ITEM 19.	EXHIBITS	136

PART I

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 discussed below relate principally to the industry in which we operate and to our business in general. Other risks relate principally to the securities market and ownership of our securities, including our common units, our 9.00% Series A Cumulative Redeemable Preferred Units, or our Series A Preferred Units, and our 8.75% Series B Fixed to Floating Rate Cumulative Redeemable Perpetual Preferred Units, or our Series B Preferred Units. The occurrence of any of the events described in this section could materially and adversely affect our business, financial condition, operating results or cash available for distribution on our units and the trading price of our securities.

Summary of Risk Factors

The following is a summary of the risk factors which are described in further detail in this section.

- Our Fleet consists of only six LNG carriers. Any limitation in the availability or operation of these vessels could have a material adverse effect on our business, results of operations and financial condition and could significantly reduce or eliminate our ability to pay distributions on our outstanding units, including our preferred units.
- Our ability to grow may be adversely affected by our capital allocation strategy.
- We currently derive all our revenue and cash flow from a limited number of charterers and the loss of any of these charterers could cause us to suffer losses or otherwise adversely affect our business.
- Our ability to raise capital to repay or refinance our debt obligations or to fund our maintenance or growth capital expenditures will depend on certain financial, business and other factors, many of which are beyond our control. Our business may be adversely affected if we need to access sources of funding which are more expensive and/or more restrictive.
- We are subject to certain risks with respect to our contractual counterparties, and failure of such counterparties to perform their obligations under such contracts could cause us to sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.
- We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses to enable us to pay distributions on our outstanding units.
- Our future operational success depends on our ability to expand relationships with our existing charterers, establish relationships with new charterers and obtain new time charter contracts, for which we face substantial competition from established companies with significant resources and potential new entrants.

- Any charter termination would likely have a material adverse effect on our business, financial condition, results of operations and cash flows.
- Our future capital needs are uncertain and we may need to raise additional funds in the future.
- The control of our General Partner may be transferred to a third-party without unitholder consent.
- Unitholders have limited voting rights, and our Partnership Agreement restricts the voting rights of our unitholders that own more than 4.9% of our common units.
- Our Partnership Agreement limits the duties our General Partner and our directors and officers may have to our unitholders and restricts the remedies available to unitholders for actions taken by our General Partner or our directors and officers.
- Fees and cost reimbursements, which our Manager will determine for services provided to us, will be substantial, will be payable regardless of our profitability and will reduce our cash available for distribution to our unitholders.
- As a unitholder, you may not have limited liability if a court finds that unitholder action constitutes control of our business.
- We are dependent on our affiliated Manager for the management of our Fleet and for the provision of executive management and financial support services.
- Our current time charters and our 2024 Lease Financing prevent us from changing our Manager.
- We are a holding company, and our ability to make cash distributions to our unitholders will be limited by the value of investments we currently hold and by the distribution of funds from our subsidiaries.
- Due to our lack of diversification, adverse developments in our LNG shipping business could reduce our ability to make distributions to our unitholders.
- Our future growth and performance depend on continued growth in LNG production and demand for LNG and LNG shipping.
- Fluctuations in overall LNG demand growth could adversely affect our ability to secure future time charters.
- We may have more difficulty entering into multi-year time charters in the future if an active spot LNG shipping market continues to develop.
- Hire rates for LNG carriers may fluctuate substantially. If rates are lower when we are seeking a new charter, our revenues and cash flows may decline.
- Vessel values may fluctuate substantially and, if these values are lower at a time when we are attempting to dispose of vessels, we may incur a loss.
- An oversupply of ships or delays or abandonment of planned projects may lead to a reduction in the charter hire rates we are able to obtain when seeking charters in the future.
- An increase in operating expenses, dry-docking costs, bunker costs and/or other capital expenses could materially and adversely affect our financial performance.
- The operation of LNG carriers is inherently risky and an incident involving significant loss of or environmental consequences involving any of our vessels could harm our reputation and business.
- We conduct business in China, where the legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to us.
- 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 to being transported on U.S. vessels could have a material adverse effect on our operations and financial results.
- Volatile economic conditions may adversely impact our ability to obtain financing or refinance our current or future credit facilities and other financing arrangements on acceptable terms, which may hinder or prevent us from operating or expanding our business.
- Compliance with safety and other requirements imposed by classification societies may be very costly and may adversely affect our business.
- The LNG shipping industry is subject to substantial environmental and other regulations, which may significantly limit our operations or increase our expenses.
- Political instability, terrorist or other attacks, war, international hostilities and global public health threats can affect the seaborne transportation industry, which could adversely affect our business.
- 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 or other governmental authorities, it could result in the imposition of monetary fines or penalties and adversely affect our reputation and the market for our securities.
- Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings.
- Maritime claimants could arrest our vessels, which could interrupt our cash flows.
- We may be subject to litigation that could have an adverse effect on us.
- The price of our common units may be volatile.

- Unitholders may face liability obligations to repay distributions.
- We may issue additional equity securities, including securities senior to the common units, without the approval of our common unitholders, which would dilute the ownership interests of the common unitholders.
- We are a “foreign private issuer” under NYSE rules, and as such we are entitled to exemption from certain corporate governance standards of the NYSE applicable to domestic companies, and holders of our common units may not have the same protections afforded to unitholders of companies that are subject to all of the NYSE corporate governance requirements.
- Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.
- Provisions in our organizational documents may have anti-takeover effects.
- Our debt levels could limit our liquidity and flexibility in obtaining additional financing and in pursuing other business opportunities.
- We may be unable to comply with covenants in our debt agreements or any future financial obligations that impose operating and financial restrictions on us.
- Our Series A Preferred Units and our Series B Preferred Units are subordinate to our indebtedness, and the interests of holders of Series A Preferred Units and Series B Preferred Units could be diluted by the issuance of additional preferred units, including additional Series A Preferred Units or Series B Preferred Units, and by other transactions.
- In the event of any liquidation event, the amount of your liquidation preference is fixed and you will have no right to receive any greater payment regardless of the circumstances.
- The Series A Preferred Units and the Series B Preferred Units are redeemable at our option.
- Our Sponsor, our General Partner and their respective affiliates own a significant interest in us and have conflicts of interest and limited duties to us and our common unitholders, which may permit them to favor their own interests to your detriment.
- Our General Partner has limited its liability regarding our obligations.
- Common unitholders, holders of our Series A Preferred Units, and holders of our Series B Preferred Units have no right to enforce obligations of our General Partner and its affiliates under agreements with us.
- Common units are subject to our General Partner’s limited call right.
- We may be subject to taxes, which will reduce our cash available for distribution to our unitholders.

Risk Factors

Risks Relating to our Partnership

Our Fleet consists of only six LNG carriers. Any limitation in the availability or operation of these vessels could have a material adverse effect on our business, results of operations and financial condition and could significantly reduce or eliminate our ability to pay distributions on our outstanding units, including our preferred units.

Our Fleet consists of only six LNG carriers. If any of our vessels is unable to generate revenues as a result of off-hire time, early termination of the time charter in effect, or if we fail to secure new charters at charter hire rates as favorable as our average historical rates or at all, our future liquidity, cash flows, results of operations, and ability to make quarterly and other distributions to the holders of our outstanding units, including the preferred units, could be materially adversely affected.

Our ability to grow may be adversely affected by capital allocation strategy.

Our current capital allocation strategy is to focus our capital allocation on debt repayment, and to prioritize balance sheet strength in order to reposition ourselves for potential future growth to the extent that our cost of capital allows us to access debt and equity capital on acceptable terms. As such, our growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations.

We currently derive all our revenue and cash flow from a limited number of charterers and the loss of any of these charterers could cause us to suffer losses or otherwise adversely affect our business.

We have derived, and believe we will continue to derive, all of our revenues from a limited number of charterers, such as SEFE, Equinor, Yamal and NextDecade. For the year ended December 31, 2024, during which we derived our operating revenues from three charterers, SEFE accounted for 39%, Yamal accounted for 34%, and Equinor accounted for 27% of our total revenues. All of the charters for our Fleet have fixed terms but may be terminated early due to certain events, including but not limited to the charterer's failure to make charter payments to us because of financial inability, disagreements with us, or otherwise. The ability of each of our counterparties to perform its respective obligations under a charter with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the LNG shipping industry, prevailing prices for natural gas, epidemics and pandemics, events in Russia and Ukraine or any resulting sanctions that may be imposed, and the overall financial condition of the counterparty. Should a counterparty fail to honor its obligations under an agreement with us, we may be unable to realize revenue under that charter and may sustain losses, which may have a material adverse effect on our business, financial condition, cash flows, results of operations, and ability to pay any distributions, including reduced distributions, to our unitholders.

In addition, a charterer may exercise its right to terminate its charter if, among other things:

- the vessel suffers a total loss or is damaged beyond repair;
- we default on our obligations under the charter, including prolonged periods of vessel off-hire;
- war or hostilities significantly disrupt the free trade of the vessel;
- the vessel is requisitioned by any governmental authority; or
- a prolonged force majeure event occurs, such as war, political unrest, or a pandemic which prevents the chartering of the vessel, in each such event in accordance with the terms and conditions of the respective charter.

In addition, the charter payments we receive may be reduced if the vessel does not perform according to certain contractual specifications. For example, charter hire may be reduced if the average vessel speed falls below the speed we have guaranteed or if the amount of fuel consumed to power the vessel exceeds the guaranteed amount.

Furthermore, in depressed market conditions, our charterers may no longer need a vessel that is then under charter or may be able to obtain a comparable vessel at lower rates. As a result, charterers may seek to renegotiate the terms of their existing charter agreements or avoid their obligations under those contracts. Furthermore, it is possible that third parties with whom we have charter contracts may be impacted by events in Russia and Ukraine, the resulting sanctions, or other geopolitical events, among other things, which could adversely affect their ability to perform. If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, it may be difficult to secure substitute employment for such vessel, and any new charter arrangements we secure may be at lower rates and may not be acceptable by our lenders.

If any of our charters are terminated, we may be unable to re-deploy the related vessel on terms as favorable to us as our current charters, or at all. If we are unable to re-deploy a vessel for which the charter has been terminated, we will not receive any revenues from that vessel, and we may be required to pay ongoing expenses necessary to maintain the vessel in proper operating condition. Any of these factors may decrease our revenue and cash flows. Further, the loss of any of our charterers, charters, or vessels, or a decline in charter hire under any of our charters, could have a material adverse effect on our business, results of operations, financial condition, and ability to make distributions to our unitholders and result in an event of default under our debt agreements.

Dry-dockings of our vessels require significant expenditures and result in loss of revenue as our vessels are off-hire during the dry-docking period. Any significant increase in either the number of off-hire days or in the costs of any repairs or investments carried out during the dry-docking period could have a material adverse effect on our profitability and our cash flows. Given the potential for unforeseen issues arising during dry-docking, we may not be able to predict accurately the time required to dry-dock any of our vessels. If one or more of our vessels is dry-docked longer than expected or if the cost of repairs is greater than we had budgeted, there may be a material adverse effect on our results of operations and our cash flows, including any cash available for distribution to unitholders.

Due to the small size of our Fleet, any delay in the completion time of the dry-dockings or overrun of costs caused by additional days of work could have a material adverse effect on our business, results of operations, and financial condition and could significantly reduce or eliminate our ability to pay any distributions on either or both of our common or preferred units.

The *Clean Energy*, *Ob River*, and *Amur River* completed their scheduled dry-docking, as well as the respective installation of the ballast water treatment systems (“BWTS”) in 2022. In 2023, we completed the scheduled dry-dock of the *Yenisei River*, *Lena River* and *Arctic Aurora* including installation of BWTS in accordance with current regulations.

Our ability to raise capital to repay or refinance our debt obligations or to fund our maintenance or growth capital expenditures will depend on certain financial, business and other factors, many of which are beyond our control. The value of our common units may make it difficult or impossible for us to access the equity or equity-linked capital markets. To the extent that we are unable to finance these obligations and expenditures with cash from operations or incremental bank loans or by issuing debt or equity securities, our ability to make cash distributions may be diminished, or our financial leverage may increase, or our unitholders may be diluted. Our business may be adversely affected if we need to access sources of funding which are more expensive and/or more restrictive.

To fund our existing and future debt obligations and capital expenditures and any future growth, we may be required to use cash from operations, incur borrowings, and/or seek to access other financing sources, including the capital markets. Our access to potential funding sources and our future financial and operating performance will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control. If we are unable to access the capital markets, raise additional bank financing, or enter into other financing arrangements or generate sufficient cash flows to meet our debt, capital expenditure and other business requirements, we may be forced to take actions such as:

- restructuring our debt;
- seeking additional debt or issuing equity capital;
- selling assets;
- reducing distributions on our units;
- reducing, delaying or cancelling our business activities, acquisitions, investments or capital expenditures; or
- seeking bankruptcy protection.

Such measures might not be successful, available on acceptable terms or enable us to meet our debt, capital expenditure and other obligations. Some of these measures may adversely affect our business and reputation. In addition, our financing agreements may restrict our ability to implement some of these measures. Use of cash from operations and possible future sale of certain assets will reduce cash available for distribution to our unitholders. Our ability to obtain bank financing or to access the capital markets may be limited by our financial condition at the time of any such financing or offering as well as by adverse market conditions. The value of our common units may not enable us to access the equity or equity-linked capital markets. Even if we are successful in obtaining the necessary funds, the terms of such future financings could limit our ability to pay cash distributions to our unitholders or operate our business as currently conducted. In addition, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional equity securities may result in significant unitholder dilution and would increase the aggregate amount of cash required to maintain our quarterly distributions, which we currently only make to our common and our preferred unitholders.

Major outbreaks of diseases and governmental responses thereto could adversely affect our business.

Global public health threats, such as outbreaks of highly communicable diseases or viruses, which have, from time to time, occurred in various parts of the world in which we operate could disrupt global financial markets and economic conditions and adversely impact our operations, as well as the operations of our charterers and other customers.

Measures against epidemics and pandemics in a number of countries may restrict crew rotations on our vessels. Delays in crew rotations have led to issues with crew fatigue, which may result in delays and additional costs relating to crew wages paid to retain the existing crew members on board or other operational issues. We have incurred and may also incur additional expenses associated with testing, personal protective equipment, quarantines, and travel expenses such as airfare costs in order to perform crew rotations in the current environment.

Epidemics and pandemics may also affect personnel operating payment systems through which we receive revenues from the chartering of our vessels or pay for our expenses, resulting in delays in payments. Organizations across industries, including ours, are rightly focusing on their employees’ well-being, whilst making sure that their operations continue undisrupted and at the same time, adapting to the new ways of operating. As such employees are encouraged or even required to operate remotely which significantly increases the risk of cyber security attacks.

The occurrence or continued occurrence of any of the foregoing events or other pandemics and epidemics could have a material adverse effect on our business, results of operations, cash flows, financial condition, value of our vessels, and our ability to pay distributions.

The failure to consummate or integrate acquisitions that we undertake in a timely and cost-effective manner, or at all, could have an adverse effect on our business, our plans for growth and our financial condition and results of operations.

Future acquisitions (if any) are dependent on, among other things, our continuing relationship with our Sponsor and other factors related to that relationship, many of which are beyond our control including our ability to (i) maintain a potential drop-down pipeline of existing or newbuild vessels from our Sponsor, (ii) obtain the required consents from lenders and charterers in connection with any potential acquisition of vessels from our Sponsor, and (iii) finance our business through equity and debt capital markets transactions at terms that are favorable to us, which is highly dependent on favorable market conditions. We currently have no rights to acquire any vessel assets that are owned by our Sponsor.

We believe that other acquisition opportunities with parties that are related to our Sponsor and third-parties may arise from time to time, and any such acquisition could be significant. Any acquisition of a vessel or business may not be profitable at or after the time of such acquisition and may be cash flow negative or may not generate sufficient cash flow to justify the investment. In addition, any potential acquisition or investment opportunity may expose us to risks that may harm or have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions (reduced or at all) to our unitholders, including risks that we may:

- fail to realize anticipated benefits, such as new customer relationships, cost-savings or cash flow enhancements;
- be unable to attract, hire, train or retain qualified shore and seafaring personnel to manage and operate our growing business and Fleet;
- decrease our liquidity by using a significant portion of available cash or borrowing capacity to finance acquisitions;
- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- incur or assume unanticipated liabilities, losses or costs associated with the business or vessels acquired; or
- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

Such acquisition and investment opportunities may not result in the consummation of a transaction. In addition, we may not be able to obtain acceptable terms for the required financing for any such acquisition or investment that arises. We cannot predict the effect, if any, that any announcement or consummation of an acquisition would have on the trading price of our common units or preferred units.

Any future acquisitions could present a number of anticipated as well as unanticipated risks, including the risk of incorrect assumptions regarding the future results of acquired vessels or businesses or expected cost reductions or other synergies expected to be realized as a result of acquiring vessels or businesses, the risk of failing to successfully and timely integrate the operations or management of any acquired vessels or businesses and the risk of diverting management's attention from existing operations or other priorities. We may also be subject to additional costs and expenses related to compliance with various international or domestic laws in connection with such acquisition. If we fail to consummate and integrate our acquisitions from our Sponsor, in a timely and cost-effective manner, or at all, our business, plans for future growth, financial condition, results of operations and cash available for distribution could be materially and adversely affected.

We are subject to certain risks with respect to our contractual counterparties, and failure of such counterparties to perform their obligations under such contracts could cause us to sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have entered, and may enter in the future, into contracts, charters, newbuilding and conversion contracts with shipyards, debt agreements with financial institutions, our Sponsor and other counterparts, interest rate swaps, foreign currency swaps, equity swaps and other agreements. Such agreements subject us to counterparty risks. The ability of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the overall financial condition of the counterparty and work stoppages or other labor disturbances. Should a counterparty fail to honor its obligations under agreements with us, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, it is possible that third parties with whom we have financing arrangements or charter contracts may be impacted by events in Russia and Ukraine or any resulting sanctions that may be imposed which could adversely affect their ability to perform under such contracts.

We currently derive all our revenue and cash flow from a limited number of charterers. The loss of any of our charterers could cause us to suffer losses or otherwise adversely affect our business.

We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses to enable us to pay distributions on our outstanding units.

Our Board of Directors makes determinations regarding the payment of distributions in its sole discretion and in accordance with our Partnership Agreement and applicable law, and there is no guarantee that we will make or continue to make distributions to our unitholders in the same amount that we have in prior quarters or at all in the future. In addition, the markets in which we operate our vessels are volatile and we cannot predict with certainty the amount of cash, if any, that will be available for distribution in any period and thus, we may pay distributions in a lower amount or not at all. The level of cash distributions to our unitholders will be subject to, among other factors, including, without limitation, the terms and conditions contained in our 2024 Lease Financing or future debt agreements, market conditions and the cash we generate from operations.

As noted above, the amount of cash we can distribute on our common and preferred units depends in part on the amount of cash we generate from our operations, which may fluctuate from quarter to quarter based on the risks described in this section, including, among other things:

- the rates we obtain from our charters;
- the level of our operating costs, such as the cost of crews and insurance;
- the continued availability of natural gas production;
- demand for LNG;
- supply of LNG carriers;
- prevailing global and regional economic and political conditions, including the any economic downturns caused by the spread of an epidemic or a pandemic;
- currency exchange rate fluctuations; and
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business.

In addition, the actual amount of cash available for distribution to our unitholders will depend on other factors, including:

- the level of capital expenditures we make, including for maintaining, repairing or replacing vessels, building new vessels, acquiring second-hand vessels and complying with regulations;
- 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 vessels;
- our debt service requirements and restrictions on distributions contained in our debt instruments;
- the level of debt we will incur to fund future acquisitions;
- fluctuations in interest rates;
- fluctuations in our working capital needs;
- variable tax rates;

- the expected cost of and our ability to comply with environmental and regulatory requirements, including with respect to emissions of air pollutants and greenhouse gases, as well as future changes in such requirements or other actions taken by regulatory authorities, governmental organizations, classification societies and standards imposed by our charterers applicable to our business;
- our ability to make, and the level of, working capital borrowings;
- the performance of our subsidiaries and their ability to distribute cash to us; 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 profit or loss for the period, which will be affected by non-cash items. We may also incur expenses or liabilities or be subject to other circumstances in the future that reduce or eliminate the amount of cash that we have available for distributions. As a result of this and the other factors mentioned above, we may make cash distributions during periods when we record losses and may not make cash distributions during periods when we record earnings.

Our future operational success depends on our ability to expand relationships with our existing charterers, establish relationships with new charterers and obtain new time charter contracts, for which we face substantial competition from established companies with significant resources and potential new entrants.

We have secured an estimated contract backlog of \$0.95 billion for the vessels in our Fleet as of the date of this annual report, \$0.11 billion of which is a variable hire element contained in certain time charter contracts with Yamal. The hire rate on these time charter contracts with Yamal is calculated based on two components—a capital cost component and an operating cost component. The capital cost component is a fixed daily amount. The daily amount of the operating cost component, which is intended to pass the operating costs of the vessel to the charterer in their entirety including dry-docking costs, is set annually and adjusted at the end of each year to compensate us for the actual costs we incur in operating the vessel. Dry-docking expenses are budgeted in advance within the year of the dry-dock and are reimbursed by Yamal immediately following a dry-docking. The actual amount of revenues earned in respect of such variable hire rate may therefore differ from the amounts included in the revenue backlog estimate, which is calculated based on the budget agreed at the inception of the contract, due to the yearly variations in the respective vessels' operating costs.

Notwithstanding our current estimated contracted backlog, one of our principal objectives is, wherever possible to enter into additional multi-year time charters upon the expiration or early termination of our existing charter arrangements, and we may also seek, wherever possible, to enter into additional multi-year time charter contracts in connection with an expansion of our Fleet. The process of obtaining multi-year charters for LNG carriers is highly competitive and generally involves an intensive screening procedure and competitive bids, which often extends for several months. We believe LNG carrier time charters are awarded based upon a variety of factors relating to the ship and the ship operator, including:

- size, age, technical specifications and condition of the ship;
- efficiency of ship operation and reputation for operation of highly specialized vessels;
- LNG shipping experience and quality of ship operations;
- shipping industry relationships and reputation for customer service;
- technical ability and reputation for operation of highly specialized ships;
- quality and experience of officers and crew;
- safety record;
- the ability to finance ships at competitive rates and financial stability generally;
- relationships with shipyards and the ability to get suitable berths;
- its willingness to assume operational risks;
- construction management experience, including the ability to obtain on-time delivery of new ships according to customer specifications; and
- competitiveness of the bid in terms of overall price.

We expect substantial competition for providing marine transportation services for potential LNG projects from a number of experienced companies, including other independent ship owners as well as state-sponsored entities and major energy companies that own and operate LNG carriers and may compete with independent owners by using their fleets to carry LNG for third parties. Some of these competitors have significantly greater financial resources and larger fleets than we have. A number of marine transportation companies, including companies with strong reputations and extensive resources and experience, have entered the LNG transportation market in recent years, and there are other ship owners and managers who may also attempt to participate in the LNG market in the future. This increased competition may cause greater price competition for time charters. As a result of these factors, we may be unable to expand our relationships with existing charterers or to obtain new time charter contracts on a profitable basis, if at all, which could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distributions to our unitholders.

Any charter termination would likely have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our vessels are employed with only a limited number of charterers. Our existing and future charterers have and will likely have the right to terminate our current or future charters in certain circumstances, such as loss of the ship or damage to it beyond repair, defaults by us in our obligations under the charter, or off-hire beyond allowances contained in the charter agreement. In addition, one of our charterers, Yamal, trades primarily from LNG ports and to the best of our knowledge is owned or controlled by Russian entities. Due to the recent ongoing conflicts between Russia and Ukraine, the United States (“U.S.”), European Union (“E.U.”), Canada and other Western countries and organizations announced and enacted from February 2022 until the date of this report, numerous sanctions against Russia. The war between Russia and Ukraine is, however, still ongoing, which may result in the imposition of further economic sanctions in addition to the ones already announced by the United States, Europe, amongst other countries which could adversely affect our charterers and result to the early termination of our time charter contracts with Yamal.

A termination right under one vessel’s time charter would not automatically give the charterer the right to terminate its other charter contracts with us. However, a charter termination could materially affect our relationship with the customer and our reputation in the LNG shipping industry, and in some circumstances the event giving rise to the termination right could potentially impact multiple charters that we have entered with the same charterer. Accordingly, the existence of any right of termination could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distribution to our unitholders.

Our future capital needs are uncertain and we may need to raise additional funds in the future.

Our future funding requirements will depend on many factors, including the cost and timing of vessel acquisitions, the cost of retrofitting or modifying existing ships as a result of technological advances, changes in applicable environmental or other regulations or standards, customer requirements or otherwise. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering, as well as by adverse market conditions that are beyond our control.

Obtaining additional funds on acceptable terms may not be possible. If we raise additional funds by issuing equity or equity-linked securities, our unitholders may experience dilution or reduced or no distributions per unit. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt, or to pay distributions consistent with our past practices or otherwise.

Further, we may lack sufficient cash to pay distributions to our unitholders at a reduced level or at all due to our current and future funding requirements, refinancing needs, decreases in net revenues or increases in operating expenses, principal and interest payments on outstanding debt, working capital requirements, maintenance and replacement capital expenditures or anticipated or unanticipated cash needs. Any debt or additional equity financing raised may contain unfavorable terms to us or our unitholders. If we are unable to raise adequate funds, we may have to liquidate some or all of our assets, or delay, reduce the scope of, or eliminate some or all of our fleet expansion plans. Any of these factors could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distribution to our common and preferred unitholders.

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

An increase in the Secured Overnight Financing Rate, or “SOFR,” including as a result of the United States Federal Reserve increasing U.S. interest rates in response to rising inflation, would affect the amount of interest payable under our existing loan agreement and future financing arrangements, 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.

Our financial condition could be materially adversely affected at any time that we have not entered into interest rate hedging arrangements to hedge our exposure to the interest rates applicable to our debt agreements and any other financing arrangements we may enter into in the future.

In order to manage our exposure to interest rate fluctuations under SOFR or any other alternative rate, we have and may, from time to time, use interest rate derivatives to effectively fix some of our floating rate debt obligations. No assurance can however be given that the use of these derivative instruments, if any, may effectively protect us from adverse interest rate movements. The use of interest rate derivatives may affect our results through mark to market valuation of these derivatives. Also, adverse movements in interest rate derivatives may require us to post cash as collateral, which may impact our free cash position. We expect our sensitivity to interest rate changes to increase in the future if we enter into additional debt agreements in connection with our potential acquisition of other vessels from affiliated or unaffiliated third parties.

We have previously entered into and may selectively in the future enter into derivative contracts to hedge our overall exposure to interest rate risk exposure. Entering into swaps and derivatives transactions is inherently risky and presents various possibilities for incurring significant expenses. The derivatives strategies that we employ in the future may not be successful or effective, and we could, as a result, incur substantial additional interest costs and recognize losses on such arrangements in our financial statements. Such risk may have an adverse effect on our business, financial condition, results of operations and cash flows.

We cannot assure you that our internal controls and procedures over financial reporting will be sufficient.

We are subject to the reporting requirements of the Exchange Act, and the other rules and regulations of the SEC, including the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley, and other requirements of the NYSE. Section 404 of Sarbanes-Oxley requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and, if we continue to be an accelerated filer or become a large accelerated filer, provide a related attestation of our independent registered public accounting firm. 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. We dedicate a significant amount of time and resources to ensure compliance with these regulatory requirements. We work with our legal, accounting and financial advisors to identify any areas in which changes should be made to our financial and management control systems to manage our growth and our obligations as a public company. We will continue to evaluate areas such as corporate governance, corporate control, internal audit, disclosure controls and procedures and financial reporting and accounting systems. We will make changes in any of these and other areas, including our internal control over financial reporting, which we believe are necessary. However, these and other measures we may take may not be sufficient to allow us to satisfy our obligations as a public company on a timely and reliable basis. In addition, compliance with reporting and other requirements applicable to public companies create additional costs for us and require the time and attention of management. We may not be able to predict or estimate the amount of the additional costs we may incur, the timing of such costs or the degree of impact that our management’s attention to these matters will have on our business.

The control of our General Partner may be transferred to a third-party without unitholder consent.

Our General Partner may transfer its General Partner interest to a third-party in a merger or in a sale of all or substantially all of its assets without the consent of the unitholders. In addition, our Partnership Agreement does not prohibit the ability of the members of our General Partner from transferring their respective membership interests in our General Partner to a third-party.

Our Sponsor and its affiliates may compete with us.

Pursuant to the Omnibus Agreement with our Sponsor and our General Partner, our Sponsor and its affiliates (other than us, and our subsidiaries) generally have agreed, for the term of the Omnibus Agreement, not to acquire, own, operate or contract for any LNG carriers acquired or placed under contracts with an initial term of four or more years. The Omnibus Agreement, however, contains significant exceptions that may allow our Sponsor or any of its affiliates to compete with us in certain circumstances, which could harm our business. For example, our Sponsor and its affiliates, subject to the restrictions contained in the Omnibus Agreement, could own and operate LNG carriers under charters of four years or more that may compete with our vessels if we do not acquire such vessels when they are offered to us pursuant to the terms of the Omnibus Agreement. See “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions.”

Mr. Tony Lauritzen, our Chief Executive Officer, Mr. Michael Gregos, our Chief Financial Officer, and certain other officers do not devote all of their time to our business, which may hinder our ability to operate successfully.

Mr. Tony Lauritzen, our Chief Executive Officer, Mr. Michael Gregos, our Chief Financial Officer, and certain other officers who perform executive officer functions for us, are not required to work full-time on our affairs and are involved in other business activities with our Sponsor and its affiliates, which may result in their spending less time than is appropriate or necessary to manage our business successfully. Based solely on the anticipated relative sizes of our Fleet and the fleet owned by our Sponsor and its affiliates over the next twelve months, we estimate that Mr. Lauritzen, Mr. Gregos, and certain other officers may spend a substantial portion of their monthly business time on our business activities and their remaining time on the business of our Sponsor and its affiliates. However, the actual allocation of time could vary significantly from time to time depending on various circumstances and needs of the businesses, such as the relative levels of strategic activities of the businesses. As a result, there could be material competition for the time and effort of our officers who also provide services to our General Partner’s affiliates, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Unitholders have limited voting rights, and our Partnership Agreement restricts the voting rights of our unitholders that own more than 4.9% of our common units.

Unlike the holders of common stock in a corporation, holders of common units have only limited voting rights on matters affecting our business. On those matters that are submitted to a vote of common unitholders, each record holder of a common unit may vote according to the holder’s percentage interest in us of all holders entitled to vote on such matter, although additional limited partners interests having special voting rights could be issued.

Holders of the Series A Preferred Units and Series B Preferred Units, while generally having no voting rights, have limited voting rights. See “—Risks Relating to our Series A and Series B Preferred Units.”

Except as described below regarding a person or group owning more than 4.9% of any class or series of limited partner interests then outstanding, limited partners on the record date will be entitled to notice of, and to vote at, meetings of our limited partners and to act upon matters for which approvals may be solicited.

We will hold a meeting of the limited partners every year to elect one or more members of our Board of Directors and to vote on any other matters that are properly brought before the meeting. Any action that is required or permitted to be taken by our limited partners, or any applicable class thereof, may be taken either at a meeting of the applicable limited partners or without a meeting if consents in writing describing the action so taken are signed by holders of the number of limited partner interests necessary to authorize or take that action at a meeting. Meetings of our limited partners may be called by our Board of Directors or by limited partners owning at least 20% of the outstanding limited partner interests of the class for which a meeting is proposed. Limited partners may vote either in person or by proxy at meetings. The holders of a majority of the outstanding limited partner interests of the class, classes or series for which a meeting has been called, represented in person or by proxy, will constitute a quorum unless any action by the limited partners requires approval by holders of a greater percentage of the limited partner interests, in which case the quorum will be the greater percentage.

Each record holder of a unit may vote according to the holder's percentage interest in us, although additional limited partner interests having special voting rights could be issued. However, to preserve our ability to be exempt from U.S. federal income tax under Section 883 of U.S. Internal Revenue Code of 1986, as amended (the "Code"), if at any time any person or group, other than our General Partner and its affiliates, or a direct or subsequently approved transferee of our General Partner or its affiliates or a transferee approved by the Board of Directors, acquires, in the aggregate, beneficial ownership of more than 4.9% of any class or series of our limited partner interests then outstanding, that person or group will lose voting rights on all of its limited partner interests of such class or series in excess of 4.9%, except for the Series A Preferred Units and Series B Preferred Units, and such limited partner interests will not be considered to be outstanding when sending notices of a meeting of limited partners, calculating required votes (except for nominating a person for election to our Board of Directors), determining the presence of a quorum, or for other similar purposes. The voting rights of any such limited partner interests in excess of 4.9% will effectively be redistributed pro rata among the other limited partner interests (as applicable) holding less than 4.9% of the voting power of such class or series. Our General Partner, its affiliates and persons who acquired limited partner interests with the prior approval of our Board of Directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors. Units held in nominee or street name account will be voted by the broker or other nominee in accordance with the instruction of the beneficial owner unless the arrangement between the beneficial owner and his or her nominee provides otherwise.

Any notice, demand, request report, or proxy material required or permitted to be given or made to record holders of common units, Series A Preferred Units or Series B Preferred Units under the Partnership Agreement will be delivered to the record holder by us or by the transfer agent.

Our Partnership Agreement limits the duties our General Partner and our directors and officers may have to our unitholders and restricts the remedies available to unitholders for actions taken by our General Partner or our directors and officers.

Our Partnership Agreement provides that our Board of Directors has the authority to oversee and direct our operations, management and policies on an exclusive basis. The Marshall Islands Limited Partnership Act, or the Partnership Act, states that a member's or manager's "duties and liabilities may be expanded or restricted by provisions in the Partnership Agreement." As permitted by the Partnership Act, our Partnership Agreement contains provisions that reduce the standards to which our General Partner and our directors and our officers may otherwise be held by Marshall Islands law. For example, our Partnership Agreement:

- provides that our General Partner may make determinations or take or decline to take actions without regard to our or our unitholders' interests. Our General Partner may consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting us, our affiliates or our unitholders. Decisions made by our General Partner will be made by its sole owner. Specifically, our General Partner may decide to exercise its right to make a determination to receive common units in exchange for resetting the target distribution levels related to the incentive distribution rights, call right, pre-emptive rights or registration rights, consent or withhold consent to any merger or consolidation of the Partnership, appoint certain of our directors or vote for the election of any director, vote or refrain from voting on amendments to our Partnership Agreement that require a vote of the outstanding units, voluntarily withdraw from the Partnership, transfer (to the extent permitted under our Partnership Agreement) or refrain from transferring its units, the general partner interest or incentive distribution rights or vote upon the dissolution of the Partnership;
- provides that our directors and officers are entitled to make other decisions in "good faith," meaning they reasonably believe that the decision is in our best interests;
- generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of our Board of Directors, or our Conflicts Committee, and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third-parties or be "fair and reasonable" to us and that, in determining whether a transaction or resolution is "fair and reasonable," our Board of Directors may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us; and
- provides that neither our General Partner nor our officers or our directors will be liable for monetary damages to us, our members or assignees for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our General Partner, our directors or officers or those other persons engaged in actual fraud or willful misconduct.

In order to become a member of our Partnership, a common unitholder is required to agree to be bound by the provisions in the Partnership Agreement, including the provisions discussed above.

Fees and cost reimbursements, which our Manager will determine for services provided to us, will be substantial, will be payable regardless of our profitability and will reduce our cash available for distribution to our unitholders.

Our Manager, which is wholly owned by Mr. Georgios Prokopiou, is responsible for the commercial and technical management of the vessels in our Fleet pursuant to a Master Agreement (and underlying Vessel Management Agreements) (as defined in “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions—Vessel Management”). We currently pay our Manager a fee of \$3,095 per day for each of our vessels, owned or bareboat chartered-in, for providing them with technical, commercial, insurance, accounting, financing, provisions, crewing and bunkering services. In addition, we pay our Manager a commercial management fee equal to 1.25% of the gross charter hire and the ballast bonus, which is the amount paid to the vessel owner or operator as compensation for all or part of the cost of positioning the vessel to the port where the vessel will be delivered to the charterer. We incurred an aggregate expense of approximately \$8.6 million in connection with the commercial and technical management of our Fleet for the year ended December 31, 2024. The management fee increases by 3% annually unless otherwise agreed, between us, with approval of our Conflicts Committee, and our Manager. The management fees payable for the vessels may be further increased if our Manager has incurred material unforeseen costs of providing the management services, by an amount to be agreed between us and our Manager, which amount will be reviewed and approved by our Conflicts Committee.

Further, we entered into an executive services agreement, or the Executive Services Agreement, on March 21, 2014, with retroactive effect to the date of the closing of our IPO, with our Manager, pursuant to which our Manager provides us with the services of our executive officers, who report directly to our Board of Directors. Under the Executive Services Agreement, our Manager is entitled to an executive services fee of €538,000 per annum, for the initial five year term and automatically renews for successive five-year terms unless terminated earlier, payable in equal monthly installments. After the expiration of the initial term period, the Executive Services Agreement was automatically renewed for a successive five year term, and will continue to automatically be renewed for successive five year terms unless terminated earlier. As of December 31, 2024, we incurred approximately \$0.6 million in connection with this agreement.

Pursuant to an administrative services agreement, or the Administrative Services Agreement, that we entered into on December 30, 2014 and with effect from the date of the closing of our IPO, our Manager also provides us with certain administrative and support services (including certain financial, accounting, reporting, secretarial and information technology services) for which we currently pay a monthly fee of \$10,000, plus all related costs and expenses, payable in quarterly installments. As of December 31, 2024, we incurred \$0.1 million in connection with this agreement.

For a description of our Master Agreement, Executive Services Agreement and Administrative Services Agreement, see “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions.” The fees and expenses payable pursuant to the Master Agreement (and underlying Vessel Management Agreements), Executive Services Agreement and the Administrative Services Agreement will be payable without regard to our financial condition or results of operations. The payment of such fees could adversely affect our ability to pay cash distributions to our unitholders.

Our Partnership Agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our General Partner and even if public unitholders are dissatisfied, they will be unable to remove our General Partner without our Sponsor’s consent, unless our Sponsor’s ownership interest in us is decreased; all of which could diminish the trading price of our common units.

Our Partnership Agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our General Partner.

- The unitholders are unable to remove our General Partner without its consent because our General Partner and its affiliates, including our Sponsor, own sufficient units to be able to prevent its removal. The vote of the holders of at least 66 2/3% of all outstanding common units (including common units held by the General Partner and its affiliates) voting together as a single class is required to remove our General Partner. As of April 8, 2025, our Sponsor owned 15,595,000 of our common units, representing approximately 42.6% of the outstanding common units.
- Our Partnership Agreement contains provisions that limit the removal of members of our Board of Directors. Appointed Directors may be removed (i) without Cause (as defined in the Partnership Agreement) only by the General Partner and (ii) with Cause only by the General Partner, the vote of the holders of a majority of the outstanding units at a properly called meeting of our Limited Partners, or by vote of the majority of the other members of our Board of Directors. Elected Directors may be removed with Cause only by vote of the majority of the other members of our Board of Directors or by a vote of the majority of the outstanding common units at a properly called meeting of our Limited Partners.

- Common unitholders are entitled to elect only three of the five members of our Board of Directors. Our General Partner in its sole discretion appoints the remaining two directors.
- Election of the three directors elected by unitholders is staggered, meaning that the members of only one of three classes of our elected directors are selected each year. In addition, the two directors appointed by our General Partner serve until a successor is duly appointed by the General Partner.
- Our Partnership Agreement contains provisions limiting the ability of unitholders to call meetings of unitholders, to nominate directors and to acquire information about our operations as well as other provisions limiting the unitholders' ability to influence the manner or direction of management.
- Unitholders' voting rights are further restricted by the Partnership Agreement providing that if at any time any person or group, other than our General Partner and its affiliates, or a direct or subsequently approved transferee of our General Partner or its affiliates or a transferee approved by the Board of Directors, acquires, in the aggregate, beneficial ownership of more than 4.9% of any class or series of our limited partner interests then outstanding, that person or group will lose voting rights on all of its limited partner interests of such class or series in excess of 4.9%, except for the Series A Preferred Units and Series B Preferred Units, and such limited partner interests will not be considered to be outstanding when sending notices of a meeting of limited partners, calculating required votes (except for nominating a person for election to our Board of Directors), determining the presence of a quorum, or for other similar purposes. The voting rights of any such limited partner interests in excess of 4.9% will effectively be redistributed pro rata among the other limited partner interests (as applicable) holding less than 4.9% of the voting power of such class or series. Our General Partner, its affiliates and persons who acquired limited partner interests with the prior approval of our Board of Directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors. Units held in nominee or street name account will be voted by the broker or other nominee in accordance with the instruction of the beneficial owner unless the arrangement between the beneficial owner and his nominee provides otherwise.
- There are no restrictions in our Partnership Agreement on our ability to issue additional equity securities.

The effect of these provisions may be to diminish the price at which the common units will trade.

As a unitholder, you may not have limited liability if a court finds that unitholder action constitutes control of our business.

As a limited partner in a partnership organized under the laws of the Marshall Islands, you could be held liable for our obligations to the same extent as a General Partner if you participate in the "control" of our business. Our General Partner generally has unlimited liability for the obligations of the Partnership, such as its debts and environmental liabilities, except for those contractual obligations of the Partnership that are expressly made without recourse to our General Partner, including as set forth in the Partnership Agreement. In addition, the limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some jurisdictions in which we do business.

We can borrow money to pay distributions, which would reduce the amount of credit available to be used in connection with the operation of our business.

Our Partnership Agreement allows us to make working capital borrowings to pay distributions. Accordingly, if we have available borrowing capacity and we are permitted to make distributions under our debt and other agreements, we can make distributions on all our units even though cash generated by our operations may not be sufficient to pay such distributions. Any working capital borrowings by us to make distributions will reduce the amount of working capital borrowings we can make for operating our business. For more information, see "Item 5. Operating and Financial Review and Prospects."

We are dependent on our affiliated Manager for the management of our Fleet and for the provision of executive management and financial support services.

We subcontract the commercial and technical management of our Fleet, including crewing, maintenance and repair pursuant to the Master Agreement with our affiliated Manager for the commercial and technical management of our Fleet. The loss of our Manager's services or its failure to perform its obligations to us could materially and adversely affect the results of our operations. In addition, our Manager provides us with significant management, administrative, executive, financial and other support services.

In addition, our ability to enter into new charters and expand our customer relationships depends largely on our ability to leverage our relationship with our Manager and its reputation and relationships in the shipping industry. If our Manager suffers material damage to its reputation or relationships, it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards;
- obtain financing on commercially acceptable terms; or
- maintain satisfactory relationships with suppliers and other third-parties.

Our business will be harmed if our Manager fails to perform these services satisfactorily, if they cancel their agreements with us or if they stop providing these services to us. Our operational success and ability to execute our growth strategy will depend significantly upon the satisfactory performance of these services by our Manager and the reputation of our Manager.

Our current time charters and our 2024 Lease Financing prevent us from changing our Manager.

Our ability to change the Manager of the vessels in our Fleet to another affiliated or third-party manager, is prohibited, without prior written consent, by provisions in our current time charters, the terms of our 2024 Lease Financing and the Manager's Undertakings delivered by the Manager in connection with the 2024 Lease Financing. In addition, we cannot assure you that future debt agreements or time charter contracts with our existing or new lessors, lenders or charterers, respectively, will not contain similar provisions.

Since our Manager is a privately held company and there is little or no publicly available information about it, an investor could have little advance warning of potential financial and other problems that might affect our Manager that could have a material adverse effect on us.

The ability of our Manager to continue providing services for our benefit will depend in part on its own financial strength. Circumstances beyond our control could impair our Manager's financial strength, and because it is privately held, it is unlikely that information about its financial strength would become public unless our Manager began to default on its obligations. As a result, an investor in our units might have little advance warning of problems affecting our Manager, even though these problems could have a material adverse effect on us.

Our Manager may be unable to attract, provide and retain key management personnel, which may negatively impact the effectiveness of our management and our results of operation.

Our success depends to a significant extent upon the abilities and the efforts of our executive officers, whose services are provided to us by our Manager pursuant to an Executive Services Agreement. While we believe that we have an experienced management team, the loss or unavailability of one or more of our senior executives for any extended period of time could have an adverse effect on our business and results of operations.

A shortage of qualified officers and crew could have an adverse effect on our business and financial condition.

LNG carriers require a technically skilled officer staff with specialized training. As the world LNG carrier fleet continues to grow, the demand for technically skilled officers and crew has been increasing. If we or our third-party vessel Manager is unable to employ technically skilled staff and crew, we will not be able to adequately staff our vessels. A material decrease in the supply of technically skilled officers or an inability of our Manager to attract and retain such qualified officers could impair our ability to operate, or increase the cost of crewing our vessels, which would materially adversely affect our business, financial condition and results of operations and significantly reduce our ability to pay quarterly distributions to our common and preferred unitholders.

We are a holding company, and our ability to make cash distributions to our unitholders will be limited by the value of investments we currently hold and by the distribution of funds from our subsidiaries.

We are a holding company whose assets mainly consist of equity interests in our subsidiaries. As a result, our ability to make cash distributions to our unitholders will depend on the performance of our operating subsidiaries. If we are not able to receive sufficient funds from our subsidiaries, we will not be able to pay distributions unless we obtain funds from other sources. We may not be able to obtain the necessary funds from other sources on terms acceptable to us.

Due to our lack of diversification, adverse developments in our LNG shipping business could reduce our ability to make distributions to our unitholders.

We rely exclusively on the cash flow generated from our LNG carriers. Due to our lack of diversification, an adverse development in the LNG shipping industry could have a significantly greater impact on our financial condition and results of operations than if we maintained more diverse assets or lines of businesses.

If we are unable to acquire LNG vessels from our Sponsor or other third parties, we may explore opportunities to expand into other shipping sectors.

As of the date of this annual report, all of our remaining options under the Omnibus Agreement to acquire interests in our Sponsor's existing vessels have expired unexercised.

Pursuant to the Omnibus Agreement entered into among us, our Sponsor and our General Partner, we continue to have the right, but not the obligation, to purchase from our Sponsor any LNG carriers acquired or placed under contracts with an initial term of four or more years, for so long as the Omnibus Agreement is in full force and effect. To the extent we seek and are unable to successfully negotiate acquisitions of LNG vessels from our Sponsor or other third parties, we may seek to expand into other sectors of the shipping industry.

Additionally, we continuously evaluate potential transactions that we believe will be accretive to earnings, enhance unitholder value or are in the best interests of the Partnership. These transactions may include pursuing business combinations; acquiring vessels or related businesses (or otherwise expanding our operations), including in sectors outside of the LNG shipping sector (such as, the oil tanker sector); repaying existing debt; repurchasing of our units; and undertaking short term investments and other transactions.

If we are unable to undertake such transactions on acceptable terms, or at all, we may be unable to implement our business strategy, which would have a material adverse effect on our financial condition and results of operations and impair our ability to service our indebtedness.

We may experience operational problems with vessels that reduce revenue and increase costs.

LNG carriers are complex and their operation is technically challenging. Marine transportation operations are subject to mechanical risks and problems, including, among others, business interruptions caused by mechanical failure, human error, war, terrorism, disease, quarantine or political action in various countries. Operational problems may lead to loss of revenue or higher than anticipated operating expenses or require additional capital expenditures. Any of these results could harm our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

Actions taken by our Board of Directors may have a material adverse effect on the amount of cash available for distribution to unitholders.

The amount of cash that is available for distribution to unitholders is affected by decisions of our Board of Directors regarding such matters as:

- the amount and timing of asset purchases and sales;
- cash expenditures;
- borrowings;
- estimates of maintenance and replacement capital expenditures;
- the issuance of additional units; and
- the creation, reduction or increase of reserves in any quarter.

In addition, borrowings by us and our affiliates do not constitute a breach of any duty owed by our General Partner or our directors to our unitholders, including borrowings that have the purpose or effect of enabling our General Partner or its affiliates to receive distributions or incentive distribution rights.

Our Partnership Agreement provides that we and our subsidiaries may borrow funds from our General Partner and its affiliates. However, our General Partner and its affiliates may not borrow funds from us or our subsidiaries.

Risks Relating to Our Industry

Our future growth and performance depend on continued growth in LNG production and demand for LNG and LNG shipping.

A complete LNG project includes production, liquefaction, storage, regasification and distribution facilities, in addition to the marine transportation of LNG. Increased infrastructure investment has led to an expansion of LNG production capacity in recent years, but material delays in the construction of new liquefaction facilities could constrain the amount of LNG available for shipping, thereby reducing vessel utilization. While global LNG demand has continued to rise, it has risen at a slower pace than previously predicted and the rate of its growth has fluctuated due to several factors, including continued economic uncertainty, fluctuations in the price of natural gas and other sources of energy, the continued acceleration in natural gas production from unconventional sources in regions such as North America and the highly complex and capital intensive nature of new or expanded LNG projects, including liquefaction projects. Continued growth in LNG production and demand for LNG and LNG shipping could be negatively affected by a number of factors, including, without limitation:

- increases in interest rates or other events that may affect the availability of sufficient financing for LNG projects on commercially reasonable terms;
- increases in the cost of natural gas derived from LNG relative to the cost of natural gas generally;
- increases in the production levels of low-cost natural gas in domestic natural gas consuming markets, which could further depress prices for natural gas in those markets and make LNG uneconomical;
- increases in the production of natural gas in areas linked by pipelines to consuming areas, the extension of existing, or the development of new pipeline systems in markets we may serve, or the conversion of existing non-natural gas pipelines to natural gas pipelines in those markets;
- decreases in the consumption of natural gas due to increases in its price, decreases in the price of alternative energy sources or other factors making consumption of natural gas less attractive;
- changes in governmental and maritime self-regulatory organizations' rules and regulations or actions taken by regulatory authorities;
- environmental concerns and uncertainty around new regulations in relation to, amongst others, new technologies which may delay the ordering of new vessels;
- any significant explosion, spill or other incident involving an LNG facility or carrier;
- infrastructure constraints, including but not limited to, delays in the construction of liquefaction facilities, the inability of project owners or operators to obtain governmental approvals to construct or operate LNG facilities, as well as community or political action group resistance to new LNG infrastructure due to concerns about the environment, safety and terrorism;
- labor or political unrest or military conflicts affecting existing or proposed areas of LNG production or regasification;
- the effect of applicable tariffs, trade barriers, embargos and regulatory requirements, and changes thereto;
- concerns regarding pandemics, other diseases and viruses, safety and terrorism;
- decreases in the price of LNG, which might decrease the expected returns relating to investments in LNG projects;
- new taxes or regulations affecting LNG production or liquefaction that make LNG production less attractive; or
- negative global or regional economic or political conditions, particularly in LNG consuming regions, which could reduce energy consumption or its growth.

Reduced demand for LNG and LNG shipping or any reduction or limitation in LNG production capacity, could have a material adverse effect on our ability to secure future multi-year time charters upon expiration or early termination of our current charter arrangements, or for any new ships we acquire, which could harm our business, financial condition, results of operations and cash flows, including cash available for distribution to our unitholders.

Fluctuations in overall LNG demand growth could adversely affect our ability to secure future time charters.

According to Drewry Shipping Consultants Ltd., or Drewry, LNG trade has increased during 2016 and 2024. While India and China were main drivers of LNG trade during 2016-18, Europe played a dominant role in 2019. China's LNG import growth rate declined 14.8% year over year to 61.9 million tons in 2019. Previously, China's LNG import grew 46.1% year over year in 2017 and 41.1% in 2018. In 2019, France's LNG imports more than doubled to 16 million tons, compared to 2018. Spain's LNG imports grew 61.0% year over year in 2019 to 16.1 million tons. In 2019, LNG trade grew by 11.5% year over year to 349 million tons. However, demand from the key Asian importers, Japan and South Korea declined in 2019 as a change in priorities has marked a shift back to nuclear energy and increased focus on renewables. In 2020, Global LNG trade grew at only 0.7% year over year in 2020 compared to 13.3% year over year in 2019 and 7.8% year over year in 2018. Following slump in LNG demand in Asian countries, many U.S. cargos were cancelled. Global LNG trade grew 6.5% year over year in 2021 mainly driven by recovery in global economy and higher LNG demand. Increasing LNG imports from Europe led to a 7.8% year over year increase in global LNG trade to 401.4 million tons per annum in 2022. The global economic slowdown and high inventory levels capped the LNG trade growth in 2023. LNG trade growth softened further in 2024 due to limited growth in LNG liquefaction facilities and subdued European demand.

Volatile natural gas and oil prices may adversely affect our growth prospects and results of operations.

Natural gas prices are volatile in certain geographic areas. Natural gas prices are affected by numerous factors beyond our control, including but not limited to the following:

- price and availability of crude oil and petroleum products;
- worldwide and regional supply of, demand for, and price of natural gas;
- the costs of exploration, development, production, transportation and distribution of natural gas;
- expectations regarding future energy prices for both natural gas and other sources of energy, including renewable energy sources;
- the level of worldwide LNG production and exports;
- government laws and regulations, including but not limited to environmental protection laws and regulations;
- local and international political, economic and weather conditions;
- political and military conflicts including the war between Russia and Ukraine and ongoing wars and acts of hostility in the Middle East; and
- the availability and cost of alternative energy sources, including alternate sources of natural gas in gas importing and consuming countries as well as alternate sources of primary energy such as renewables.

LNG prices surged in 2022 on account of high European LNG demand, low inventory levels and geopolitical uncertainty. After peaking in August 2022, LNG prices have declined on account of mild winters in Europe and higher European inventory levels. LNG prices declined in 2023 due to high inventory levels both in Europe and Asia, mild winters and increased global supply of LNG. LNG prices declined in 2024 due to lower demand in Europe and stable supply despite ongoing tensions in the Middle East. A continuation of current low natural gas and LNG prices could negatively affect us in a number of ways, including the following:

- a reduction in the exploration for or development of new natural gas reserves or projects, or the delay or cancellation of existing projects as energy companies lower their capital expenditures budgets, which may reduce our growth opportunities;
- low oil prices negatively affecting the market price of natural gas, to the extent that natural gas prices are benchmarked to the price of crude oil, in turn negatively affecting the economics of potential new LNG production projects, which may reduce our growth opportunities;
- high oil prices negatively affecting the competitiveness of natural gas to the extent that natural gas prices are benchmarked to the price of crude oil;
- low gas prices globally and/or weak differentials between prices in the Atlantic Basin and the Pacific Basin leading to reduced inter-basin trading of LNG and reduced demand for LNG shipping;
- lower demand for vessels of the types we own and operate, which may reduce available charter rates and revenue to us upon redeployment of our vessels following expiration or termination of existing contracts or upon the initial chartering of vessels;

- customers potentially seeking to renegotiate or terminate existing vessel contracts, or failing to extend or renew contracts upon expiration;
- the inability or refusal of customers to make charter payments to us due to financial constraints or otherwise; or
- declines in vessel values, which may result in losses to us upon vessel sales or impairment charges against our earnings and could impact our compliance with the covenants in our debt agreements.

We may have more difficulty entering into multi-year time charters in the future if an active spot LNG shipping market continues to develop.

One of our principal strategies is to enter into additional LNG carrier long-term time charters, wherever possible. Most shipping requirements for new LNG projects continue to be provided on a multi-year basis, although the level of spot voyages and time charters of less than 24 months in duration has grown in the past few years. If an active spot market continues to develop, we may have increased difficulty entering into multi-year time charters upon expiration or early termination of our current charters or for any vessels that we acquire in the future and, as a result, our cash flow may be less stable. In addition, an active spot LNG market may require us to enter into charters based on changing market prices, as opposed to contracts based on a fixed rate, which could result in a decrease in our cash flow in periods when the market price for shipping LNG is depressed which may lead to insufficient funds to cover our financing and other costs for our vessels.

Hire rates for LNG carriers may fluctuate substantially. If rates are lower when we are seeking a new charter, our revenues and cash flows may decline.

Our ability, from time to time, to charter or re-charter any vessel at favorable rates will depend on, among other things, the prevailing economic conditions in the LNG industry. Hire rates for LNG carriers may fluctuate over time as a result of changes in the supply-demand balance relating to current and future vessel capacity. This supply-demand relationship largely depends on a number of factors outside our control. The LNG charter market is connected to world natural gas prices and energy markets, which we cannot predict. A substantial or extended decline in demand for natural gas or LNG could adversely affect our ability to charter or re-charter our vessels at acceptable rates or to acquire and profitably operate new vessels. Hire rates for newbuildings are correlated with the price of newbuildings. Hire rates, at a time when we may be seeking new charters, may be lower than the hire rates at which our vessels are currently chartered. If hire rates are lower when we are seeking a new charter, our revenues and cash flows, including cash available for distributions to our unitholders, may substantially decline, as we may only be able to enter into new charters at reduced or unprofitable rates or we may have to secure a charter in the spot market, where hire rates are more volatile. Prolonged periods of low charter hire rates or low vessel utilization could also have a material adverse effect on the value of our assets.

Vessel values may fluctuate substantially and, if these values are lower at a time when we are attempting to dispose of vessels, we may incur a loss.

Factors that influence vessel values include:

- prevailing economic conditions in the natural gas and energy markets;
- a substantial or extended decline in demand for LNG;
- increases in the supply of vessel capacity;
- the size and age of a vessel; and
- the cost of retrofitting or modifying second-hand vessels, if possible, as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, customer requirements or otherwise.

As our vessels age, the expenses associated with maintaining and operating them are expected to increase, which could have a material adverse effect on our business and operations if we do not maintain sufficient cash reserves for maintenance and replacement capital expenditures. Moreover, the cost of a replacement vessel is likely significant. If a charter terminates, we may be unable to re-deploy the affected vessels at favorable rates and, rather than continue to incur costs to maintain and finance them, we may seek to dispose of them. A sustained decline in charter rates and employment opportunities could adversely affect the market value of our vessels, on which certain of the ratios and financial covenants with which we are required to comply are based. A significant decline in the market value of our vessels could impact our compliance with the covenants in our current or future debt agreements. Our inability to dispose of vessels at a reasonable value could result in a loss on their sale and adversely affect our ability to purchase a replacement vessel. Our inability to dispose of vessels at a reasonable value could also adversely affect our results of operations, financial condition and our ability to pay distributions at all to our unitholders.

An oversupply of ships or delays or abandonment of planned projects may lead to a reduction in the charter hire rates we are able to obtain when seeking charters in the future.

According to Drewry, during the period from 2011 to February, 2025, the global fleet of LNG carriers grew from 360 to 774 vessels due to the construction and delivery of new LNG carriers and low levels of vessel demolitions. Only 33 LNG carriers, representing 4.3% of the LNG vessels currently in service, have an Ice Class 1A and Ice-class 1A super designation or equivalent rating, according to Drewry.

Although the global newbuilding orderbook dropped sharply in 2008, 2009 and 2010, ordering activity increased in 2011 and 2012 in light of Fukushima nuclear disaster. According to Drewry, a total of 56 LNG carrier newbuilding orders were placed in 2011 and 34 in 2012. In 2013 and 2014 ordering activity remained firm and a total of 100 newbuild orders were placed. New orders declined in 2015 to 32, followed by only 7 new orders placed in 2016. In 2017, 14 new LNG orders were placed, however; in 2018 low newbuilding prices and high charter rates attracted investment in the LNG market and 76 LNG carriers (which includes LNG bunkering and small scale LNG carriers) were ordered during the year. Strong new order momentum continued in 2019 with 61 LNG carriers ordered in 2019. In 2020, 55 LNG vessels were ordered. Qatar's LNG newbuilding berth reservation and quicker than expected recovery in LNG trade prompted companies to secure new vessels before newbuilding prices strengthen. New orders for LNG vessels have surged in 2021 and 2022 and 84 and 175 LNG vessels were ordered, respectively. Qatar's mega-LNG carrier order comprised 66 of the total orders in 2022, while major shipowners jumped in to secure shipbuilding slots in a market with tight shipbuilding capacity and rising newbuild prices. In 2023, investments in LNG shipping eased in 2023 with new orders for 73 LNG vessels. Tight shipbuilding capacity until 2027 and high newbuild prices discouraged some shipowners to an extent and in 2024, 96 LNG vessels were ordered. As of February, 2025, the newbuilding orderbook consisted of vessels with a combined capacity of 60.0 million cbm, equivalent to 47.1% of the current global LNG carrier fleet capacity, according to Drewry. The delivery of these newbuildings will be spread out between 2025 and 2030.

According to Drewry, as of February, 2025, there were 51 LNG carriers in the size range of 149,000-155,000 cbm in the LNG trading fleet, of which 45 have membrane cargo containment system. There are no LNG carriers in the same size segment on orderbook, which have moss spherical containment system.

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.

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 and in recent years have focused on the implications and social cost of their investments. Equityholder proposals submitted on environmental matters and, in particular, climate-related proposals have increased for the second consecutive year and those submitted environmental proposals that did go to a vote received greater shareholder support than previous years. The increased attention 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. Companies which do not adapt to or comply with investor, lender, or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and incur costs related to litigation, and the business, financial condition, and/or stock price of such a company could be materially and adversely affected.

We may face increasing pressures from investors, lenders, and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint, and promote sustainability. As a result, we may be required to implement more stringent ESG procedures or standards and report on these on a mandatory basis in the EU under the Corporate Sustainability Reporting Directive (“CSRD”) from 2028 onwards, so that our existing and future investors and lenders remain invested in us and make further investments in us, especially given the highly focused and specific trade of crude oil transportation in which we are engaged. Such ESG corporate transformation calls for an increased resource allocation to serve the necessary changes in that sector, increasing costs and capital expenditure. If we do not meet these standards, our business and/or our ability to access capital could be harmed.

Additionally, on March 6, 2024, the SEC adopted final rules requiring extensive climate-related and ESG-related disclosures in companies’ annual reports and registration statements. The final rules are set forth in Release No. 33-11275. The final rules would add extensive and prescriptive disclosure items requiring companies, including foreign private issuers, to disclose climate-related risks and certain emissions. In addition, the final rules would require the inclusion of certain climate-related financial metrics in a note to companies’ audited financial statements. These rules were challenged in federal court and, in April 2024, the SEC announced that it would voluntarily stay the effectiveness of the rules pending judicial review. On February 11, 2025, the acting chairperson of the SEC stated the rule was deeply flawed, and requested the Eighth Circuit Court of Appeals pause the litigation. It is unclear if the rules will be enforced or repealed. Costs of compliance with these new rules, if they are enacted, may be significant and may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Additionally, certain investors and lenders may exclude LNG transport companies, such as us, from their investing portfolios altogether due to environmental, social, and governance factors. These limitations in both the debt and equity capital markets may affect our ability to grow as our plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if we are unable to access alternative means of financing on acceptable terms, or at all, we may be unable to implement our business strategy, which would have a material adverse effect on our financial condition and results of operations and impair our ability to service our indebtedness. Further, it is likely that we will incur additional costs and require additional resources to monitor, report, and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on our business and financial condition.

Further technological advancements and other innovations affecting LNG carriers could reduce the charter hire rates we are able to obtain when seeking new employment and this could adversely impact the value of our assets and our future financial performance.

The charter rates, asset value and operational life of an LNG carrier are determined by a number of factors, including but not limited to, 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. Physical life is related to the original design and construction, the ongoing maintenance and the impact of operational stresses on the asset. If more advanced ship designs are developed in the future and new ships are built that are more efficient, more flexible or have longer physical lives than our Fleet, competition from these more technologically advanced LNG carriers could adversely affect the charter hire rates we will be able to secure when we seek to re-charter our vessels upon expiration or early termination of our current charter arrangements. Such an adverse impact could also reduce the resale value of our vessels and adversely affect our revenues and cash flows, including any cash available for distributions to our unitholders.

If we cannot meet our charterers’ quality and compliance requirements, we may not be able to operate our vessels profitably which could have an adverse effect on our future financial performance.

Customers, and particularly those in the LNG industry, have a high and increasing focus on quality and compliance standards with their suppliers across the entire value chain, including the shipping and transportation segment. Our continuous compliance with these standards and quality requirements is vital for our operations. Related risks could materialize in multiple ways, including a sudden and unexpected breach in quality and/or compliance concerning one or more vessels, and/or a continuous decrease in the quality concerning one or more LNG carriers occurring over time. Moreover, continuous, modified and increasing requirements and standards from LNG industry constituents may further complicate our ability to meet such requirements and standards. Any noncompliance by the Partnership, either suddenly or over a period of time, on one or more LNG carriers, or an increase or modification in requirements by our charterers above and beyond what we deliver, may have a material adverse effect on our future performance, results of operations, cash flows, financial position and our ability to make distributions to our unitholders.

Exposure to currency exchange rate fluctuations will result in fluctuations in our cash flows and operating results.

Historically, our revenue has been generated in U.S. Dollars, but we incur capital, operating and administrative expenses in multiple currencies, including, among others, the Euro. If the U.S. Dollar weakens significantly, we would be required to convert more U.S. Dollars to other currencies to satisfy our obligations, which may cause us to have less or no cash available for distribution to our unitholders. Because we report our operating results in U.S. Dollars, changes in the value of the U.S. Dollar may also result in fluctuations in our reported revenues and earnings. In addition, under U.S. GAAP, all foreign currency-denominated monetary assets and liabilities, such as cash and accounts payable, are revalued and reported based on the prevailing exchange rate at the end of the reporting period. This revaluation may cause us to report significant non-monetary foreign currency exchange gains and losses in certain periods.

An increase in operating expenses, dry-docking costs, bunker costs and/or other capital expenses could materially and adversely affect our financial performance.

Our operating expenses and dry-dock capital expenditures depend on a variety of factors including crew costs, provisions, deck and engine stores and spares, lubricating oil, insurance, maintenance and repairs and shipyard costs, many of which are beyond our control and may affect the entire shipping industry. Also, while we do not bear the cost of fuel (bunkers) under our time charters, fuel is a significant expense in our operations when our vessels are, for example, moving to or from dry-dock or when off-hire. The price and supply of fuel are unpredictable and fluctuate based on events and factors outside our control, including geopolitical developments (such as the ongoing war between Russia and Ukraine, and ongoing wars and acts of hostility in the Middle East), supply and demand for oil and gas, actions by the Organization of the Petroleum Exporting Countries, or OPEC, and other oil and gas producers, war and unrest in oil-producing countries and regions, political instability, regional production patterns and environmental concerns. These events and factors may increase vessel operating and dry-docking costs further, which could materially and adversely affect our future performance, results of operations, cash flows, financial position and our ability to make distributions to our unitholders.

In addition, capital expenditures and other costs necessary for maintaining a vessel in good operating condition generally increase as the vessel ages. Accordingly, it is likely that the operating costs of our vessels and capital expenditures required will increase in the future, which will have a direct impact on our future performance, results of operations, cash flows, financial position and our ability to make distributions to our unitholders.

The operation of LNG carriers is inherently risky and an incident involving significant loss of or environmental consequences involving any of our vessels could harm our reputation and business.

Our vessels and their respective cargoes are at risk of being damaged or lost because of events and factors that include but are not limited to:

- marine disasters;
- piracy;
- environmental accidents and hazards;
- weather;
- mechanical failures;
- grounding, fire, explosions and collisions;
- human error; and
- political unrest, war, including the war between Russia and Ukraine, and ongoing wars and acts of hostility in the Middle East or the Houthi crisis in the Red Sea, and terrorism.

An accident involving any of our vessels could result in any of the following:

- death or injury to persons, loss of property or environmental damage;
- delays or failure in the delivery of cargo;
- loss of revenues from or termination of charter contracts;
- governmental fines, penalties or restrictions on conducting business;
- spills, pollution and the liability associated with the same;

- higher insurance rates; and
- damage to our reputation and customer relationships generally.

Any of these events could result in a material adverse effect on our future performance, results of operations, cash flows, financial position and our ability to make distributions to our unitholders. If our vessels suffer damage, they may need to be repaired. The costs of vessel repairs are unpredictable and can be substantial. We may have to pay repair costs that our insurance policies do not cover. The loss of earnings while these vessels are being repaired, as well as the actual cost of these repairs, would decrease or materially and adversely impact our results of operations. If any of our vessels is involved in an accident with the potential risk of environmental consequences, the resulting media coverage may also have a material adverse effect on our business, results of operations and cash flows, which in turn could weaken our financial condition and materially and adversely affect our ability to pay distributions to our unitholders.

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

The operation of LNG carriers is inherently risky. Although we carry protection and indemnity insurance consistent with industry standards, all of our potential risks may not be adequately insured against, and any particular claim may not be paid or covered. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. Certain of our insurance coverage is maintained through mutual protection and indemnity associations, and as a member of such associations, we may be required to make additional payments over and above budgeted premiums if member claims exceed association reserves.

We may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent and increasing environmental regulations have led to increased insurance costs, and in the future may result in the lack of availability of insurance against risks of marine disasters, environmental damage or pollution. A marine disaster could exceed our insurance coverage, which could harm our business, financial condition and operating results. Any uninsured or underinsured loss could harm our business and financial condition. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our vessels failure to maintain their respective certifications with applicable maritime self-regulatory organizations.

Changes in the insurance markets attributable to terrorist attacks may also make certain types of insurance more difficult for us to obtain. In addition, upon renewal or expiration of our current policies, the insurance that may be available to us may be significantly more expensive or limited than our existing coverage.

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

As of the date of this annual report, we have entered into sale and leaseback agreements for four of our vessels with a Chinese financial institution and may further enter into sale and leaseback agreements with Chinese counterparties in the future. Please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—2024 Lease Financing.” Although our sale and leaseback agreements are governed by English law, we may have difficulties enforcing a judgment rendered by an arbitration tribunal or an English court (or other non-Chinese court) in China. Such sale and leaseback agreements, and any additional agreements that we enter into with Chinese counterparties, may be subject to new regulations in China that may require us to incur new or additional compliance or other administrative costs and pay new taxes or other fees to the Chinese government.

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 to being transported on U.S. vessels could have a material adverse effect on our operations and financial results.

The United States Trade Representative, or 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 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.

Beyond these direct fee increases, the proposed actions also encompass "restrictions on services" designed to promote the transport of U.S. goods on U.S. vessels. These restrictions would be phased in over several years, starting with a requirement that a small percentage of U.S. exports be transported on U.S.-flagged vessels by U.S. operators, escalating to a larger percentage over time, with a portion specifically mandated to be on U.S.-flagged and U.S.-built vessels. Another proposed restriction would require U.S. goods to be exported on U.S.-flagged, U.S.-built vessels, with exceptions only granted if operators demonstrate that at least 20% of U.S. products per calendar year are transported on U.S.-flagged and U.S.-built vessels. These restrictions could reduce the demand for non-U.S. built vessels, including ours.

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 and leaseback arrangements with Chinese leasing financiers, has not been clarified. In a sale and leaseback arrangement, the Chinese leasing financiers are the registered 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.

Of the six vessels we operate, none were constructed in China. However, we have entered into and may further enter in the future into sale and leaseback transactions with Chinese financial institutions. Additionally, we may enter into contracts for the purchase of secondhand vessels constructed in China or shipbuilding contracts for newbuildings constructed in Chinese shipyards. 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 or, as the case may be, operation 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.

Our vessels may suffer damage and we may face unexpected costs and off-hire days.

In the event of damage to our owned vessels, the damaged vessel would be off-hire while it is being repaired, which would decrease our revenues and cash flows, including cash available for distributions to our unitholders. In addition, the costs of vessel repairs are unpredictable and can be substantial. In the event of repair costs that are not covered, whether in whole or in part, by our insurance policies, we may have to pay such repair costs, which would decrease our earnings and cash flows.

Volatile economic conditions may adversely impact our ability to obtain financing or refinance our current or future credit facilities and other financing arrangements, on acceptable terms, which may hinder or prevent us from operating or expanding our business.

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

The world economy continues to face a number of actual and potential challenges, including the continuing war between Russia and Ukraine, and between Israel and Hamas, Russia and the North Atlantic Treaty Organization, or NATO, tensions, China and Taiwan disputes, United States and China trade relations, instability between Iran and the West, hostilities between the United States and North Korea, political unrest and conflicts in the Middle East, the South China Sea region, the Red Sea region (including missile attacks controlled by the Houthis on vessels transiting the Red Sea) and in other geographic countries and areas, terrorist or other attacks (including threats thereof) around the world, war (or threatened war) or international hostilities, and epidemics or pandemics.

Such instability and volatility may negatively affect the general willingness of banks, other financial institutions and lenders to extend credit, particularly in the shipping industry, due to the historically volatile asset values of vessels. While recent developments in the global credit markets have been supportive of borrowing and refinancing, we cannot be certain that financing will be available if needed and to the extent required, on acceptable terms or at all. The 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 unitholders or preclude us from issuing equity at all. Economic conditions may also adversely affect the market price of our common units.

Beginning in February of 2022, the United States, European Union, United Kingdom and other countries announced various economic sanctions against Russia in connection with the aforementioned conflicts in Ukraine, which may adversely impact our business. Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities by the United States or other countries against countries in the Middle East, Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures. On March 8, 2022, President Biden issued an executive order prohibiting the import of certain Russian energy products into the United States, including LNG. Additionally, the executive order prohibits any new investments in the Russian energy sector by U.S. persons, among other restrictions.

Further, we may not be able to access our existing cash due to market conditions. For example, if banks and financial institutions fail and 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. In addition, if a bank, or the public, believes that a bank is not stable, the bank may institute procedures or rules to limit withdrawals and access to funds, which, if implemented, would have a material adverse effect on our business and financial condition.

We cannot be certain that financing or any alternatives will be available to the extent required, or that we will be able to finance or refinance our current or future credit facilities and other financing arrangements, including our 2024 Lease Financing, at or prior to maturity or the end of each charter period, 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 obligations as they come due or we may be unable to enhance our existing business, complete the acquisition of newbuildings (if any) and additional vessels or otherwise take advantage of business opportunities as they arise.

A cyber-attack could materially disrupt our business.

We rely on information technology systems and networks in our operations and the administration of our business. A successful cyber-attack could materially and adversely disrupt our business and operations, including the safety of our operations and systems, and the availability of our vessels and facilities or lead to unauthorized release of information or data or alteration of information or data in our systems, which could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distributions to our unitholders. We are subject to laws, directives, and regulations relating to the collection, use, retention, disclosure, security and transfer of personal data. These laws, directives, and regulations, and their interpretation and enforcement continue to evolve and may be inconsistent from jurisdiction to jurisdiction. Compliance with emerging and changing privacy and data protection requirements may cause us to incur substantial costs or require us to change our business practices. Noncompliance with our legal obligations relating to privacy, security and data protection could result in penalties, fines or legal proceedings by governmental entities or others, loss of reputation, legal claims by individuals and customers and significant legal and financial exposure and could affect our ability to retain and attract customers. Changes or increases in the nature of cyber or security-threats and/or changes to industry standards and regulations might require us to adopt additional or modified procedures for monitoring cybersecurity, which may require us to incur additional expenses and/or additional capital expenditures. However, the impact of such regulations is difficult to predict at this time.

Moreover, cyber-attacks against the Ukrainian government and other countries in the region have been reported in connection with the war between Russia and Ukraine. To the extent such attacks have collateral effects on global critical infrastructure or financial institutions or us, such developments could adversely affect our business, operating results and financial condition. At this time, it is difficult to assess the likelihood of such threat and any potential impact.

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

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

The hull and machinery of every commercial LNG carrier must be classed by a classification society. The classification society certifies that the vessel has been built and maintained in accordance with the applicable rules and regulations of that classification society. Moreover, every vessel must comply with all applicable international conventions and the regulations of the vessel's flag state as verified by a classification society. Finally, each vessel must successfully undergo periodic surveys, including annual, intermediate and five-year special surveys performed under the classification society's rules.

If any vessel does not maintain its class, it will lose its insurance coverage and be unable to trade, and the vessel's owner will be in breach of relevant covenants under its financing arrangements. Failure to maintain the class of one or more of our vessels could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distributions to our unitholders.

The LNG shipping industry is subject to substantial environmental and other regulations, which may significantly limit our operations or increase our expenses.

Our operations are materially affected by extensive and changing international, national, state and local environmental laws, regulations, treaties, conventions and standards, which are in force in international waters, in the jurisdictional waters of the countries in which our vessels operate and in the countries in which our vessels are registered. These requirements relate to compliance with applicable legislation and minimizing our environmental footprint (of our operations both onboard and ashore). We expect to incur substantial expenses in complying with these requirements, including, but not limited to, costs relating to air emissions, including greenhouse gases, sulfur emissions, the management of ballast waters, maintenance and inspection, development and implementation of emergency procedures and insurance coverage. We could also incur substantial costs, including clean-up costs, civil and criminal penalties and sanctions, the suspension or termination of operations and third-party claims as a result of violations of, or liabilities under, such laws and regulations.

In addition, these requirements can affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, necessitate vessel modifications or operational changes or restrictions or lead to decreased availability of insurance coverage for environmental matters. These affects could further result in the denial of access to certain jurisdictional waters or ports or detention in certain ports. We are required to obtain governmental approvals and permits to operate our vessels and to also to maintain environmental manuals and plans. Any delays in obtaining such governmental approvals may increase our expenses, and the terms and conditions of such approvals could materially and adversely affect our future performance, results of operations, cash flows, financial position and our ability to make distributions to our unitholders.

Additional laws and regulations may be adopted in the future that could limit our ability to do business or increase our operating costs, which could materially and adversely affect our business. For example, new or amended legislation relating to ship recycling, sewage systems, emission control (including emissions of greenhouse gases) as well as ballast water treatment and ballast water handling may be adopted. The United States has enacted legislation and regulations that require more stringent controls of air and water emissions from ocean-going ships. Such legislation or regulations may require additional capital expenditures or operating expenses (such as increased costs for low-sulfur fuel or costs related to the installation of scrubbers for cleaning exhaust gas) in order for us to maintain our vessels' compliance with international and/or national regulations. We also may become subject to additional laws and regulations or any new legislation that may come into effect if and when we enter new markets or trades.

We also believe that the heightened environmental, quality and security concerns of insurance underwriters, regulators and charterers will generally lead to additional regulatory requirements, including enhanced risk assessment and security requirements as well as greater inspection and safety requirements on all LNG carriers in the marine transportation market. These requirements are likely to add increased costs to our operations, and the failure to comply with these requirements may affect the ability of our vessels to obtain and, possibly, collect on, insurance or to obtain the required certificates for entry into the different ports where our vessels operate.

Some environmental laws and regulations, such as the U.S. Oil Pollution Act of 1990, or OPA, provide for potentially unlimited joint, several, and/or strict liability for owners, operators and demise or bareboat charterers for oil pollution and related damages. OPA applies to discharges of any oil from a ship in U.S. waters, including discharges of fuel and lubricants from an LNG carrier, even if the ships do not carry oil as cargo. Vessels are required to carry onboard a ship-specific non-tank vessel response plan to address contingencies relating to discharges of any oil. In addition, many states in the United States bordering on a navigable waterway have enacted legislation providing for potentially unlimited strict liability without regard to fault for the discharge of pollutants within their waters. We also are subject to other laws and conventions outside the United States that provide for an owner or operator of LNG carriers to bear strict liability for pollution, such as the Convention on Limitation of Liability for Maritime Claims of 1976, or the "London Convention."

Some of these laws and conventions, including OPA and the London Convention, may include limitations on liability. However, the limitations may not be applicable in certain circumstances, such as where a spill is caused by a vessel owner's or operators' intentional or reckless conduct. The 2010 Deepwater Horizon oil spill has resulted in additional regulatory initiatives, including the raising of liability caps under OPA. On February 24, 2014, the U.S. Bureau of Ocean Energy Management, or BOEM, proposed a rule increasing the limits of liability for off-shore facilities under OPA based on inflation, effective in January 2015. The U.S. Bureau of Safety and Environmental Enforcement, or BSEE, released a final "Well Control Rule" in August 2023, which strengthens testing and performance requirements, and may affect offshore drilling operations and cause us to incur additional costs to comply.

Compliance with OPA and other environmental laws and regulations also may result in vessel owners and operators incurring increased costs for additional maintenance and inspection requirements, the development of contingency arrangements for potential spills, obtaining mandated insurance coverage and meeting financial responsibility requirements.

Please see “Item 4. Information on the Partnership—B. Business Overview—Environmental and Other Regulations.”

Developments in safety and environmental requirements relating to the recycling of vessels may result in escalated and unexpected costs.

The 2009 Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, or the Hong Kong Convention, aims to ensure ships, being recycled once they reach the end of their operational lives, do not pose any unnecessary risks to the environment, human health and safety. The Hong Kong Convention will enter into force on June 26, 2025 and will require that each ship sent for recycling carry an inventory of its hazardous materials. The hazardous materials, whose use or installation are prohibited in certain circumstances, are listed in an appendix to the Hong Kong Convention. Ships will be required to have surveys to verify their inventory of hazardous materials initially, throughout their lives and prior to the ship being recycled. On November 20, 2013, the European Parliament and the Council of the EU adopted the Ship Recycling Regulation, which retains the requirements of the Hong Kong Convention and requires that certain commercial seagoing vessels flying the flag of an EU Member State may be recycled only in facilities included on the European list of permitted ship recycling facilities. We were required to comply with EU Ship Recycling Regulation by December 31, 2020, since our ships trade in EU region. One of our vessels, the *Artic Aurora*, is a Maltese flagged vessel. Malta is an EU Member State.

These regulatory developments may lead to cost escalation by shipyards, repair yards and recycling yards. This may then result in a decrease in the residual scrap value of a vessel, and a vessel could potentially not cover the cost to comply with latest requirements, which may have an adverse effect on our future performance, results of operations, cash flows and financial position.

Climate change and greenhouse gas restrictions may adversely impact our operations and markets, and may cause us to incur substantial costs and to procure low-sulfur fuel oil directly on the wholesale market for storage at sea and onward consumption on our vessels.

In 2011, IMO agreed to include a new chapter on “energy efficiency” in MARPOL Annex VI and adopted mandatory energy efficiency regulations for ships – Energy Efficiency Design Index (EEDI) for new ships, and Ship Energy Efficiency Management Plan (SEEMP) for all ships. The EEDI has subsequently been strengthened, and some of its deadlines accelerated, through further amendments. 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.

In July 2023, the IMO adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, which identifies a number of levels of ambition: This includes decreasing annual greenhouse gas emissions from international shipping by at least half by 2050, compared with their level in 2008, and work towards phasing out GHG emissions from shipping entirely as soon as possible in this century: reducing carbon intensity of international shipping (to reduce CO₂ emissions per transport work), as an average across international shipping, by at least 40% by 2030. At MEPC 82, mid-term measures were proposed, including a goal-based marine fuel standard, phasing in the mandatory use of fuels with less GHG intensity, and a global GHG emission pricing mechanism.

We continue to evaluate different options in complying with IMO and other rules and regulations. All of our vessels are on long-term time charter and the expense of fuel is for the charterer’s account. As such, the ability of our vessels to burn low sulfur fuel may factor into our charterers’ or potential charterers’ decisions relating to the employment of our vessels. Low sulfur fuel is more expensive than standard marine fuel containing 0.50% sulfur content and may become more expensive or difficult to obtain as a result of increased demand.

Our operations and the performance of our vessels, and as a result our results of operations, cash flows and financial position, may be negatively affected to the extent that compliant sulfur fuel oils are unavailable, of low or inconsistent quality, if de-bunkering facilities are unavailable to permit our vessels to accept compliant fuels when required, or upon occurrence of any of the other foregoing events. Costs of compliance with these and other related regulatory changes may be significant and may have a material adverse effect on our future performance, results of operations, cash flows and financial position. As a result, an increase in the price of fuel beyond our expectations may adversely affect our charterers', and by extent, our profitability at the time of charter negotiation. Further, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of our business versus other forms of transportation. While we carry cargo insurance to protect us against certain risks of loss of or damage to the procured commodities, we may not be adequately insured to cover any losses from such operational risks, which could have a material adverse effect on us. Any significant uninsured or under-insured loss or liability could have a material adverse effect on our business, results of operations, cash flows and financial condition and our available cash.

Maritime shipping has been included in the Emission Trading Scheme (ETS) as of January 1, 2024 with a phase-in period. Shipowners need to purchase and surrender a number of emission allowances that represent their MRV-recorded carbon emission exposure for a specific reporting period. The person or organization responsible for the compliance with the EU ETS should be the shipping company, defined as the shipowner or any other organization or person, such as the manager or the bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner. Compliance with the Maritime EU ETS results 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, could also affect our financial position in terms of compliance and administration costs when they take effect.

Additionally, on July 25, 2023, the European Council of the European Union adopted the Fuel EU Maritime Regulation 2023/1805 ("FuelEU") under the FuelEU Initiative of its Fit-for-55 package which sets limitations on the acceptable yearly greenhouse gas intensity of the energy used by covered vessels. Among other things, FuelEU requires that greenhouse gas intensity of fuel used by covered vessels is reduced by 2% starting January 1, 2025, with additional reductions contemplated every five years (up to 80% by 2050). Shipping companies may enter into pooling mechanisms with other shipping companies in order to achieve compliance, bank surplus emissions and borrow compliance balances from future years. A FuelEU Document of Compliance is required to be kept on board a vessel to show compliance by June 30, 2026. Both the ETS and FuelEU schemes have significant impacts on the management of the vessels calling to EU ports, by increasing the complexity and monitoring of, and costs associated with the operation of vessels and affecting the relationships with our time charterers.

Territorial taxonomy regulations in geographies where we are operating and are regulatorily liable, such as E. U. Taxonomy, might jeopardize the level of access to capital. For example, the E. U. 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 E. U. -based company meeting the Non-Financial Reporting Directive (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.

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

Adverse effects upon the oil and gas production industry relating to climate change, including growing public concern about the environmental impact of climate change, may also have an effect on demand for our services. For example, increased regulation of greenhouse gases or other concerns relating to climate change may reduce the demand for oil and gas in the future or create greater incentives for use of alternative energy sources. Any long-term material adverse effect on the oil and gas production industry could have significant financial and operational adverse impacts on our business that we cannot predict with certainty at this time.

We operate globally, including in countries, states and regions where our businesses, and the activities our consumer customers, could be negatively impacted by climate change. Climate change presents both immediate and long-term risks to us and our customers, with the risks expected to increase over time. Climate risks can arise from physical risks (acute or chronic risks related to the physical effects of climate change) and transition risks (risks related to regulatory and legal, technological, market and reputational changes from a transition to a low-carbon economy). Physical risks could damage or destroy our or our customers' and clients' properties and other assets and disrupt our or their operations. For example, climate change may lead to more extreme weather events occurring more often which may result in physical damage and additional volatility within our business operations and potential counterparty exposures and other financial risks. Transition risks may result in changes in regulations or market preferences, which in turn could have negative impacts on our results of operations or the reputation of us and our customers. For example, carbon-intensive industries like LNG are exposed to climate risks, such as those risks related to the transition to a low-carbon economy, as well as low-carbon industries that may be subject to risks associated with new technologies. Ongoing legislative or regulatory uncertainties and changes regarding climate risk management and practices may result in higher regulatory, compliance, credit and reputational risks and costs.

If we fail to comply with international safety regulations, we may be subject to increased liability, which may adversely affect our insurance coverage and may result in a denial of access to, or detention in, certain ports.

The operation of our vessels is affected by the requirements set forth in the IMO's International Safety Management Code (the "ISM Code"). The ISM Code requires shipowners, ship managers and bareboat charterers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. If we fail to comply with the ISM Code, we may be subject to increased liability, or may invalidate existing insurance or decrease available insurance coverage for our affected vessels, and such failure may result in a denial of access to, or detention in, certain ports. The USCG and European Union authorities enforce compliance with the ISM and International Ship and Port Facility Security Code (the "ISPS Code") and prohibit non-compliant vessels from trading in U.S. and European Union ports. This could have a material adverse effect on our future performance, results of operations, cash flows and financial position. Given that the IMO continues to review and introduce new regulations, it is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the resale prices or useful lives of our vessels. Additional conventions, laws and regulations may be adopted which could limit our ability to do business or increase the cost of our doing business and which may materially adversely affect our operations. We are required by various governmental and quasigovernmental agencies to obtain certain permits, licenses, certificates, and financial assurances with respect to our operations.

Please see "Item 4. Information on the Partnership—B. Business Overview - Environmental and Other Regulations in the Shipping Industry" for a discussion of the environmental and other regulations applicable to us.

Safety, environmental and other governmental and other requirements expose us to liability, and compliance with current and future regulations could require significant additional expenditures, which could have a material adverse effect on our business and financial results.

Our operations are affected by extensive and changing international, national, state and local laws, regulations, treaties, conventions and standards in force in international waters, the jurisdictions in which our LNG vessels operate, and the country or countries in which such vessels are registered, including those governing the management and disposal of hazardous substances and wastes, the clean-up of oil spills and other contamination, air emissions, and water discharges and ballast and bilge water management. These regulations include, but are not limited to, the U.S. Oil Pollution Act of 1990, or OPA, requirements of the U.S. Coast Guard, or the USCG, and the U.S. Environmental Protection Agency, or EPA, the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, the U.S. Clean Water Act, the U.S. Maritime Transportation Security Act of 2002, and regulations of the International Maritime Organization, or IMO, including the International Convention for the Safety of Life at Sea of 1974, or SOLAS, the International Convention for the Prevention of Pollution from Ships of 1973, or MARPOL, including the designation thereunder of Emission Control Areas, or ECAs, the International Convention on Civil Liability for Oil Pollution Damage of 1969, or CLC, and the International Convention on Load Lines of 1966. In particular, IMO's Marine Environmental Protection Committee ("MEPC") 73, amendments to Annex VI prohibiting the carriage of bunkers above 0.5% sulfur on ships took effect March 1, 2020 and may cause us to incur substantial costs. Compliance with these regulations could have a material adverse effect our business and financial results.

In addition, vessel classification societies and the requirements set forth in the IMO's International Management Code for the Safe Operation of Ships and for Pollution Prevention, or the ISM Code, also impose significant safety and other requirements on our vessels. In complying with current and future environmental requirements, vessel owners and operators may also incur significant additional costs in meeting new maintenance and inspection requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety 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 recycle or sell certain vessels altogether.

Many of these requirements are designed to reduce the risk of oil spills and other pollution, and our compliance with these requirements can be costly. These requirements can also affect the resale value or useful lives of our vessels, require reductions in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in 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 clean-up obligations, natural resource damages and third-party claims for personal injury or property damages, in the event that there is a release of petroleum or other hazardous substances from our vessels or otherwise in connection with our current or historic operations. We could also incur substantial penalties, fines and other civil or criminal sanctions, including in certain instances seizure or detention of our vessels, as a result of violations of or liabilities under environmental laws, regulations and other requirements. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. For example, OPA affects all vessel owners shipping oil to, from or within the United States. Under OPA, owners, operators and bareboat charterers are jointly and severally strictly liable for the discharge of oil in U.S. waters, including the 200 nautical mile exclusive economic zone around the United States. Similarly, the CLC, which has been adopted by most countries outside of the United States, imposes liability for oil pollution in international waters. OPA expressly permits individual states to impose their own liability regimes with regard to hazardous materials and oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA. Coastal states in the United States have enacted pollution prevention liability and response laws, many providing for unlimited liability. Furthermore, the 2010 explosion of the drilling rig *Deepwater Horizon*, and the subsequent release of oil into the Gulf of Mexico, or other events, has resulted in increased, and may result in further, regulation of the shipping and offshore industries and modifications to statutory liability schemes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. An oil spill could also result in significant liability, including fines, penalties, criminal liability and remediation costs for natural resource damages under other international and U.S. federal, state and local laws, as well as third-party damages, and could harm our reputation with current or potential charterers of our vessels. We are required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Although we have arranged insurance to cover certain environmental risks, there can be no assurance that such insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on our business, results of operations, cash flows and financial condition and available cash.

Regulations relating to ballast water discharge which came into effect during 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. Depending on the date of the International Oil Pollution Prevention, or IOPP, renewal survey, existing vessels constructed before September 8, 2017, must comply with the updated D - 2 standard. For most vessels, compliance with the D - 2 standard will involve installing on - board systems to treat ballast water and eliminate unwanted organisms. Ships constructed on or after September 8, 2017 are to comply with the D - 2 standards upon delivery. All of our vessels had on - board ballast water management system installed in 2022 and 2023, during the completion of their scheduled special surveys.

Furthermore, United States regulations are currently changing. Although the 2013 Vessel General Permit, or VGP, program and U.S. National Invasive Species Act, or NISA, are currently in effect to regulate ballast discharge, exchange and installation, the Vessel Incidental Discharge Act, or VIDA, which was signed into law on December 4, 2018, requires that the U.S. Environmental Protection Agency, or EPA, develop national standards of performance. On October 26, 2020, the EPA published a Notice of Proposed Rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA, and in November 2020, held virtual public meetings. On October 18, 2023, the EPA published a Supplemental Notice to the Vessel Incidental Discharge National Standards of Performance, which shares new ballast water information that the EPA received from the USCG. Comments to the Supplemental Notice were due by December 18, 2023. 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. The new regulations could require the installation of new equipment, which may cause us to incur substantial costs. Please see “Item 4. Information on the Partnership—B. Business Overview—Environmental and Other Regulations.”

Political instability, terrorist or other attacks, war, international hostilities and global public health threats can affect the seaborne transportation industry, which could adversely affect our business.

We are an international company and conduct our operations outside of the United States, and our business, results of operations, cash flows, financial condition and ability to pay distributions, if any, in the future may be adversely affected by changing economic, political and government conditions in the countries and regions where our vessels are employed or registered. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of political conflicts.

Currently, the world economy faces a number of ongoing challenges, including trade tensions between the United States and China, the war between Israel and Hamas increasing tensions in the Middle East region, continuing threat of terrorist attacks around the world, continuing instability and conflicts and other recent occurrences in Ukraine and in other geographic areas and countries, and stabilizing growth in China.

Further, governments may turn, and have turned, to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. 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. In April 2025, President Trump imposed new tariffs including a 10% baseline tariff on all countries, a 20% tariff on imports from the EU, a 24% tariff on Japanese imports, a 26% percent tariff on Indian goods, and an additional 34% tariff on Chinese exports, bringing the total U.S. tariffs on Chinese goods to 54%. These tariffs will likely be met with reciprocal tariffs, thus increasing the possibility of a global trade war. If further tariffs are imposed on a broader range of imports, including LNG, or if retaliatory trade measures are enacted by affected countries, these factors could reduce demand for LNG carried by sea, result in the loss of customers, and harm our competitive position in key markets. Additionally, ongoing trade tensions and uncertainty regarding future trade policies could negatively impact global economic conditions and consumer confidence, further affecting our business performance.

In addition, we may be affected, either directly or indirectly, by continuing political tension in Europe between Russia and Ukraine following Russia’s annexation of Crimea through our customer Yamal, which is trading from Russia. The war between Russia and Ukraine may lead to further regional and international conflicts or armed action. This conflict has disrupted supply chains and cause instability in the energy markets and the global economy, with effects on the LNG market, which has experienced volatility.

Beginning in February of 2022, President Biden and several European leaders announced various economic sanctions against Russia in connection with the aforementioned conflicts in Ukraine, which may adversely impact our business, given Russia’s role as a major global exporter of crude oil and natural gas. Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities by the United States or other countries against countries in the Middle East, Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures.

On March 8, 2022, President Biden issued an executive order prohibiting the import of certain Russian energy products into the United States, including crude oil, petroleum, petroleum fuels, oils, liquefied natural gas and coal. Additionally, the executive order prohibits any investments in the Russian energy sector by U.S. persons, among other restrictions. While much uncertainty remains regarding the global impact of the conflict in Ukraine, especially due to the policies of the Trump administration, it is possible that such tensions could adversely affect our business, financial condition, results of operations and cash flows.

More recently, the war between Israel and Hamas has resulted in increased tensions in the Middle East region, including missile attacks by the Houthis on vessels in the Red Sea. Although a cease-fire between Israel and Hamas was declared on January 15, 2025, there is no certainty that the cease-fire will continue. Further President Trump's proposal to annex Gaza has raised fears that Yemen's Houthi militant group could renew its threat against commercial ships crossing the Red Sea, after declaring in January 2025 that it would stop targeting most vessels following the Israel-Hamas ceasefire. Such circumstances have had and could in the future result in adverse consequences from time to time for LNG shipping.

In addition, public health threats, such as outbreaks of highly communicable diseases or viruses, which have, from time to time, occurred in various parts of the world in which we operate, including China, Japan and South Korea, which may even become pandemics, could lead to a significant decrease of demand for the transportation of crude oil. Such events may also adversely impact our operations, including timely rotation of our crews, the timing of completion of any outstanding or future newbuilding projects or repair works in drydock as well as the operations of our customers. Delayed rotation of crew may adversely affect the mental and physical health of our crew and the safe operation of our vessels as a consequence.

An economic downturn in any of these countries could have a material and adverse effect on our future performance, results of operations, cash flows, financial position and our ability to make distributions to our unitholders.

Failure to comply with the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery legislation in other jurisdictions could result in fines, criminal penalties, contract terminations and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and designed to ensure compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the U.S. Foreign Corrupt Practices Act. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might materially and adversely affect our business, results of operations or financial condition and our ability to make distributions to our unitholders. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations are expensive and can consume significant time and attention of our senior management.

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 or other governmental authorities, it could result in the imposition of monetary fines or penalties and adversely affect our reputation and the market for our securities.

Although none of our vessels called on ports located in countries or territories that are the subject of country-wide or territory-wide comprehensive sanctions and/or embargoes imposed by the U.S. government or other applicable governmental authorities ("Sanctioned Jurisdictions") in violation of applicable sanctions or embargo laws during 2024, and we endeavor to take precautions reasonably designed to mitigate such risks, it is possible that, in the future our vessels may call on ports in Sanctioned Jurisdictions on charterers' instructions and/or without our consent. If such activities result in a violation of applicable sanctions or embargo laws, we could be subject to monetary fines, penalties, or other sanctions, and our reputation and the market for our common units could be adversely affected.

The sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or expanded 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 or embargoes imposed by the U.S., the E. U., and/or other international bodies. If we determine that such sanctions or embargoes 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 or embargoes, our results of operations may be adversely affected, we could face monetary fines or penalties, or we may suffer reputational harm.

Additionally, although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations in 2024, 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 countries identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our common units may adversely affect the price at which our common units 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. Investor perception of the value of our common units may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in the countries or territories that we operate in. In addition, charterers and other parties that we have previously entered into contracts with regarding our vessels may be affiliated with persons or entities that are now or may in the future be the subject of sanctions or embargo laws imposed by the U.S. or other applicable governmental bodies, including in response to events relating to Russia and Ukraine. If we determine that such sanctions require us to terminate existing contracts or if we are found to be in violation of such sanctions or embargo laws, we may suffer reputational harm and our results of operations may be adversely affected.

With respect to U.S. sanctions against Russia, the U.S. Office of Foreign Assets Control (OFAC) administers a sectoral sanctions program, which targets specific industries or sectors of the Russian economy. Transactions with companies designated under the Sectoral Sanctions Identifications List (“SSI List”) are not completely prohibited. Under OFAC’s 50 percent rule, a company owned 50 percent or more, in the aggregate by an SSI-Listed entity will also be the subject of the same restrictions as the SSI-Listed entity. We have a chartering relationship with Yamal Trade Pte (“Yamal”), which may be indirectly owned 50 percent or more by an SSI-Listed entity under Directive 2 of Executive Order 13662. In addition, pursuant to Executive Order 14066, the U.S. has imposed restrictions on the import into the U.S. of certain energy products from the Russian Federation, as well as new investments in the energy sector of the Russian Federation. Furthermore, on January 10, 2025, the U.S. issued a determination under Executive Order 14024 designating the energy sector of the Russian Federation as the target of sanctions, and imposing sanctions on any person determined to have operated in the energy sector of the Russian Federation economy. In the future, the U.S. may impose greater sanctions, including, but not limited to, by adding Yamal or other counterparties to OFAC’s Specially Designated Nationals and Blocked Persons List (the “SDN List”). In addition, our reputation and the market for our securities may be adversely affected by our engagement in certain other activities, such as our dealings with Yamal or other SSI-Listed entities or their subsidiaries, or if we enter into charters with other individuals or entities in countries that are the subject of U.S. sanctions and embargo laws that are not controlled by the governments of those countries, engage in operations associated with those countries pursuant to contracts with third-parties that are unrelated to those countries or entities controlled by their governments, or otherwise engage in activities that are prohibited by U.S., the European Union or other sanctions to the extent that such sanctions may be applicable. Furthermore, because we derive, and expect to continue to derive, all of our revenues from a limited number of charterers, our business would be materially adversely affected if we were to determine that we are required because of applicable sanctions, to terminate our relationships with Yamal or any of our other charterers, or if the negative impact of these or any additional sanctions imposed in the future threaten the viability of the Yamal LNG Project or otherwise cause Yamal or any of our other charterers to end their relationships with us. Any of these events could have a material adverse effect on our business, financial condition, and results of operations.

Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings.

The government of a jurisdiction where one or more of our vessels are registered could requisition for title or seize our vessels. Requisition for title occurs when a government takes control of a vessel and becomes its owner. Also, a government could requisition our vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency, although governments may elect to requisition ships in other circumstances. Although we would expect to be entitled to government compensation in the event of a requisition of one or more of our vessels, the amount and timing of payments, if any, would be uncertain. A government requisition of one or more of our vessels would result in off-hire days under our time charters and may cause us to breach covenants in debt agreements, and could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distribution to our unitholders.

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

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a claimant may seek to obtain security for its claim by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay large sums of money to have the arrest or attachment lifted. In addition, in some jurisdictions, such as South Africa, under the “sister ship” theory of liability, a claimant may arrest both the vessel which 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 attempt to assert “sister ship” liability against a vessel in our Fleet for claims relating to another of our vessels.

We may be subject to litigation that could have an adverse effect on us.

We may in the future be involved from time to time in litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, toxic tort claims, employment matters, securities class actions claims and governmental claims for taxes or duties as well as other litigation that arises in the ordinary course of our business. We cannot predict with certainty the outcome of any claim or other litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of management’s attention to these matters, could have an adverse effect on us and, in the event of litigation that could reasonably be expected to have a material adverse effect on us, could lead to an event of default under our debt agreements. For information regarding pending litigation claims, see “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings.”

Risks Relating to our Common Units

The price of our common units may be volatile.

The price of our common units may be volatile and may fluctuate due to factors including:

- our payment of cash distributions to our unitholders;
- actual or anticipated fluctuations in quarterly and annual results;
- fluctuations in the seaborne transportation industry, including fluctuations in the LNG carrier market;
- mergers and strategic alliances in the shipping industry;
- changes in governmental regulations or maritime self-regulatory organization standards;
- shortfalls in our operating results from levels forecasted by securities analysts;
- announcements concerning us or our competitors;
- the failure of securities analysts to publish research about us, or analysts making changes in their financial estimates;
- general economic conditions;
- terrorist acts;
- business interruptions caused by pandemics;
- future sales of our units or other securities;
- investors’ perception of us and the LNG shipping industry;
- the general state of the securities market; and

- other developments affecting us, our industry or our competitors.

Securities markets worldwide are experiencing significant price and volume fluctuations. The market price for our common units may also be volatile. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our common units in spite of our operating performance.

The price of our common units has fluctuated in the past, has recently been volatile, and may be volatile in the future, and as a result, investors in our common units could incur substantial losses.

The price of our common units has fluctuated in the past, has recently been volatile and may be volatile in the future. The price of our common units may experience rapid and substantial decreases or increases in the foreseeable future that are unrelated to our operating performance or prospects. The stock market in general and the market for shipping companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may experience substantial losses on their investment in our common units. The market price for our common units may be influenced by many factors, including the following:

- investor reaction to our business strategy;
- our continued compliance with the listing standards of NYSE;
- regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our industry;
- variations in our financial results or those of companies that are perceived to be similar to us;
- our ability or inability to raise additional capital and the terms on which we raise it;
- declines in the market prices of stocks generally;
- trading volume of our common units;
- sales of our common units by us or our unitholders;
- general economic, industry and market conditions;
- an increase in interest rates or reduction in demand for our common units resulting from other relatively more attractive investment opportunities; and
- other events or factors, including those resulting from such events, or the prospect of such events, including war, terrorism and other international conflicts, including the war between Russia and Ukraine, war, political unrest and conflicts in the Middle East or the Houthi crisis in the Red Sea, public health issues including health epidemics or pandemics, adverse weather and climate conditions could disrupt our operations or result in political or economic instability.

These broad market and industry factors may seriously harm the market price of our common units, regardless of our operating performance, and may be inconsistent with any improvements in actual or expected operating performance, financial condition or other indicators of value. Since the price of our common units has fluctuated in the past, has been recently volatile and may be volatile in the future, investors in our common units could incur substantial losses. In the past, following periods of volatility in the market, securities class-action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management's attention and resources, which could materially and adversely affect our business, financial condition, results of operations and growth prospects. There can be no guarantee that the price of our common units will remain at current prices.

Additionally, recently, securities of certain companies have experienced significant and extreme volatility in stock price due to short sellers of securities, known as a "short squeeze". These short squeezes have caused extreme volatility in those companies and in the market and have led to the price per share of those companies to trade at a significantly inflated rate that is disconnected from the underlying value of the Partnership. Many investors who purchase shares in those companies at an inflated rate face the risk of losing a significant portion of their original investment as the price per share declines steadily as interest in those stocks abates. While we have no reason to believe our units would be the target of a short squeeze, there can be no assurance that we will not be in the future, and you may lose a significant portion or all of your investment if you purchase our units at a rate that is significantly disconnected from our underlying value.

Unitholders may face liability obligations to repay distributions.

Under some circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under the Partnership Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Marshall Islands law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Marshall Islands law will be liable to the limited partnership for the distribution amount. Assignees who become substituted limited partners are liable for the obligations of the assignor to make contributions to the Partnership that are known to the assignee at the time it became a limited partner and for unknown obligations if the liabilities could be determined from the Partnership Agreement. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

We may issue additional equity securities, including securities senior to the common units, without the approval of our common unitholders, which would dilute the ownership interests of the common unitholders.

We may, without the approval of our common unitholders, issue an unlimited number of additional units or other equity securities. In addition, we may issue an unlimited number of units that are senior to the common units in right of distribution, liquidation and voting. These sales could also impair our ability to raise additional capital through the sale of our equity securities in the future. The issuance by us of additional common units or other equity securities of equal or senior rank may have the following effects:

- our existing unitholders' proportionate ownership interest in us will decrease;
- the amount of cash available for distribution per unit may decrease;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of our common units may decline.

We have been organized as a limited partnership under the laws of the Marshall Islands, which does not have a well-developed body of partnership law.

We are organized in the Republic of the Marshall Islands, which does not have a well-developed body of case law or bankruptcy law and, as a result, unitholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States. Our partnership affairs are governed by our Partnership Agreement and by the Partnership Act. The provisions of the Partnership Act resemble the limited partnership laws of a number of states in the United States, most notably Delaware. The Partnership Act also provides that it is to be applied and construed to make it uniform with the Delaware Revised Uniform Partnership Act and, so long as it does not conflict with the Partnership Act or decisions of the Marshall Islands courts, interpreted according to the non-statutory law (or case law) of the State of Delaware. There have been, however, few, if any, court cases in the Marshall Islands interpreting the Partnership Act, in contrast to Delaware, which has a fairly well-developed body of case law interpreting its limited partnership statute. Accordingly, we cannot predict whether Marshall Islands courts would reach the same conclusions as the courts in Delaware. For example, the rights of our unitholders and the fiduciary responsibilities of our General Partner under Marshall Islands law are not as clearly established as under judicial precedent in existence in Delaware. As a result, unitholders may have more difficulty in protecting their interests in the face of actions by our General Partner and its officers and directors than would unitholders of a similarly organized limited partnership in the United States. Further, the Republic of the Marshall Islands does not have a well-developed body of bankruptcy law. As such, in the case of a bankruptcy of our Partnership, there may be a delay of bankruptcy proceedings and the ability of unitholders and creditors to receive recovery after a bankruptcy proceeding.

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

As a “foreign private issuer” under the securities laws of the United States and the rules of the NYSE, we are subject to different disclosure requirements than U.S. domiciled registrants, as well as different financial reporting requirements. As a foreign private issuer, we are exempt under the Exchange Act from, among other things, certain rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal unitholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, including the filing of quarterly reports or current reports on Form 8-K. 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.

A majority of our directors qualify as independent under the NYSE director independence requirements. However, we cannot assure you that we will continue to maintain an independent board in the future. In addition, we may have one or more non-independent directors serving as committee members on our compensation committee. As a result, non-independent directors may among other things, participate in fixing the compensation of our management, making unit and option awards and resolving governance issues regarding our Partnership.

Accordingly, in the future, holders of our common units may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

For a description of our corporate governance practices, please see “Item 6. Directors, Senior Management and Employees.”

Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are organized under the laws of the Marshall Islands, and substantially all of our assets are located outside of the United States. In addition, our directors and officers generally are or will be non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for holders of our common units to bring an action against us or against these individuals in the United States if they believe that their rights have been infringed under securities laws or otherwise. Even if holders of our common units are successful in bringing an action of this kind, the laws of the Marshall Islands and of other jurisdictions may prevent or restrict them from enforcing a judgment against our assets or the assets of our directors or officers.

Our Partnership Agreement designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for any claims, suits, actions or proceedings, unless otherwise provided for by Marshall Islands law, for certain litigation that may be initiated by our unitholders, which could limit our unitholders’ ability to obtain a favorable judicial forum for disputes with the Partnership.

Our Partnership Agreement provides that, unless otherwise provided for by Marshall Islands law, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any claims that:

- arise out of or relate in any way to the Partnership Agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of the Partnership Agreement or the duties, obligations or liabilities among limited partners or of limited partners to us, or the rights or powers of, or restrictions on, the limited partners or us);
- are brought in a derivative manner on our behalf;
- assert a claim of breach of a fiduciary duty owed by any director, officer or other employee of us or our General Partner, or owed by our General Partner, to us or the limited partners;
- assert a claim arising pursuant to any provision of the Partnership Act; or
- assert a claim governed by the internal affairs doctrine,

regardless of whether such claims, suits, actions or proceedings found in contract, tort, fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims. Any person or entity purchasing or otherwise acquiring any interest in our common units shall be deemed to have notice of, and to have consented to, the provisions described above. This forum selection provision may limit our unitholders' ability to obtain a judicial forum that they find favorable for disputes with us or our directors, officers or other employees or unitholders.

Provisions in our organizational documents may have anti-takeover effects.

Our Partnership Agreement contains provisions that could make it more difficult for a third-party to acquire us without the consent of our Board of Directors. These provisions require the approval of our Board of Directors and prior consent of our General Partner in order to effect an acquisition.

These provisions could also make it difficult for our unitholders to replace or remove our current Board of Directors or could have the effect of discouraging, delaying or preventing an offer by a third-party to acquire us, even if the third-party's offer may be considered beneficial by many unitholders. As a result, unitholders may be limited in their ability to obtain a premium for their common units.

Risks Relating to our Indebtedness

Our debt levels could limit our liquidity and flexibility in obtaining additional financing and in pursuing other business opportunities.

As of December 31, 2024, we had total outstanding long-term debt of approximately \$322.9 million, consisting of amounts outstanding under our 2024 Lease Financing. We expect that a large portion of our cash flow from operations will be used to repay the principal and interest on our outstanding indebtedness.

Our current indebtedness and future indebtedness that we may incur could affect our future operations, as a significant portion of our cash flow from operations will be dedicated to the payment of interest and principal on such debt and will not be available for other purposes. Our debt levels may limit our flexibility in obtaining additional financing, pursuing other business opportunities and paying distributions to unitholders. Covenants contained in our debt agreements may affect our flexibility in planning for, and reacting to, changes in our business or economic conditions, limit our ability to dispose of assets or place restrictions on the use of proceeds from such dispositions, withstand current or future economic or industry downturns and compete with others in our industry for strategic opportunities, and limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes and our ability to make distributions to our unitholders.

Furthermore, charterhire principal amounts under our 2024 Lease Financing are amortized over five years with respect to the *OB River*, the *Clean Energy* and the *Amur River* and ten years for the *Arctic Aurora*. At the end of each charter period, we may not be able to repay or refinance outstanding amounts under the 2024 Lease Financing on terms acceptable to us or at all. Our ability to obtain additional financing or refinance our existing indebtedness on terms acceptable to us may depend on, among other things, the actual or perceived creditworthiness of our charterers, the market value of our fleet, and market conditions at that time. If we are unable to meet our debt obligations and we default under our 2024 Lease Financing, our lessors thereunder could, among other things, repossess the vessels and foreclose their liens on the other assets securing our 2024 Lease Financing, which would impair our ability to continue to conduct our business. Please see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Our Borrowing Activities—2024 Lease Financing."

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing or eliminating distributions to our unitholders, reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

We may be unable to comply with covenants in our debt agreements or any future financial obligations that impose operating and financial restrictions on us.

Certain of our existing and future debt agreements, which may be secured by mortgages on our vessels, impose and will impose certain operating and financial restrictions on us, including ensuring that the outstanding amount of the debt agreement does not exceed a certain percentage of the aggregate fair market value of the mortgaged vessel(s) under the loan agreement, restricting our operations or ability to incur additional debt, pay distributions consistent with our past practices or issue equity that would result in our Sponsor ceasing to directly own the majority of our total common partnership interest. The operating and financial restrictions and covenants in our 2024 Lease Financing and any new or amended debt agreements we enter into in the future, could adversely affect our ability to finance future operations or capital needs or to engage, expand or pursue our business activities.

Should our charter rates or vessel values materially decline in the future, we may seek to obtain waivers or amendments from our lenders with respect to such financial ratios and covenants, or we may be required to take action to reduce our debt or to act in a manner contrary to our business objectives to meet any such financial ratios and satisfy any such financial covenants. Events beyond our control, including changes in the economic and business conditions in the shipping markets in which we operate, interest rate developments, changes in the funding costs of our banks, changes in vessel earnings and asset valuations, sanctions imposed against Russia, outbreaks of epidemic and pandemic of diseases may affect our ability to comply with these covenants. We cannot assure you that we will meet these ratios or satisfy these covenants or that our lenders will waive any failure to do so or amend these requirements.

The operating restrictions contained in our existing and future debt agreements may prohibit or otherwise limit our ability to, among other things:

- obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes on favorable terms, or at all;
- make distributions to unitholders;
- incur additional indebtedness, create liens or issue guarantees;
- charter our vessels or change the terms of our existing charter agreements;
- sell, transfer or lease our assets or vessels or the shares of our vessel-owning subsidiaries;
- make investments and capital expenditures;
- reduce our partners' capital; and
- undergo a change in ownership or Manager.

A breach of any of the covenants in, or our inability to maintain the required financial ratios under, our current or future debt agreements would prevent us from borrowing additional money under such debt agreements and could result in a default thereunder. Therefore, we may need to seek permission from our lenders or lessors in order to engage in some actions. Our lenders' or lessors' interests may be different from ours and we may not be able to obtain our lenders' permission when needed. This may limit our ability to pay distributions on our Series A Preferred Units and Series B Preferred Units, finance our future operations or capital requirements, make acquisitions or pursue business opportunities.

In addition, our debt agreements or other future financing arrangements may prohibit the payment of distributions to our Series A and Series B preferred unitholders upon the occurrence of events of default under our debt agreement, which may include, among other things, the following:

- failure to pay any principal, interest, fees, expenses or other amounts when due;
- failure to observe any other agreement, security instrument, obligation or covenant beyond specified cure periods in certain cases;
- default under other indebtedness;
- an event of insolvency or bankruptcy; and
- failure of any representation or warranty to be materially correct.

A violation of any of the provisions contained in our existing or future debt agreements may constitute an event of default under such debt agreement, which, unless cured or waived or modified by our lenders, provides our lenders with the right to, among other things, declare the outstanding debt, together with accrued interest and other fees, to be immediately due and payable, or to require us to post additional collateral, enhance our equity and liquidity, increase our interest payments, pay down our indebtedness to a level where we are in compliance with our loan covenants, sell vessels in our Fleet, reclassify our indebtedness as current liabilities and accelerate our indebtedness and foreclose their liens on our vessels and the other assets securing our debt agreements, which would impair our ability to continue to conduct our business.

See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources.”

Risks Relating to our Series A and Series B Preferred Units

Our Series A Preferred Units and our Series B Preferred Units are subordinate to our indebtedness, and the interests of holders of Series A Preferred Units and Series B Preferred Units could be diluted by the issuance of additional preferred units, including additional Series A Preferred Units or Series B Preferred Units, and by other transactions.

Our Series A Preferred Units and our Series B Preferred Units are subordinated to all of our existing and future indebtedness. The payment of principal and interest on our debt reduces cash available for distributions and therefore, our ability to pay distributions on, redeem at our option or pay the liquidation preference on our Series A Preferred Units and our Series B Preferred Units in liquidation or otherwise may be subject to prior payments due to the holders of our indebtedness.

The issuance of additional limited partner interests on a parity with or senior to our Series A Preferred Units and Series B Preferred Units would dilute the interests of the holders of our Series A Preferred Units and Series B Preferred Units, as applicable, and any issuance of senior securities or parity securities or additional indebtedness could affect our ability to pay distributions on, redeem or pay the liquidation preference on our Series A Preferred Units and our Series B Preferred Units. No provisions relating to our Series A Preferred Units and our Series B Preferred Units protect the holders of our Series A Preferred Units and our Series B Preferred Units, as applicable, in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all of our assets or business, which might adversely affect the holders of our Series A Preferred Units and our Series B Preferred Units.

In the event of any liquidation event, the amount of your liquidation preference is fixed and you will have no right to receive any greater payment regardless of the circumstances.

In the event of any liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, the payment due upon a liquidation event is fixed at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions up to, and including, the date of liquidation. If, in the case of a liquidation event, there are remaining assets to be distributed after payment of this amount, you will have no right to receive or to participate in these amounts. Furthermore, if the market price of your Series A Preferred Units or your Series B Preferred Units is greater than the applicable liquidation preference, you will have no right to receive the market price from us upon our liquidation.

As a holder of Series A Preferred Units or Series B Preferred Units, you have extremely limited voting rights.

Your voting rights as a holder of Series A Preferred Units or Series B Preferred Units are extremely limited. Our common units are the only class of limited partner interests carrying full voting rights. Holders of the Series A Preferred Units and Series B Preferred Units generally have no voting rights. However, in the event that six quarterly distributions, whether consecutive or not, payable on our Series A Preferred Units or our Series B Preferred Units or any other parity securities (if applicable), are in arrears, the holders of such Series A Preferred Units or Series B Preferred Units will have the right, voting together as a class with all other classes or series of parity securities (if applicable) upon which like voting rights have been conferred and are exercisable, to elect one additional director to serve on our Board of Directors, and the size of our Board of Directors will be increased as needed to accommodate such change (unless the holders of Series A Preferred Units, Series B Preferred Units, and parity securities (if applicable) upon which like voting rights have been conferred, voting as a class, have previously elected a member of our Board of Directors, and such director continues then to serve on the Board of Directors). The right of such holders of Series A Preferred Units and Series B Preferred Units to elect a member of our Board of Directors will continue until such time as all accumulated and unpaid distributions on the Series A Preferred Units and Series B Preferred Units have been paid in full.

Market interest rates may adversely affect the value of our Series A Preferred Units and our Series B Preferred Units.

One of the factors that will influence the price of our Series A Preferred Units and our Series B Preferred Units will be the distribution yield on such Series A Preferred Units and the Series B Preferred Units (as a percentage of the price of our Series A Preferred Units or our Series B Preferred Units, as applicable) relative to market interest rates. An increase in market interest rates may lead prospective purchasers of our Series A Preferred Units or our Series B Preferred Units to expect a distribution yield higher than what is paid on the applicable Series A Preferred Units or Series B Preferred Units, and higher interest rates would likely increase our borrowing costs which could potentially decrease funds available for distributions to our unitholders. Accordingly, higher market interest rates could cause the market price of our Series A Preferred Units or our Series B Preferred Units to decrease.

The Series A Preferred Units and the Series B Preferred Units are redeemable at our option.

We may redeem, at our option, all or, from time to time, part of the Series A Preferred Units on or after August 12, 2020. If we redeem your Series A Preferred Units, you will be entitled to receive a redemption price equal to \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption. Since November 22, 2023, we have had the option to redeem all or, from time to time, part of our Series B Preferred Units. If we redeem your Series B Preferred Units, you will be entitled to receive a redemption price equal to \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption. It is likely that we would choose to exercise our optional redemption right only when prevailing interest rates have declined, which would adversely affect your ability to reinvest your proceeds from the redemption in a comparable investment with an equal or greater yield to the yield on the applicable series of the preferred units had such series of preferred units not been redeemed. We may elect to exercise our partial redemption right on multiple occasions.

We continuously evaluate potential transactions which we believe enhance unitholder value or are in the best interests of the Partnership, the announcement of which may have an adverse effect on unitholders and other stakeholders.

We continuously evaluate potential transactions that we believe will be accretive to earnings, enhance unitholder value or are in the best interests of the Partnership, which may include pursuit of other business combinations, the acquisition of vessels or related businesses, the expansion of our operations, repayment of existing debt, unit repurchases, short term investments, going private transactions or other transactions. The announcement and pendency of any such transaction could have an adverse effect on our unitholders, relationships with customers and third-party service providers.

Risks Relating to Conflicts of Interest

Our Sponsor, our General Partner and their respective affiliates own a significant interest in us and have conflicts of interest and limited duties to us and our common unitholders, which may permit them to favor their own interests to your detriment.

Members of the Prokopiou Family control our Sponsor, our Manager and our General Partner. As of April 8, 2025, our Sponsor owned 15,595,000 of our common units, representing approximately 42.6% of the outstanding common units and our General Partner owns a 0.1% General Partner interest in us and 100% of our incentive distribution rights and therefore may have considerable influence over our actions. The interests of our Sponsor and the members of the Prokopiou Family may be different from your interests and the relationships described above could create conflicts of interest. We cannot assure you that any conflicts of interest will be resolved in your favor.

Conflicts of interest exist and may arise in the future as a result of the relationships between our General Partner and its affiliates, including Dynagas Holding Ltd., on the one hand, and us and our unaffiliated limited partners, on the other hand. Our General Partner has a fiduciary duty to make any decisions relating to our management in a manner beneficial to us and our unitholders. Similarly, our Board of Directors has fiduciary duties to manage us in a manner beneficial to us, our General Partner and our limited partners. Certain of our officers and directors will also be officers of our Sponsor or its affiliates and will have fiduciary duties to our Sponsor or its affiliates that may cause them to pursue business strategies that disproportionately benefit our Sponsor or its affiliates or which otherwise are not in the best interests of us or our unitholders. As a result of these relationships, conflicts of interest may arise between us and our unaffiliated limited partners on the one hand, and our Sponsor and its affiliates, including our General Partner, on the other hand. Although a majority of our directors are elected by our common unitholders, our General Partner, through its appointed directors, has certain influence on decisions made by our Board of Directors. Our Board of Directors has a Conflicts Committee comprised of independent directors. Our Board of Directors may, but is not obligated to, seek approval of the Conflicts Committee for resolutions of conflicts of interest that may arise as a result of the relationships between our Sponsor and its affiliates, on the one hand, and us and our unaffiliated limited partners, on the other hand. The resolution of these conflicts may not be in the best interest of us or our unitholders. We, our officers and directors and our General Partner will not owe any fiduciary duties to holders of the Series A Preferred Units and Series B Preferred Units other than a contractual duty of good faith and fair dealing pursuant to the Partnership Agreement. There can be no assurance that a conflict of interest will be resolved in favor of us.

These conflicts include, among others, the following situations:

- neither our Partnership Agreement nor any other agreement requires our Sponsor or our General Partner or their respective affiliates to pursue a business strategy that favors us or utilizes our assets, and their officers and directors have a fiduciary duty to make decisions in the best interests of their respective unitholders, which may be contrary to our interests;
- our Partnership Agreement provides that our General Partner may make determinations or take or decline to take actions without regard to our or our unitholders' interests. Specifically, our General Partner may exercise its call right, pre-emptive rights, registration rights or right to make a determination to receive common units in exchange for resetting the target distribution levels related to the incentive distribution rights, consent or withhold consent to any merger or consolidation of the Partnership, appoint certain directors or vote for the election of any director, vote or refrain from voting on amendments to our Partnership Agreement that require a vote of the outstanding units, voluntarily withdraw from the Partnership, transfer (to the extent permitted under our Partnership Agreement) or refrain from transferring its units, the General Partner interest or incentive distribution rights or vote upon the dissolution of the Partnership;
- our General Partner and our directors and officers have limited their liabilities and any fiduciary duties they may have under the laws of the Marshall Islands, while also restricting the remedies available to our unitholders, and, as a result of purchasing common units, unitholders are treated as having agreed to the modified standard of fiduciary duties and to certain actions that may be taken by the General Partner and our directors and officers, all as set forth in the Partnership Agreement;
- our General Partner and our Manager are entitled to reimbursement of all reasonable costs incurred by them and their respective affiliates for our benefit; our Partnership Agreement does not restrict us from paying our General Partner and our Manager or their respective affiliates for any services rendered to us on terms that are fair and reasonable or entering into additional contractual arrangements with any of these entities on our behalf;
- our General Partner may exercise its right to call and purchase our common units if it and its affiliates own more than 80% of our common units; and is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon the exercise of its limited call right; and
- although a majority of our directors are elected by common unitholders, our General Partner will likely have substantial influence on decisions made by our Board of Directors.

Our General Partner has limited its liability regarding our obligations.

Our General Partner has limited its liability under contractual arrangements so that the other party has recourse only to our assets and not against our General Partner or any affiliate of our General Partner, or any of their respective assets. The Partnership Agreement provides that any action taken by our General Partner to limit its or our liability is not a breach of our General Partner's fiduciary duties owed to common unitholders or a breach of our General Partner's contractual duty of good faith and fair dealing to holders of the Series A and Series B Preferred Units even if we could have obtained terms that are more favorable without the limitation on liability.

Neither our Partnership Agreement nor any other agreement requires our Sponsor to pursue a business strategy that favors us or utilizes our assets or dictates what markets to pursue or grow. Our Sponsor's directors and executive officers have a fiduciary duty to make these decisions in the best interests of the shareholders of our Sponsor, which may be contrary to our interests.

Because certain of our officers and directors are also officers of our Sponsor and its affiliates, such directors have fiduciary duties to our Sponsor and its affiliates that may cause them to pursue business strategies that disproportionately benefit our Sponsor, or which are otherwise not in the best interests of us or our unitholders.

Our General Partner is allowed to take into account the interests of parties other than us, such as our Sponsor.

Our Partnership Agreement contains provisions that reduce the standards to which our General Partner would otherwise be held by Marshall Islands fiduciary duty law. For example, our Partnership Agreement permits our General Partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our General Partner. This entitles our General Partner to consider only the interests and factors that it desires, and it has no duty or obligations to give any consideration to any interest of or factors affecting us, our affiliates or any unitholder. Decisions made by our General Partner in its individual capacity will be made by its sole owner, Dynagas Holding Ltd. Specifically, our General Partner will be considered to be acting in its individual capacity if it exercises its call right, pre-emptive rights, registration rights or right to make a determination to receive common units in a resetting of the target distribution levels related to its incentive distribution rights, consents or withholds consent to any merger or consolidation of the Partnership, appoints any directors or votes for the election of any director, votes or refrains from voting on amendments to our Partnership Agreement that require a vote of the outstanding units, voluntarily withdraws from the Partnership, transfers (to the extent permitted under our Partnership Agreement) or refrains from transferring its units, General Partner interest or incentive distribution rights it owns or votes upon the dissolution of the Partnership.

Substantial future sales of our common units in the public market could cause the price of our common units to fall.

We have granted registration rights to our Sponsor and certain its affiliates pursuant to our Partnership Agreement. These unitholders have the right, subject to some conditions, to require us to file registration statements covering any of our common or other equity securities owned by them or to include those securities in registration statements that we have or may file for ourselves or other unitholders. As of the date of this annual report, our Sponsor owns 15,595,000 common units. Following their registration and sale under the applicable registration statement, those securities will become freely tradable. Any sale by our Sponsor of a number of our common units or other securities could cause the price of our common units to decline.

Common unitholders, holders of our Series A Preferred Units, and holders of our Series B Preferred Units have no right to enforce obligations of our General Partner and its affiliates under agreements with us.

Any agreements between us, on the one hand, and our General Partner and its affiliates, on the other, do not and will not grant to the holders of our common units, Series A Preferred Units and Series B Preferred Units separate and apart from us, the right to enforce the obligations of our General Partner and its affiliates in our favor.

Contracts between us, on the one hand, and our General Partner and its affiliates, on the other, will not be the result of arm's-length negotiations.

Neither our Partnership Agreement nor any of the other agreements, contracts and arrangements between us and our General Partner and its affiliates are or will be the result of arm's-length negotiations. Our Partnership Agreement generally provides that any affiliated transaction, such as an agreement, contract or arrangement between us and our General Partner and its affiliates, must be:

- on terms no less favorable to us than those generally being provided to or available from unrelated third-parties; or
- “fair and reasonable” to us, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to us).

Our Manager, which provides our executive officers and certain management and administrative services to us, may also enter into additional contractual arrangements with any of its affiliates on our behalf; however, there is no obligation of any affiliate of our Manager to enter into any contracts of this kind.

Common units are subject to our General Partner’s limited call right.

Our General Partner may exercise its right to call and purchase common units as provided in the Partnership Agreement or assign this right to one of its affiliates or to us. Our General Partner may use its own discretion, free of fiduciary duty restrictions, in determining whether to exercise this right. Our General Partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon the exercise of this limited call right. As a result, a common unitholder may have common units purchased from the unitholder at an undesirable time or price.

We may choose not to retain separate counsel for ourselves or for the holders of common units.

The attorneys, independent accountants and others who perform services for us have been retained by our Board of Directors. Attorneys, independent accountants and others who perform services for us are selected by our Board of Directors or the Conflicts Committee and may perform services for our General Partner and its affiliates. We may retain separate counsel for ourselves or the holders of common units in the event of a conflict of interest between our General Partner and its affiliates, on the one hand, and us or the holders of common units, on the other, depending on the nature of the conflict. We do not intend to do so in most cases.

Tax Risks

In addition to the following risk factors, please see “Item 10. Additional Information—E. Taxation” for a more complete discussion of the material Marshall Islands and United States federal income tax consequences of owning and disposing of our common units, Series A Preferred Units and Series B Preferred Units.

We may be subject to taxes, which will reduce our cash available for distribution to our unitholders.

We and our subsidiaries may be subject to tax in the jurisdictions in which we are organized or operate, reducing the amount of cash available for distribution. In computing our tax obligation 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 could result in additional tax imposed on us or our subsidiaries, further reducing the cash available for distribution. In addition, changes in our operations or ownership could result in additional tax being imposed on us or our subsidiaries in jurisdictions in which operations are conducted. Please see “Item 10. Additional Information—E. Taxation.”

We may have to pay tax on United States-source income, which would reduce our earnings and cash flow.

Under the Code, the United States source gross transportation income of a ship-owning or chartering corporation, such as ourselves, generally is subject to a 4% United States federal income tax, unless such corporation qualifies for exemption from tax under a tax treaty or Section 883 of the Code and the Treasury Regulations promulgated thereunder. U.S. source gross transportation income consists of 50% of the gross shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.

We believe we qualified for this statutory tax exemption for our taxable year ended December 31, 2024, and we intend to take this position for United States federal income tax reporting purposes. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption in future taxable years and thereby become subject to the 4% United States federal income tax described above. It is noted that holders of our common units are limited to owning 4.9% of the voting power of such common units. Assuming that such limitation is treated as effective for purposes of determining voting power under Section 883, then our 5% Unitholders could not own 50% or more of our common units. If contrary to these expectations, our 5% Unitholders were to own 50% or more of the common units, we would not qualify for exemption under Section 883 unless we could establish that among the closely-held group of 5% Unitholders, there are sufficient 5% Unitholders that are qualified shareholders for purposes of Section 883 to preclude non-qualified 5% Unitholders in the closely-held group from owning 50% or more of our common units for more than half the number of days during the taxable year. In order to establish this, sufficient 5% Unitholders that are qualified shareholders would have to comply with certain documentation and certification requirements designed to substantiate their identity as qualified shareholders. These requirements are onerous and there can be no assurance that we would be able to satisfy them. The imposition of this taxation could have a negative effect on our business and would result in decreased earnings and cash available for distribution payments to our unitholders. For a more detailed discussion, see “Item 10. Additional Information—E. Taxation.”

United States tax authorities could treat us as a “passive foreign investment company,” which would have adverse United States federal income tax consequences to United States unitholders.

A non-U.S. entity treated as a corporation for United States federal income tax purposes will be treated as a “passive foreign investment company” (or PFIC) for U.S. federal income tax purposes if at least 75% of its gross income for any taxable year consists of “passive income” or at least 50% of the average value of its assets produce, or are held for the production of, “passive income.” For purposes of these tests, “passive income” includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute “passive income.” U.S. shareholders of a PFIC are subject to a disadvantageous United States federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their interests in the PFIC. Based on our current and projected method of operation, we believe that we were not a PFIC in the year ended December 31, 2024 and do not expect to be a PFIC for any future taxable year. For this purpose, we intend to take the position that the income our subsidiaries earned from certain of our time-chartering activities should not constitute passive income for purposes of determining whether we are a PFIC.

Our position is not free from doubt, and it is possible that the United States Internal Revenue Service, or the IRS, or a court could disagree with this position. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to each taxable year, we cannot assure you that the nature of our operations will not change in the future and that we will not become a PFIC in any taxable year. If the IRS were to find that we are or have been a PFIC for any taxable year (and regardless of whether we remain a PFIC for subsequent taxable years), our U.S. unitholders would face adverse United States federal income tax consequences. See “Item 10. Additional Information—E. Taxation” for a more detailed discussion of the United States federal income tax consequences to United States unitholders if we are treated as a PFIC.

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

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

ITEM 4. INFORMATION ON THE PARTNERSHIP

A. HISTORY AND DEVELOPMENT OF THE PARTNERSHIP

Dynagas LNG Partners LP was organized as a limited partnership in the Republic of the Marshall Islands on May 30, 2013 for the purpose of owning, operating, and acquiring LNG carriers and other business activities incidental thereto. In October 2013, we acquired from our Sponsor three LNG carriers, the *Clean Energy*, the *Ob River* and the *Amur River* (formerly named the *Clean Force*), which we refer to as our Initial Fleet. In November 2013, we completed our underwritten initial public offering (our “IPO”), pursuant to which the Partnership offered and sold 8,250,000 common units to the public at \$18.00 per common unit, and in connection with the closing of the IPO, the Partnership’s Sponsor, Dynagas Holding Ltd., a company beneficially wholly owned by Mr. Georgios Prokopiou, the Partnership’s Chairman and major unitholder and certain of his close family members, offered and sold 4,250,000 common units to the public at \$18.00 per common unit. In connection with the IPO, the Partnership entered into certain agreements, including the Omnibus Agreement with our Sponsor, which provides the Partnership with the right to purchase certain identified LNG carrier vessels at a purchase price to be determined pursuant to the terms and conditions contained therein. Following our IPO, we expanded our Initial Fleet and in 2014 and 2015 we acquired the *Arctic Aurora*, the *Yenisei River* and the *Lena River*, each a 2013-built ice class liquefied natural gas carrier, and the related time charter contracts, from our Sponsor, pursuant to our right to acquire such vessels under the Omnibus Agreement in effect at that time.

As of April 8, 2025, we had outstanding 36,642,256 common units, 35,526 general partner units, 3,000,000 9.00% Series A Cumulative Redeemable Preferred Units, or the Series A Preferred Units and 2,200,000 Series B Fixed to Floating Cumulative Redeemable Perpetual Preferred Units or the Series B Preferred Units. As of April 8, 2025, our Sponsor beneficially owned approximately 42.6% of the equity interests in the Partnership (excluding the Series A Preferred Units and the Series B Preferred Units) and 100% of our General Partner, which owns a 0.1% General Partner interest in the Partnership and 100% of our incentive distribution rights. Our Sponsor does not own any Series A Preferred Units or Series B Preferred Units. Our common units, our Series A Preferred Units and our Series B Preferred Units trade on the New York Stock Exchange, or NYSE, under the symbols “DLNG,” “DLNG PR A” and “DLNG PR B,” respectively.

Our principal executive offices are located at Poseidonos Avenue and Foivis 2 Street 166 74 Glyfada, Athens, Greece. Our telephone number at that address is +30 210 891 7960. Our website is www.dynagaspartners.com. 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 <http://www.sec.gov>. None of the information contained on these websites is incorporated into or forms a part of this annual report. For more information, please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Our Borrowing Activities.”

B. BUSINESS OVERVIEW

Since our IPO in November 2013, we have been a limited partnership focused on owning and operating LNG carriers growing our fleet from three vessels at the time of our IPO to six vessels at the end of 2015. However, as a result of the significant challenges facing the listed midstream energy Master Limited Partnership (“MLP”) industry, our cost of equity capital remained elevated for a prolonged period, making the funding of new acquisitions challenging. All of the vessels in our Fleet are currently contracted on multi-year time charters with international energy companies, including SEFE, Equinor, Yamal, and NextDecade, which we expect will provide us with the benefits of fixed-fee contracts, predictable cash flows and high utilization rates.

We are currently focusing our capital allocation on debt repayment, prioritizing balance sheet strength, in order to reposition the Partnership for potential future growth if our cost of capital allows us to access debt and equity capital on acceptable terms. As a result, if we are able to raise new debt or equity capital on terms acceptable to the Partnership in the future, we intend to leverage the reputation, expertise and relationships with our charterers, our Sponsor and our Manager in growing our core business and potentially pursuing further business and growth opportunities in transportation of energy or other energy-related projects including floating storage regassification units, LNG infrastructure projects, maintaining cost-efficient operations and providing reliable seaborne transportation services to our current and prospective charterers. In addition, as opportunities arise, we may acquire additional vessels from our Sponsor and from third-parties and/or engage in investment opportunities in the general shipping industry or incidental to the LNG or energy industry. In connection with such plans for growth, we may enter into additional financing arrangements, refinance existing arrangements or arrangements that our Sponsor, its affiliates, or such third-party sellers may have in place for vessels and businesses that we may acquire, and, subject to favorable market conditions, we may raise capital in the public or private markets, including through incurring additional debt, debt or equity offerings of our securities or in other transactions. However, we cannot assure you that we will grow or maintain the size of our Fleet or that we will continue to pay the per unit distributions in the amounts that we have paid in the past or at all or that we will be able to execute our plans for growth. For further information on the risks associated with our business, please see “Item 3. Key Information—D. Risk Factors.”

Our Fleet

As of December 31, 2024, we owned and operated a fleet of six LNG carriers, consisting of the three modern steam turbine LNG carriers, the *Clean Energy*, the *Ob River* and the *Amur River* (formerly named the *Clean Force*), and three modern tri-fuel diesel electric (“TFDE”) propulsion technology Ice Class LNG carriers, the *Arctic Aurora*, the *Yenisei River*, and the *Lena River*, which we collectively refer to as our “Fleet.” As of December 31, 2024, the vessels in our Fleet had an average age of 14.4 years and are contracted under multi-year charters with an average remaining charter term of approximately 6.1 years. All of the vessels in our Fleet are currently employed on multi-year time charters with international energy companies such as SEFE, Equinor, Yamal, and NextDecade.

As of the date of this annual report, the estimated contracted revenue backlog of our Fleet was approximately \$0.95 billion, \$0.11 billion of which is a variable hire element contained in certain time charter contracts with Yamal. The variable hire rate on these time charter contracts with Yamal is calculated based on two components—a capital cost component and an operating cost component. The capital cost component is a fixed daily amount. The daily amount of the operating cost component, which is intended to pass the operating costs of the vessel to the charterer in their entirety including dry-docking costs, is set annually and adjusted at the end of each quarter to compensate us for the actual costs we incur in operating the vessel. Dry-docking expenses are budgeted in advance within the year of the dry-dock and are reimbursed by Yamal immediately following the dry-dock. The actual amount of revenues earned in respect of such operating cost component of such variable hire rate may therefore differ from the amounts included in the revenue backlog estimate due to the annual variations in the respective vessels’ operating costs. As of the date of this annual report, the average remaining contract duration was approximately 5.8 years. The estimated contracted revenue backlog of our Fleet excludes options to extend and assumes full utilization for the full term of the charter. The actual amount of revenues earned and the actual periods during which revenues are earned may differ from the amounts and periods described above due to, for example, off-hire for maintenance projects, downtime, scheduled or unscheduled dry-docking, cancellation or early termination of vessel employment agreements, and other factors that may result in lower revenues than our average contract backlog per day. Our Fleet is managed by our Manager, Dynagas Ltd., a company controlled by Mr. Georgios Prokopiou. See “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions.”

All of the vessels in our Fleet, other than the *Clean Energy*, have been assigned with Lloyds Register Ice Class notation 1A FS, or Ice Class, equivalent to ARC4 of the Russian Maritime Register of Shipping Rules, designation for hull and machinery and are fully winterized, which means that they are designed to call at ice-bound and harsh environment terminals and to withstand temperatures up to minus 30 degrees Celsius. According to Drewry, as of February 2025, only 33 LNG carriers, representing 4.3% of the LNG vessels in the global LNG fleet, have an Ice Class 1A and Ice-class 1A super designation or equivalent rating. Moreover, in 2012, we were the first company in the world to operate LNG carriers on the Northern Sea Route, which is a shipping lane from the Atlantic Ocean to the Pacific Ocean entirely in Arctic waters, and our Manager continues to be one of a limited number of vessel operators to currently do so. In addition, we believe that each of the vessels in our Fleet is optimally sized with a carrying capacity of between approximately 150,000 and 155,000 cbm, which allows us to maximize operational flexibility as such medium-to-large size LNG vessels are compatible with most existing LNG terminals around the world. We believe that these specifications enhance our trading capabilities and future employment opportunities because they provide greater diversity in the trading routes available to our charterers.

We believe that the key characteristics of each of the vessels in our Fleet include the following:

- optimal sizing with a carrying capacity of between approximately 150,000 and 155,000 cbm (which is a medium- to large-size class of LNG carrier) that maximizes operational flexibility as such vessel is compatible with most existing LNG terminals around the world;
- the vessels in our Fleet consist of two series of sister vessels, which are vessels built at the same shipyard, Hyundai Heavy Industries Co. Ltd., that share (i) a near-identical hull and superstructure layout, (ii) similar displacement, and (iii) roughly comparable features and equipment; and
- utilization of a membrane containment system that uses insulation built directly into the hull of the vessel with a membrane covering inside the tanks designed to maintain integrity and that uses the vessel's hull to directly support the pressure of the LNG cargo, which we refer to as a "membrane containment system" (see "Item 4. Information on the Partnership—B. Business Overview—The International Liquefied Natural Gas (LNG) Shipping Industry—The LNG Fleet" for a description of the types of LNG containment systems).

According to Drewry, as February 28, 2025, there were only 51 LNG carriers in the worldwide LNG trading fleet, including the six vessels in our Fleet, in the size range of 149,000-155,000 cbm, of which 45 have a membrane cargo containment system. There are no LNG carriers in the same size segment in the order book, which has a moss spherical containment system, a well-established spherical containment system designed in Norway, which has been in use for many years. The following table sets forth additional information about our Fleet as of the date of this annual report:

Vessel Name	Year Built	Cargo Capacity (cbm)	Ice Class	Propulsion	Charterer	Estimated Earliest Charter Expiration	Latest Charter Expiration	Estimated Latest Charter Expiration including options to extend
					SEFE			
					Next	March 2026	April 2026	
<i>Clean Energy</i>	2007	149,700	No	Steam	Decade	March 2028	April 2028	n/a
<i>Ob River</i>	2007	149,700	Yes	Steam	SEFE	March 2028	May 2028	n/a
<i>Amur River</i>	2008	149,700	Yes	Steam	SEFE	June 2028	July 2028	n/a
						August 2026	September 2026	
					Equinor			
					Next	August 2033	September 2033	n/a
<i>Arctic Aurora</i>	2013	155,000	Yes	TFDE *	Decade	2033	2033	n/a
<i>Yenisei River</i>	2013	155,000	Yes	TFDE *	Yamal	Q4 2033	Q2 2034	Q2 2049 ⁽¹⁾
<i>Lena River</i>	2013	155,000	Yes	TFDE *	Yamal	Q2 2034	Q3 2034	Q4 2049 ⁽²⁾

*As used in this annual report, "TFDE" refers to tri-fuel diesel electric propulsion system.

- (1) On August 14, 2018, the *Yenisei River* was delivered early to Yamal immediately upon completion of its mandatory statutory class five-year special survey and dry-docking, pursuant to an addendum to the charter party with Yamal under which we agreed to extend the firm charter period from 15 years to 15 years plus 180 days. The charter contract for the *Yenisei River* with Yamal in the Yamal LNG Project has an initial term of 15.5 years, which may be extended at Charterers' option by three consecutive periods of five years.
- (2) On July 1, 2019, the *Lena River* commenced employment under its long-term charter with Yamal. The charter contract for the *Lena River* with Yamal in the Yamal LNG Project has an initial term of 15 years, which may be extended at Charterers' option by three consecutive periods of five years.

Our Chartering Strategy and Charterers

We seek, wherever possible, to employ our vessels on multi-year time charters with international energy companies that provide us with the benefits of stable cash flows and high utilization rates. We have chartered our vessels for a fixed period of time at daily rates that are generally fixed, but which could contain a variable component to adjust for, among other things, inflation and/or to offset the effects of increases in operating expenses.

The *Amur River* is employed under a 13-year charter party with SEFE that expires in 2028.

The *Ob River* is employed under a ten-year charter party with SEFE that expires in 2028.

The *Clean Energy* is employed under an eight-year charter party with SEFE that expires in 2026. Following the expiration of its current charter, the *Clean Energy* is contracted to be employed on a two-year charter party with NextDecade that is schedule to expire in 2028.

The *Arctic Aurora* is employed under a three-year charter party with Equinor that expires in 2026. Following the expiration of its current charter, the *Arctic Aurora* is contracted to be employed on a seven-year charter party with NextDecade that is scheduled to expire in 2033.

The charters of the *Amur River*, the *Ob River* and the *Clean Energy* are under the control of the German government since April 4, 2022 when Gazprom Germania (and all its subsidiaries), the indirect parent of Gazprom Marketing and Trading (GMT Singapore), was placed under the control of the German Government (Federal Network Agency) and renamed to SEFE GmbH. The vessels under the time charters with SEFE no longer trade from Russian LNG ports.

On August 14, 2018, immediately upon completion of its mandatory statutory class five-year special survey and dry-docking, the *Yenisei River* was delivered earlier than anticipated under its multi-year charter contract with Yamal for the Yamal LNG Project. As a result, we agreed with Yamal to extend the firm charter period from 15 years to 15 years plus 180 days. The initial term of the charter may be extended at Charterers' option by three consecutive periods of five years.

On July 1, 2019, the *Lena River* commenced employment under its multi-year time charter contract with Yamal in the Yamal LNG Project, with an initial term of 15 years, which may each be extended at Charterers' option by three consecutive periods of five years.

Based on the charter contracts described in the preceding paragraphs and the minimum expected number of days committed under those contracts (excluding options to extend), as of April 10, 2025, we have estimated contracted revenue backlog of approximately \$0.95 billion, \$0.11 billion of which relates to the operating expenses and estimated portion of the hire contained in certain time charter contracts with Yamal, subject to yearly adjustments on the basis of the actual operating costs incurred within each year. The actual amount of revenues earned in respect of such variable hire rate may therefore differ from the amounts included in the revenue backlog estimate due to the yearly variations in the respective vessels' operating costs, notwithstanding our current estimated contracted backlog. The average remaining contract duration is approximately 5.8 years.

We may not be able to perform under these contracts due to events within or beyond our control, and our counterparty may seek to cancel or renegotiate our contracts for various reasons. Our inability or the inability of our counterparty, to perform under the respective contractual obligations may affect our ability to realize the estimated contractual backlog listed above and may have a material adverse effect on our financial position, results of operations and cash flows and our ability to realize the contracted revenues under these agreements. Our estimated contract backlog may be adversely affected if the Yamal LNG Project for which certain of our vessels are contracted to be employed is abandoned or underutilized for any reason, including due to changes in the demand for LNG, or if we are required to terminate our relationships with Yamal or any of our other charterers due to, among other things, applicable sanctions. We caution not to place undue reliance on information regarding or estimated contract backlog.

In 2024, we earned 34% (2023: 43%) of our revenues from Yamal which primarily traded from Russian LNG ports. Due to the war between Russia and Ukraine, the United States (“U.S.”), European Union (“E.U.”), Canada and other Western countries and organizations announced and enacted from February 2022 until the date of this report, numerous sanctions against Russia. However, to date, such sanctions have not expressly prohibited LNG shipping and have not had any adverse effects to the Partnership’s time charter contracts. The war between Russia and Ukraine is, however, still ongoing, which may result in the imposition of further economic sanctions in addition to the ones already announced by the U.S., E.U., and other jurisdictions which could adversely affect our charterers and our future revenues from our time charter contracts with Yamal.

For information on our customer concentration, please see “Item 11. Quantitative and Qualitative Disclosure About Market Risk —Concentration of Credit Risk.”

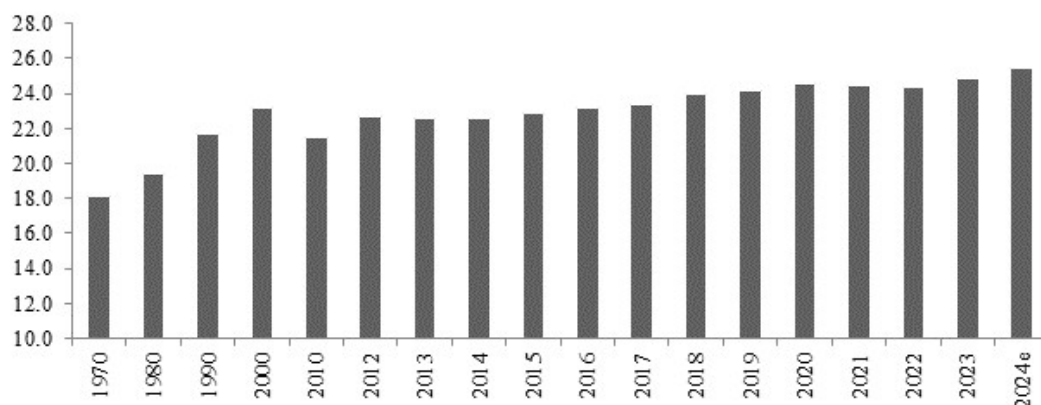
The International Liquefied Natural Gas (LNG) Shipping Industry

All the information and data presented in this section, including the analysis of the various sectors of the international liquefied natural gas (LNG) shipping industry has been provided by Drewry Shipping Consultants, Ltd., or Drewry, an independent consulting and research company. Drewry has advised that the statistical and graphical information contained herein is drawn from its database and other sources. In connection therewith, Drewry has advised that: (a) certain information in Drewry’s database is derived from estimates or subjective judgments; (b) the information in the databases of other maritime data collection agencies may differ from the information in Drewry’s database; and (c) while Drewry has taken reasonable care in the compilation of the statistical and graphical information herein and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.

Overview of Natural Gas Market

Natural gas is one of the key sources of global energy, including oil, coal, hydroelectricity, solar, wind, and nuclear power. In the last three decades, demand for natural gas has grown faster than the demand for any other fossil fuel. Since the early 1970s, natural gas’ share of the total global primary energy consumption has risen from 18.1% in 1970 to 25.4% in 2024.

Natural Gas Share of Primary Energy Consumption: 1970-2024¹
(% – Based On Million Tons Oil Equivalent)



(1) Provisional estimate

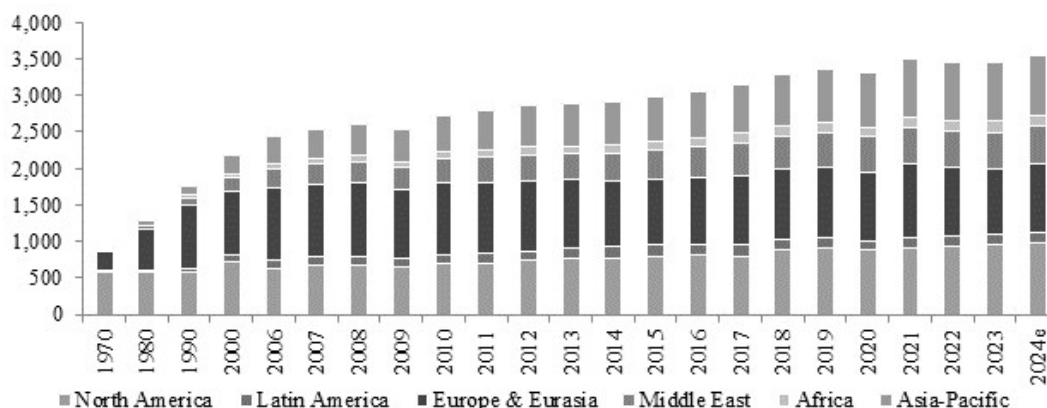
Source: BP Statistical Review, Shell LNG outlook, Drewry

Natural gas has a number of advantages that make it a competitive source of energy in the future. Apart from being abundant in supply, natural gas is the lowest carbon-intensive fossil fuel and least affected by the various regulatory policies aimed to curb greenhouse gas emissions. In recent years, consumption of natural gas has risen steadily due to global economic growth, increasing energy demand, consumers' desires to diversify energy sources, market deregulation, competitive pricing, and recognition that natural gas is a cleaner energy source compared to coal and oil. The level of carbon dioxide emissions and pollutants from natural gas in power generation are 50 to 60 percent lower than the level of carbon dioxide emissions and pollutants from coal-fired power plants. Natural gas emits 15 to 20 percent less heat-trapping gases than gasoline/gas oil when burned in typical automobile engines.

Natural gas is primarily used for power generation and heating. According to Energy Institute Statistical Review of World Energy 2024, worldwide natural gas reserves are estimated at 188.1 trillion cubic meters (cbm) at the end of 2020, which is enough for nearly 46 years of supply at current rates of consumption. During 2014-2024, natural gas consumption rose 2.0% per annum, with growth of 3.6% per annum in Africa, 3.1% in the Asia-Pacific, 2.7% per annum in the Middle East, followed by 2.4% per annum in North America. After declining 2.1% in 2020, global natural gas consumption surged 5.0% in 2021 mainly driven by sharp recovery in global economy. Global natural gas consumption declined in 2022 due to high LNG prices. In 2023, natural gas consumption received support from easing of COVID-19 restrictions in China though partly offset by rise of renewables and nuclear power both in Europe and Asia. Global natural gas consumption increased 2.8% year over year in 2024 mainly driven by higher power consumption.

In the last decade, a large part of the growth in natural gas consumption has been accounted for by Asia-Pacific, the Middle East and Africa regions, where gas consumption has increased nearly 1.3 times between 2014 and 2024.

World Natural Gas Consumption: 1970-2024¹
(Million Tons Oil Equivalent)

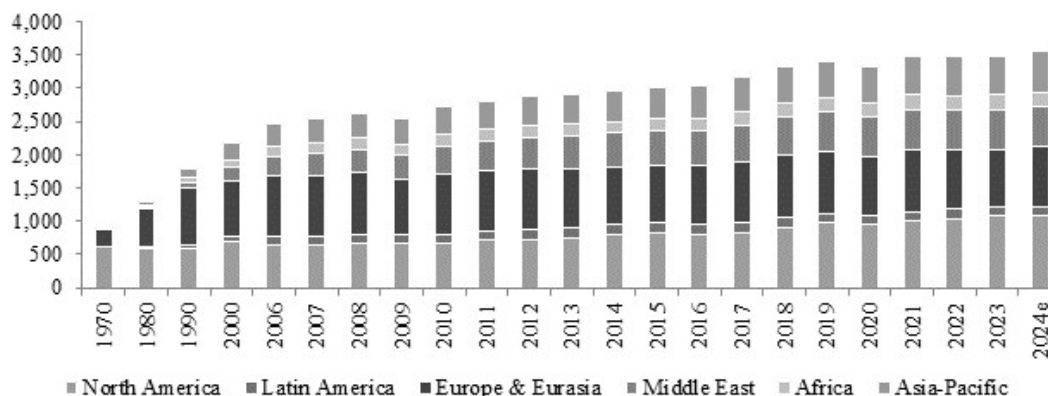


(1) Provisional estimate

Source: BP Statistical Review, Energy Institute Statistical Review, Drewry

The International Energy Agency (IEA) has stated that global natural gas reserves are large enough to accommodate rapid expansion of natural gas demand for several decades to come. Although natural gas reserves and production are widespread, the geographical disparity between areas of production and areas of consumption has been the principal stimulus of international trade in natural gas.

World Natural Gas Production: 1970-2024¹
(Million Tons Oil Equivalent)



(1) Provisional estimate

Source: BP Statistical Review, Energy Institute Statistical Review, Drewry

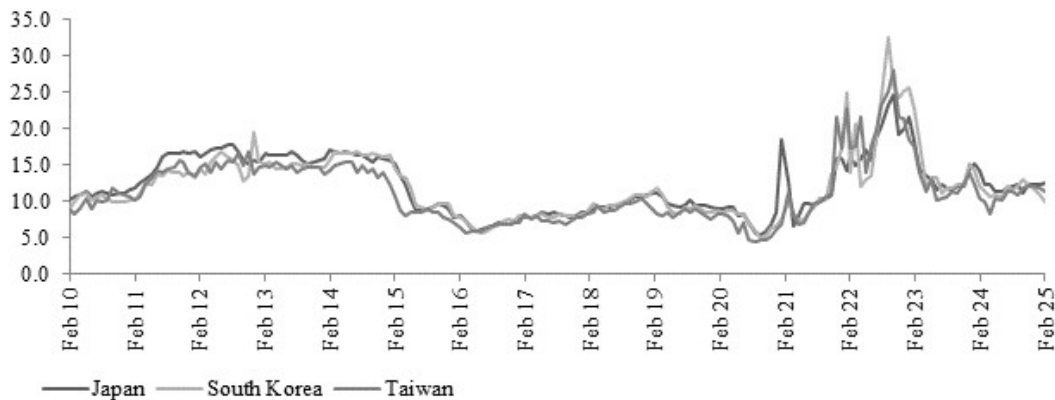
Natural gas production in North America has increased due to the emergence of new techniques, such as horizontal drilling and hydraulic fracturing, to access and extract the shale gas reserves. United States (U.S.) domestic gas production has exceeded domestic gas consumption for a large part of the year, which may reduce future gas import rates. Additionally, rising U.S. domestic production may drive down domestic gas prices and raise the likelihood of U.S. gas exports.

As a result of these developments, the North American gas market is moving in a different cycle from that of the rest of the world, and there is a price differential with other markets as indicated in the chart below. Regional price differentials create the opportunity for arbitrage and also act as a catalyst for the construction of new productive capacity. Given these conditions, the interest in exporting LNG from the US has grown and a number of new liquefaction plants have come up in the last few years.

LNG prices have shown a declining trend in the last two years after surging in 2022. LNG prices declined in 2024 due to lower demand in Europe and stable supply despite ongoing tensions in the Middle East. In 2023, LNG prices were impacted due to high inventory levels both in Europe and Asia, mild winter and improved global supply of LNG from Qatar, Australia's Prelude facility and return of Egypt's LNG exports after a pause. LNG prices surged in 2022 on account of high European LNG demand, low inventory levels and geopolitical uncertainty. LNG prices surged in both Asia and Europe in the latter part of 2021 on account of high LNG demand from Europe.

However, this price differential has reduced substantially since 2014 due to a sharp drop in LNG prices in the international market which has led to delay in some new planned facilities. In the latter part of 2018, the price of natural gas in key Asian market such as Japan, South Korea and Taiwan increased due to firm winter demand, whereas LNG prices in China softened in December 2018 due to high cargo availability and low demand. While high restocking activity in the third quarter of 2018 kept China's winter LNG imports stable, LNG prices failed to improve despite increased seasonal consumption. In 2019, LNG prices declined on account of high inventory in Europe and Asia, mild winter across the northern hemisphere, and slowing momentum of China's LNG demand. China's LNG demand faltered in 2019 due to lower economic growth and slower pace of the switch from coal to LNG. However, LNG prices surged in December 2020 and January 2021 in Asian countries on account of harsher-than-expected winter, but have since softened as the winter-led heating demand receded. Low wind energy production, reduced Russian pipeline supply along with weak LNG imports drove European LNG prices higher in 2021, while robust demand and competition with Europe led Asian spot prices to increase.

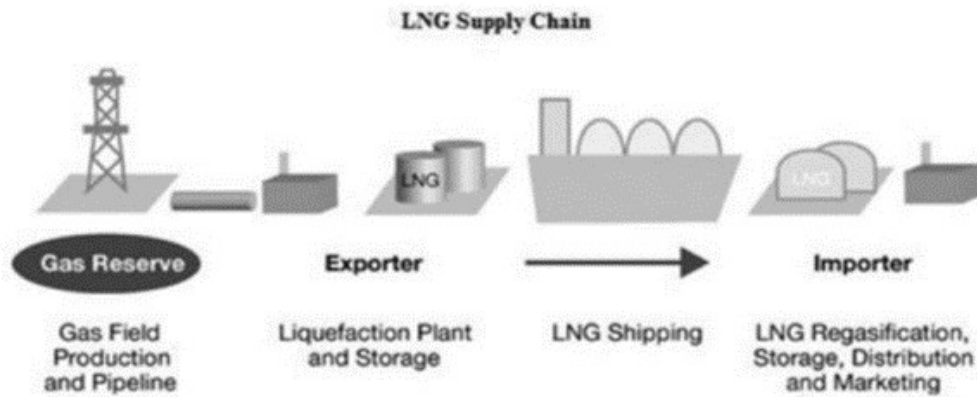
Natural Gas Prices: 2010-February 2025
(U.S. \$ per MMBtu)



Source: GTIS, Drewry

The LNG Market

To turn natural gas into the liquefied form, natural gas must be super cooled to a temperature of approximately minus 260 degrees Fahrenheit. This process reduces the gas to approximately 1/600th of its original volume in the gaseous state. Reducing the volume enables economical storage and transportation by ship over long distances. LNG is transported through sea in specially built tanks on double-hulled ships to a receiving terminal, where it is unloaded and stored in heavily insulated tanks. The LNG is then returned to its gaseous state, or regasified, in regasification facilities at the receiving terminal. Finally, the regasified LNG is moved through pipeline for distribution to natural gas customers.



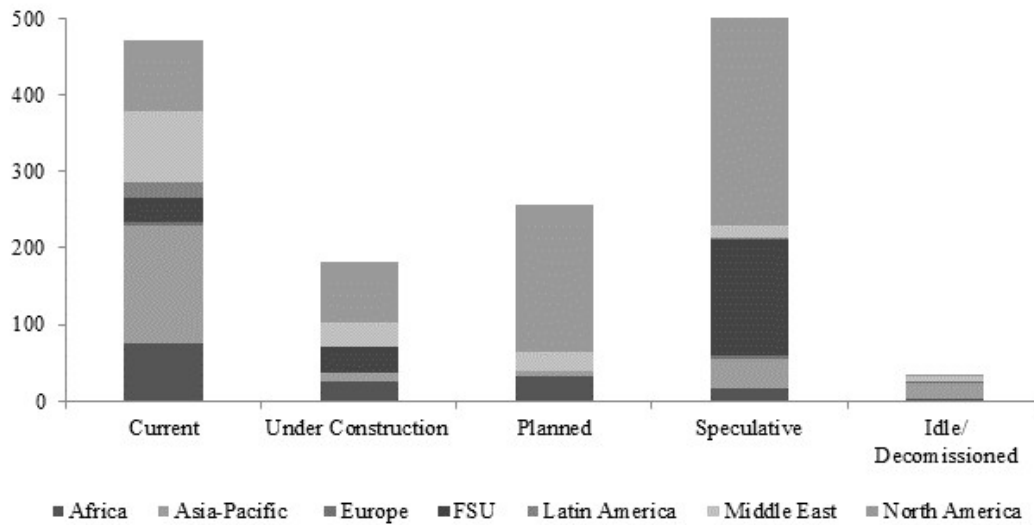
Source: Drewry

LNG Supply

Globally, 193.9 million tons of new LNG production capacity is under construction, 353.1 million tons of new LNG production capacity is planned, and 528.9 million tons of speculative LNG production capacity is under consideration, for which no confirmed plans exist.

World LNG Production Capacity – January 2025

(Million Tons per Annum)



Source: Drewry

As such, LNG production capacity will expand significantly as several new production facilities are now under construction and due on stream in the next few years. Generally, every additional one million ton of LNG productive capacity creates demand for up to two standard modern LNG carriers.

In the last decade, more countries entered the LNG export market. In December 2024, there were 20 producers and exporters of LNG. World trade in LNG has risen from 243.3 million tons in 2014 to an estimated 412.4 million tons in 2024.

LNG Exports: 2010-2024¹

(Million Tons)

Exporters	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	% Change 22-23
ALG	10.5	10.9	12.6	11.8	11.6	12.3	12.0	12.2	10.9	11.8	9.3	12.7	11.1	(12.4)%
USA#	0.5	0.1	0.3	0.6	3.2	12.2	18.5	33.8	50.8	67.0	82.2	88.8	89.4	0.6 %
LIB	—	—	—	—	—	—	—	0.0	0.0	0.0	0.0	0.0	0.0	—
BRU	6.6	6.9	6.0	6.4	6.0	6.9	6.8	6.4	6.3	5.6	4.5	4.6	4.5	(0.3)%
UAE	5.5	5.4	5.8	5.6	5.4	5.6	5.8	5.8	5.0	6.0	5.4	5.0	5.5	9.3 %
INO	17.5	16.4	15.8	16.0	15.5	18.7	18.0	15.5	13.7	13.8	14.0	15.6	14.5	(7.3)%
MAL	23.2	24.7	24.8	24.9	23.4	26.9	24.3	26.2	23.0	24.9	26.2	26.5	26.8	1.0 %
AUS	20.5	22.1	23.1	29.0	41.5	55.6	67.8	75.4	77.9	78.5	82.7	81.1	82.0	1.2 %
QAT	76.7	77.0	75.5	77.6	76.2	77.5	78.0	77.8	76.9	77.0	82.0	80.0	79.2	(0.9)%
TNT	13.7	14.4	14.1	12.4	10.4	10.2	10.1	12.5	11.9	6.2	8.5	7.7	8.2	7.3 %
NIG	19.9	16.3	18.5	20.1	17.3	20.3	20.0	20.8	18.9	16.4	14.2	13.2	14.7	11.7 %
OMA	8.2	8.4	7.8	7.4	7.8	8.2	8.0	10.3	8.5	10.2	11.3	11.4	10.8	(5.6)%
EGY	4.9	2.7	0.3	—	0.5	0.8	0.8	3.5	3.4	6.6	6.3	3.6	0.5	(84.8)%
EOG	3.5	3.7	3.7	3.6	3.2	3.9	3.8	2.8	2.6	2.7	3.8	2.8	4.4	54.9 %
CAM	—	—	—	—	—	—	—	—	—	1.3	1.4	1.6	2.0	29.0 %
NOR	3.3	2.8	3.9	4.4	4.6	3.9	3.9	4.7	3.3	0.2	2.8	4.4	4.7	5.0 %
RUS	10.8	10.4	10.6	10.6	10.2	11.5	16.2	29.3	30.8	29.6	32.2	30.8	33.5	8.7 %
YMN	5.2	7.0	6.5	1.4	—	—	—	0.0	0.0	0.0	0.0	0.0	0.0	—
PER	3.9	4.1	4.2	3.6	4.0	3.7	3.8	3.8	3.6	2.6	4.0	3.5	4.2	17.8 %
FRA	—	—	—	—	1.1	1.1	1.0	0.0	0.0	0.0	0.0	0.0	0.0	—
BEL#	0.3	1.1	1.1	0.9	—	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—
ESP#	1.2	2.1	3.8	2.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—
Papua	—	—	3.4	7.1	7.6	8.1	8.0	8.2	8.3	8.4	8.4	8.1	8.0	(2.0)%
Others##	0.7	0.9	1.5	1.4	3.2	3.2	6.2	5.7	1.7	3.5	2.2	7.1	8.5	19.7 %
Total	236.9	237.5	243.3	247.4	253.0	290.7	313.0	354.7	357.3	372.3	401.4	408.4	412.4	0.0

Include re-exports

Includes re-exports from Brazil, France, Portugal, South Korea, Japan and Greece

(1) Provisional estimate

Source: BP statistical review, Drewry

Major LNG exporting regions have undergone significant transition in the last ten years with market share of Indonesia and Malaysia having sharply declined. Australia surpassed Qatar as the largest LNG producer and exporter in 2020. Australia's LNG exports constituted 20.6% of the global LNG exports in 2022 and 19.7% of the global LNG exports in 2023, making it the second biggest LNG exporter. US LNG exports surged in 2022 due to increased demand from the European countries and higher LNG prices. The US emerged as the second biggest LNG exporter in 2022 and became the biggest LNG exporter in 2023 constituting 21.5% of the global LNG exports. The US maintained its position of being the largest LNG exporter in 2024 with 21.7% market share. Qatar is now the world's third largest producer and exporter of LNG, accounting for close to 19.7% of the global LNG export in 2023 and 19.2% of the global LNG exports in 2024.

Qatar took FID on its mega North Field Expansion (NFE) Phase 1 (32 mtpa) project, which is expected to start operations by 4Q25. The FID on Phase 2 of the project, adding 16 mtpa is also anticipated to be accelerated to 2022-23. Qatar announced further expansion of the NFE project in February 2024 and plans to add a further 16 MTPA of LNG production capacity. With these projects, the country aims to add 65 mtpa of liquefaction capacity, taking its total to 142 mtpa from 77 mtpa at the end of 2020. It also plans to boost its carbon capture capacity from the current 2 mtpa, making headways into the carbon-neutral LNG market.

U.S. LNG exports have ramped up significantly in the last six years, increasing from 3.2 million tons in 2016 to 89.4 million tons in 2024. The country's LNG exports have mainly benefited from the new liquefaction terminals coming on stream. Major LNG terminals coming on stream in the last few years include Sabine Pass, Dominion Energy Cove Point, Cameron LNG, Freeport LNG, Cheniere's Corpus Christi terminal second train, Cameroon LNG, Elba Island, Freeport LNG, five of 10 small trains of Kinder Morgan Inc.'s Elba Island facility and Plaquemines LNG T1-18. More than 66% of the U.S. LNG exports headed to Europe in 2023, a drastic shift in trade over 2021 when Asia was the world's largest importer of LNG and the biggest buyer of US supplies. The share of US LNG exports in the Asian and South American markets increased in 2024, while it weakened for Europe. The shift was due to subdued European LNG imports and strong Asian LNG demand. As of December 31, 2024, LNG export terminals with an aggregate capacity of 81.8 million tons per annum are under construction in the US.

Sakhalin 2, the first LNG project in Russia which started in 2009 (11 mtpa), is the main export contributor apart from the recent Yamal project in the fourth quarter of 2017, Russia started the first phase of the Yamal LNG project and commenced its first phase of production with a nameplate capacity of 5.5 million tons. The second and third train of the project came online in July 2018 and November 2018 respectively. The third train of the project commenced operations a year ahead of schedule and the project has added an aggregate capacity of 16.5 million tons to the global LNG production. In 2019, Russia added 0.7 mtpa of capacity and the country's LNG exports surged 32.1 percent to 21.4 million tons with Yamal LNG project ramping up to full capacity. Russian LNG exports have increased in recent years with Yamal LNG project ramping up its full capacity. The ongoing Russia-Ukraine war did not impact Russian LNG exports in 2022 as the country registered growth of 8% in 2022 on the previous year. After declining in 2023, Russian LNG exports increased 8.7% compared to the previous year in 2024 despite prolonged scrutiny and Europe's plans to shun Russian LNG. In fact, Russian LNG exports were supported by increased supply to Europe in 2024, with Belgium, France and Spain remaining the largest markets for Russian LNG.

The EU sanctions adopted against Russia so far have not imposed a direct ban on Russian LNG imports. However, the EU and US technology sanctions have started to affect Russia's LNG expansion plans. Arctic LNG T2 (6.6 mtpa) has been halted despite loading a few cargoes in early 2024. Meanwhile, planned capacity at Murmansk LNG (20 mtpa) and Arctic LNG T3 stands stalled amid growing stringency on Russia's expansionary plans. With the EU's ban on Russian trans-shipments, more direct LNG shipments to Europe could be recorded in the absence of any policy measure to reduce dependency on Russian LNG. Moreover, the ban on Russian trans-shipment, effective March 2025, could dent Russian LNG trade from the Arctic as about 20% of Novatek's Yamal LNG passes through the EU before being re-exported, mainly to Asia. The EU sanctions adopted against Russia so far have not imposed a direct ban on Russian LNG imports.

LNG Demand

In tandem with the growth in the number of LNG suppliers, there has been a corresponding increase in the number of importers. In 2010, there were 34 countries importing LNG and by December 2024, the number increased to 45.

LNG imports by country between 2012 and 2024 are shown in the table below. Despite an increase in the number of importers, Japan, South Korea, and China provide the backbone of LNG trade, collectively accounting for 45% of the total LNG imports as of the end of 2023. While these countries are among the three largest LNG importers, their share in global LNG import has declined sharply in since 2022 (from 53% in 2021 to 45.6% in 2024) due to the increase in LNG import by the European countries and power generation from nuclear and renewable sources in Japan and South Korea. The fast-declining Russian gas supply to Europe forced the region towards LNG to counter the deficit.

China's LNG imports surged in 2017 and surpassed South Korea's to become the second biggest LNG importing nation. China became the largest LNG importer in 2023. There has also been strong growth of LNG imports by India, Taiwan and Spain due to increasing demand from the power sector in those countries and their respective government's focus on the use of natural gas as a source of energy to reduce air pollution caused by conventional sources of energy.

China's LNG imports commenced in 2006 and have since grown exponentially from 0.7 million tons in 2006 to 76.8 million tons in 2024. The country's LNG imports expanded by a 41% year on year in 2018 as it took steps to shift from coal to natural gas for heating households during the winter because of the government's policy to increase the share of natural gas in the overall energy demand. After showing strong growth momentum in 2017 and 2018, China's LNG imports growth rate has slowed down in the last two years. The country's LNG imports grew 14.8% YoY to 61.9 million tons in 2019 and 10.1% YoY in 2020. The pandemic-induced demand slump adversely affected Chinese LNG demand in 1H20 with major Chinese LNG importers declaring force majeure. Chinese LNG demand surged in 2021 buoyed by a recovering economy, low inventories and the start of additional regasification capacities. China LNG imports declined 11.7% year over year in 2022 due to the sluggish economic growth, zero-COVID-19 policies and Russia-Ukraine war. With a steady recovery in Chinese economy and lifting of COVID-19 restrictions in January 2023, the country's LNG imports bounced back in 2023. Chinese LNG imports grew at a slower pace in 2024 compared to 2023 mainly due to increased pipeline gas supply from Russia and lower than expected economic growth.

China's coal to natural gas switch is driven by the country's intent to reduce pollution. China's use of natural gas as a share of the country's overall energy demand increased from 5.5% to 8.2% during the country's 13th Five Year Plan and the share of coal declined from 64% in 2015 to 56.6% in 2020. Under the 14th Five-Year Plan, China plans to formulate an action plan for peaking carbon emission before 2030 and anchor efforts to achieve carbon neutrality by 2060. China's increased emphasis on LNG as a source of energy is the result of its capital, Beijing's, aim to cut the country's greenhouse gas emissions, per unit of GDP, by 60-65 percent between 2005 and 2030. China's plans to achieve carbon neutrality is expected to accelerate its switch from coal to gas and aid LNG demand.

LNG Imports by Country 2010-2024¹

(Million Tons)

Importer	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e
Argentina	3.4	4.7	4.8	4.3	3.8	3.4	3.0	1.2	1.4	2.5	0.4	1.9	4.7
Belgium	3.1	1.6	2.1	2.8	2.1	0.9	1.6	5.1	5.9	3.3	7.2	9.1	5.5
Brazil	2.5	4.1	5.8	5.2	2.2	1.6	2.0	2.3	2.4	7.0	2.2	0.9	6.5
Canada	1.3	0.8	0.6	0.5	0.2	0.3	0.4	0.4	0.6	0.5	0.3	0.1	0.4
Chile	3.0	3.0	2.8	3.1	3.1	3.3	3.6	2.5	2.7	3.1	2.1	2.6	2.0
China	14.6	18.3	19.8	19.1	26.2	38.2	53.9	61.7	68.9	79.3	63.8	71.6	76.8
Dom. Rep.	0.9	1.2	0.9	1.3	1.3	0.9	1.2	1.2	1.2	1.5	1.1	1.0	1.8
Egypt	—	—	—	2.8	0.6	6.2	2.5	0.1	0.0	0.0	3.9	2.3	2.6
France	7.5	6.4	5.4	4.8	7.0	7.4	7.8	15.6	13.1	12.3	25.5	28.2	18.8
Greece	0.7	0.5	0.4	0.3	0.0	1.3	1.5	2.1	2.2	1.6	2.1	1.8	2.1
India	15.0	12.8	13.8	15.9	16.5	18.7	22.3	23.4	26.6	24.0	20.5	22.1	27.7
Indonesia	0.7	1.0	1.6	2.0	2.0	2.6	2.0	3.7	2.8	3.3	2.7	2.1	2.7
Israel	—	0.4	0.3	0.4	0.0	0.5	0.0	0.6	0.6	0.1	0.0	0.0	0.0
Italy	5.2	3.7	3.5	4.3	4.1	6.0	5.6	9.8	9.1	6.9	9.5	11.4	10.4
Japan	86.7	87.0	88.0	86.2	83.3	83.6	82.9	76.9	74.4	74.4	72.2	66.1	64.8
Jordan	—	—	—	2.9	3.3	3.3	3.0	1.4	0.8	0.2	0.1	0.2	1.3
Kuwait	2.0	1.6	2.7	2.7	2.7	3.5	3.0	3.6	4.1	5.3	5.8	5.2	5.9
Lithuania	—	—	0.1	0.4	0.0	0.9	0.0	1.4	1.4	1.1	0.8	0.8	2.2
Malaysia	0.1	1.5	1.7	1.6	1.2	1.8	1.1	2.7	2.6	2.0	2.4	2.3	2.9
Mexico	3.5	5.7	6.8	5.2	4.3	4.8	4.2	4.9	1.9	0.6	0.4	0.5	0.7
Netherlands	0.6	0.6	0.4	0.4	1.1	0.8	1.0	5.8	5.3	5.6	12.3	16.5	17.2
Pakistan	—	—	—	1.1	2.9	4.6	6.0	8.1	7.4	8.2	7.5	5.9	6.6
Portugal	1.5	1.8	1.2	0.7	0.7	2.7	1.2	4.1	2.7	4.1	4.5	3.5	3.4
Puerto Rico	1.0	1.3	1.3	1.2	0.9	0.9	1.0	1.4	0.9	1.5	0.6	1.0	1.5
South Korea	35.9	39.6	37.3	31.9	32.1	37.8	44.0	40.1	40.8	46.9	46.0	44.9	46.3
Spain	14.7	10.9	11.5	9.5	9.6	12.1	10.0	15.7	15.1	13.8	21.9	19.7	12.1
Singapore	—	0.9	1.9	2.2	2.2	3.0	3.2	3.3	3.2	3.1	4.0	4.4	7.8
Taiwan	11.7	12.6	13.2	13.7	14.2	16.6	16.7	16.7	17.8	19.4	20.3	19.9	21.9
Thailand	1.0	1.5	1.4	2.6	3.1	3.8	4.4	5.0	5.6	6.6	8.2	11.2	12.4
Turkey	5.7	4.0	5.3	5.5	5.6	7.3	7.1	9.4	10.7	10.0	9.6	10.1	11.0
UAE	1.0	1.1	1.3	1.6	1.5	2.5	2.8	1.4	1.5	1.2	1.8	1.9	1.0
UK	10.0	6.8	6.1	9.4	7.7	4.9	6.6	13.6	13.5	11.0	18.0	15.6	7.4
USA	3.7	2.0	1.2	1.9	1.8	1.5	1.8	1.0	0.9	0.4	0.9	1.0	1.1
Africa	—	—	—	—	7.4	—	—	—	—	—	7.3	7.0	7.1
Others	—	—	—	—	3.4	2.8	5.6	9.0	8.1	11.3	15.4	15.9	16.0
World Total	236.9	237.4	243.3	247.3	258.3	290.3	313.0	354.7	356.1	372.3	401.3	408.4	412.4

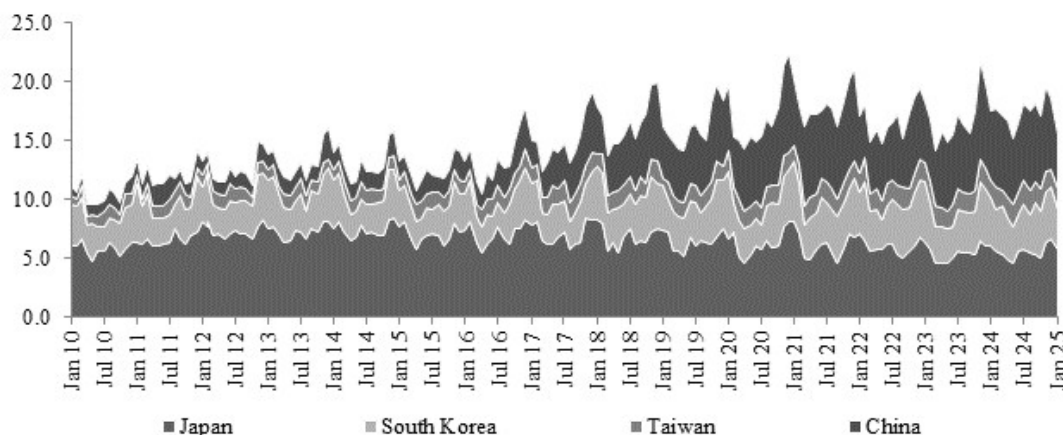
* Includes Colombia, Jamaica and Poland

(1) Provisional estimate

Further expansion of regasification and terminal import infrastructure will support the continued growth in Chinese LNG imports. China is not different from the U.S. in that China also has large deposits of shale gas, but geological structures in China are far more complicated. Additionally, China lacks the infrastructure to support the rapid development of domestic gas supplies, creating demand for imported LNG. Monthly trends in LNG imports among Asian importers between January 2010 and February 2025 are shown in the chart below.

Asian LNG Imports: 2010-February 2025

(Million Tons)



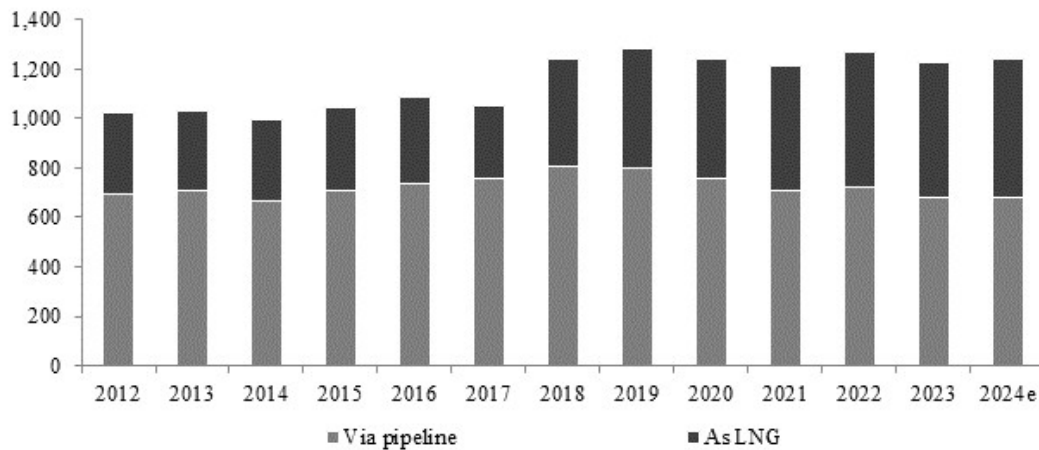
Source: Drewry

International Trade in Natural Gas

Generally, a pipeline is the most economical way of transporting natural gas from a producer to a consumer, provided that the end users are not too distant from the natural gas reserves. However, for some areas, such as the Far East, the lack of an adequate pipeline infrastructure means that natural gas must be turned into a liquefied form (LNG), as this is the only economical and feasible way it can be transported over long distances. Additionally, sea transportation of LNG is more flexible than through a pipeline as it can accommodate required changes in trade patterns that are economically or politically driven.

International trade in natural gas has grown 24.5% between 2014 and 2024, with the volume of LNG trade currently being 1.7 times greater than 2014 levels and accounting for about 45% total natural gas trade. As a result, LNG has captured a growing share of international gas trade, primarily due to the diversification of consumers, flexibility among producers, cost-efficient transport and competitive gas prices. International trade in natural gas grew 1.3% year over year in 2024 after declining 3.1% year over year in 2023 as LNG trade increased.

World Natural Gas Trade 2011—2024¹
(Billion Cubic Meters)



(1) Provisional estimate

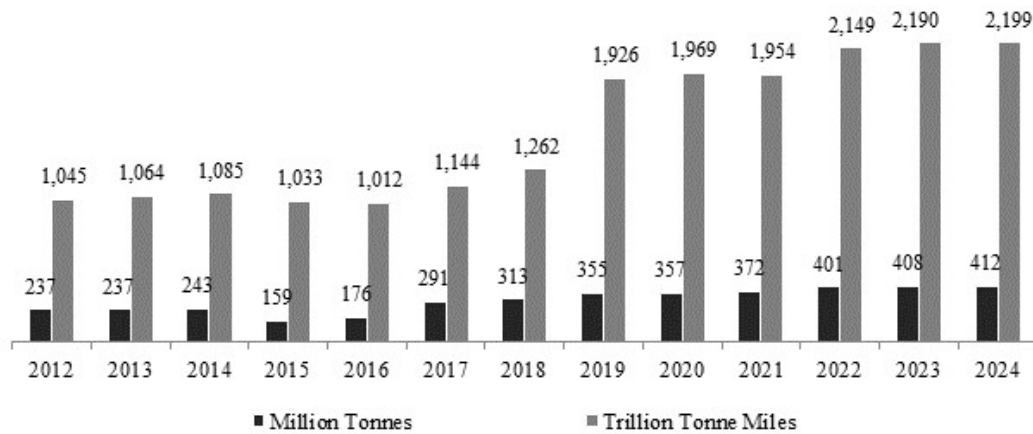
Source: Drewry

LNG Shipping Routes

Although the number of LNG shipping routes has increased in recent years due to growth in the number of LNG suppliers and consumers, demand for shipping services remains heavily focused on a number of key trade routes. In 2024, the principal trade routes for LNG shipping included Qatar to Europe (the United Kingdom, Italy and Spain), Qatar to Asia (India, Japan and South Korea), Australia to Asia (China, Japan and South Korea), Malaysia to Japan, US to Europe, US to Asia (South Korea and Japan), Russia to Asia (Japan, South Korea, Taiwan and China), Russia to Europe (France, Netherland, United Kingdom and Spain) and US to Europe and Asia.

One important result of the geographical shifts in LNG production and consumption is that demand for shipping services (expressed in terms of ton miles) has grown at a much faster rate than the underlying increases in LNG trade. Ton miles are derived by multiplying the volume of cargo by the distance between the load and the discharge ports on each voyage. During 2014-2024, demand for LNG shipping services, expressed in terms of ton miles, has increased at a compound average growth rate (CAGR) of 7.3%, compared with a 5.4% increase in the volume of cargo carried.

LNG Seaborne Trade 2010-2024¹



(1) Provisional estimate

Source: Drewry

LNG Trades Requiring Ice Class Tonnage

Ice Class Vessel Classifications

Ice class designations are assigned to ships that are strengthened to navigate in specific ice conditions. Ice class vessels are governed by different ice class rules and regulations depending on their respective area of operations.

Baltic Sea

- Bay and Gulf of Bothnia, Gulf of Finland - Finnish-Swedish Ice Class Rules (FSICR)
- Gulf of Finland (Russian territorial waters) - Russian Maritime Register (RMR) Ice Class Rules

Arctic Ocean

- Barents, Kara, Laptev, East Siberian and Chukchi Seas - Russian Maritime Register (RMR) Ice Class Rules
- Beaufort Sea, Baffin Bay, etc. - Canadian Arctic Shipping Pollution Prevention Rules (CASPPR)
- RMR Ice Class Rules

There are also ice class rules and regulations for commercial ship operations on inland lakes, mainly the Great Lakes/St. Lawrence Seaway.

In the context of current commercial newbuilding orders, the FSICR have become the *de facto* standard for new tonnage. Four ice classes are defined in the FSICR. The FSICR fairway due ice classes along with the design notional level thicknesses, in order of strength from high to low, are:

Class	Standard
1A Super (1AS)	Design notional level ice thickness of 1.0m. For extreme harsh ice conditions.
1A	Design notional level ice thickness of 0.8m. For harsh ice conditions.
1B	Design notional level ice thickness of 0.6m. For medium ice conditions.
1C	Design notional level ice thickness of 0.4m. For mild ice conditions.

The FSICR and the system of ice navigation operated during the winter months in the Northern Baltic are the most well-developed criteria and standards for ice navigation. The system of ice navigation comprises three fundamental elements:

- Ice class merchant vessels (compliant with the FSICR for navigation in the northern Baltic);
- Fairway navigation channels; and
- Ice breaker assistance.

Year-round navigation and continuity of trade using the above three fundamental elements were first introduced in the northern Baltic Sea areas during the 1960s. The current FSICR, as well as the system of ice navigation, has evolved over the years to its current state.

Requirement for Ice Class Tonnage

The FSICR include technical requirements for hull and machinery scantlings as well as for the minimum propulsion power of ships. The hull of ice class vessels and the main propulsion machinery must be safe. The vessel must have sufficient power for safe operations in ice-covered waters. During the vessels' normal operations, they encounter various ice interaction loadings, which calls for strengthened hull structures.

In addition to the ice class rules, ships are required to comply with requirements set by the maritime authorities in various jurisdictions. For example, the Russian marine operations headquarters accepts ships with ice-strength functionalities according to or at least the equivalent of FSICR 1B and compliance with crewing and icebreaker assistance requirements in order to operate in the Northern Sea Route (NSR).

Ice Class LNG Fleet

The number of ships in the international LNG fleet with an ice class standard is very low. As of February 2025, there were only 33 LNG carriers with Ice Class 1A and Ice-Class 1A Super Standard in operation and 13 vessels on order.

Northern Sea Route (NSR)

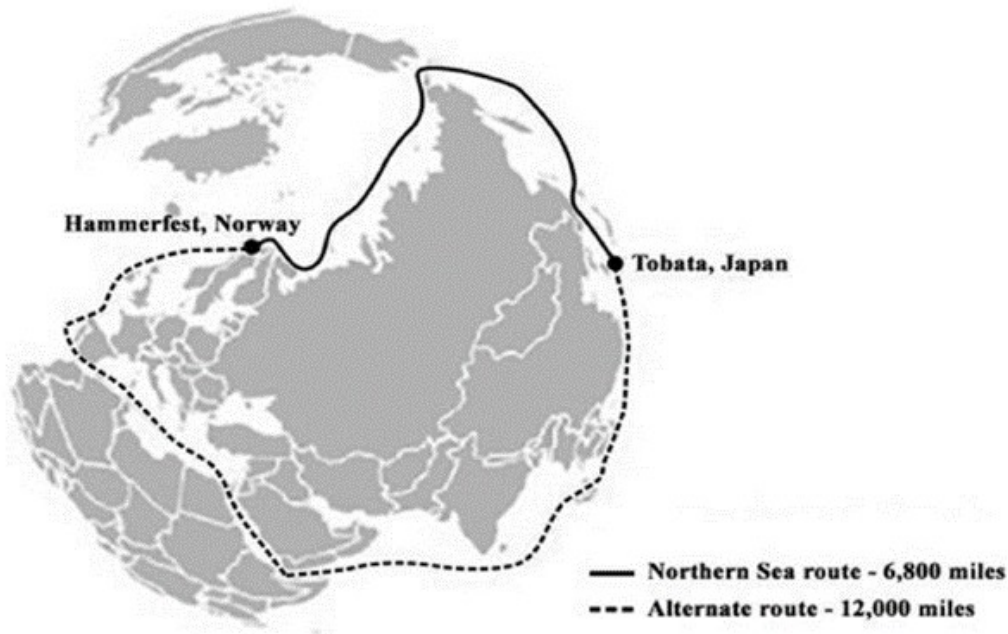
Currently, cargo flows through the NSR are dominated by oil, gas and mineral exports, particularly coal and iron ore. Demand for shipping for these commodities in the region has been increasing in recent years, driven by several key factors, including:

- reduced level of sea ice has extended the summer shipping season in the Arctic and is making some areas easy to navigate;
- increase in mineral resource development activities in the Arctic;
- commodity demand growth in Asian economies;
- technological developments which have made NSR a more feasible shipping route than in the past; and

- chronic political problems in the Middle East, piracy in North Africa, and non-transparent commercial disputes over the Suez in Egypt.

These factors have made NSR a promising alternative.

Northern Sea Route



Source: Drewry

With Yamal LNG project coming on stream in 2016, LNG export through Northern Sea Route (NSR) has increased 107.5% between 2019 and 2024. In 2022, cargo to Asia from Yamal LNG declined as more cargo went to Europe. Cargo to Asia from Yamal LNG recovered in 2023. However, cargo to Asia from Yamal LNG declined, driven by increased Russian pipeline gas export from Russia to China via Power of Siberia and more exports to Europe.

LNG exports through the Northern Sea Route

	2019	2020	2021	2022	2023	2024
Number of Vessels	20	35	47	32	36	42
Total Cargo Volume (Thousand tons)	1,517.5	2,655.9	3,553.0	2,417.9	2,720.9	3,149.5

Source: Drewry AIS Note: Vessels loading LNG from Russia's Sabetta and moving to Asia

In early 2017, the most suitable LNG terminal on the NSR for loading LNG for transport to the Far East was located in Northern Norway. The distance from Norway to Japan through the NSR is approximately 45% shorter than traditional shipping routes through the Suez Canal. The Arctic route allows ships to save time, fuel, and cut back on environmental emissions.

Russia began production at the first train of the Yamal LNG project in December 2017, while the second and third train of the project began production in July 2018 and November 2018, respectively. The Yamal project (located in remote northern Russia, above the Arctic Circle) has capacity to produce 17.4 million tons of LNG (as of February 28, 2023). In December 2018, Yamal LNG offloaded its one hundredth LNG cargo since the beginning of the first train of the project in December 2017. The Yamal LNG project attained full capacity in 2019 and Russia's LNG exports increased 32.1% in 2019 over the previous year.

Russian LNG exports increased 8.8% YoY in 2022 despite ongoing Russia-Ukraine war. Russian LNG exports declined 2.6% year over year in 2023 due to planned maintenance at its plants. Drewry expects that increased Russian LNG exports will increase the demand for ice class vessels as the transportation from Yamal and Arctic LNG1 project to Asian and European countries will require a specialized category of ice-breaker LNG carriers capable of taking the shorter Arctic route. However, exit of some of the foreign partners from Russian projects following Russia-Ukraine crisis and the EU's technology sanctions may impact the progress on Arctic LNG2 and Arctic LNG3 project and consequently LNG ship demand related to these projects.

Russia will be able to deliver LNG at a lower price than most of its competitors due to the low feedstock cost of the world's most complex LNG project and the introduction of a shorter shipping route. Furthermore, the project has benefitted from the Russian government's support, including a 12-year exemption from mineral extraction tax, no export taxes on LNG, and government-subsidized construction of the port of Sabetta.

Arc 7 LNG vessels will be required to pass the NSR via the Bering Strait, which will enable vessels to reach Asia in 15 days, while the conventional route via the Suez Canal takes 30 days. This, in turn, will benefit importers by reducing voyage time and transportation expenses.

In general, ships below 1A Ice-Class will not be allowed to trade on NSR, which provides an advantage to vessel owners with ice class tonnage. Furthermore, vessel owners/operators with experience of operating in ice conditions will have a competitive advantage over the traditional operators that make occasional voyages into the region during the winter months.

IMO 2020 regulation and its impact on LNG demand

The IMO, the governing body of international shipping, has made a decisive effort to diversify the industry away from HFO into cleaner fuels with less harmful effects on the environment and human health. Effective in 2015, ships operating within the Emission Control Areas (ECAs) covering the Exclusive Economic Zone of North America, the Baltic Sea, the North Sea, the English Channel, the North American area, and the U.S. Caribbean Sea area, are required to use marine gas oil with allowable sulfur content up to 0.1%.

In order to reduce the emission of air pollutants from ships in key areas of China, the Ministry of Transport issued stricter emission control area regulations in their territorial waters. Beginning on January 1, 2020, ships entering inland waterways, including the Yangtze River and Xijiang River, have to adhere to a strict requirement of 0.1% sulfur content. From January 1, 2022, ships are required to comply with the 0.1% sulfur content requirement when entering the Hainan coastal ECA. China is considering adopting more stringent emission control requirements, such as to implement the 0.1% sulfur content limit requirement in all coastal waters beginning January 1, 2025.

The IMO implemented emission control regulations globally with effect from January 1, 2020. These regulations stipulate that ships sailing outside ECAs will switch to an alternative fuel with permitted sulfur content up to 0.5% or will retrofit scrubbers in order to reduce emissions. LNG qualifies as an alternate fuel for complying with IMO regulations as it has sulfur content below 0.1%. This has resulted in some ship owners getting their vessels retrofitted so that they can use LNG as a fuel. Some ship owners also prefer to have their newbuilding vessels LNG ready.

As of February 2025, the global shipping fleet comprises 571 LNG-capable vessels (i.e., non-LNG carriers) with another 668 vessels on the orderbook. The number of LNG-fueled vessels on the water is set to increase in coming years. 59 LNG-capable vessels aggregating 2.6 mdwt were delivered in 2021, 121 vessels aggregating 8.7 mdwt were delivered in 2022 and 116 vessels aggregating 15.4 mdwt delivered in 2023 and 170 vessels aggregating 13.9 mdwt delivered in 2024. These promising numbers highlight the industry's rising inclination towards accepting LNG as a bunker fuel.

EU Environmental Regulations

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 (the “Proposals”). There are two key initiatives relevant to maritime arising from the Proposals: (a) a bespoke emissions trading scheme for the maritime sector, or ETS, which commenced in 2024 and which applies to all ships above a gross tonnage of 5,000; and (b) a FuelEU regulation which came into force on January 1, 2025 and which requires all ships above a gross tonnage of 5,000 to carry on board a “FuelEU certificate of compliance” from June 30, 2026, as evidence of compliance with the limits on the greenhouse gas intensity of the energy used on-board by a ship and with the requirements on the use of on-shore power supply (OPS) at berth. More specifically, ETS is to apply gradually over the period from 2024 to 2026. For instance, 40% of ETS allowances would have to be surrendered in 2025 for the year 2024; 70% of ETS allowances would have to be surrendered in 2026 for the year 2025; and 100% of ETS allowances would have to be surrendered in 2027 for the year 2026. Compliance is to be on a company-wide (rather than per ship) basis and “shipping company” is defined broadly to capture both the ship owner and any contractually appointed commercial operator/ship manager/charterer. The cap under the ETS would be set by taking into account EU MRV system emissions data for the years 2018 and 2019, adjusted, from year 2021 and is to capture 100% of the emissions from intra-EU maritime voyages; 100% of emissions from ships at berth in EU ports; and 50% of emissions from voyages which start or end at EU ports (but the other destination is outside the EU). Furthermore, the newly passed EU Emissions Trading Directive 2023/959/EC makes clear that all maritime allowances will be auctioned and there will be no free allocation. 78.4 million emissions allowances are allocated specifically to maritime. From a risk management perspective, new systems, including personnel and data management systems, costs recovery mechanisms, revised service agreement terms, and emissions reporting procedures will have to be put in place, at potentially significant cost, to prepare for and manage the administrative aspect of ETS compliance.

The first compliance deadline of August 31st for submission of Fuel EU Monitoring Plans by shipping companies under FuelEU has now passed. The next challenge for shipping companies is to avoid incurring penalties under Fuel EU by either purchasing compliant fuels and/or vessels or by entering into pooling agreements with other shipping companies in order to meeting compliance in 2026 and beyond. Preparation and putting in place a robust compliance strategy for Fuel EU is an essential part of mitigation action and reduces exposure to regulatory and commercial liability going forward.

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

The new EU Waste Shipment Regulation 2024/1157 came into effect on May 20, 2024, and seeks to clarify the legal framework applicable to the recycling of EU-flagged ships. Ships can now be recycled in recycling facilities located outside of the OECD if they meet the requirements of the SRR and are added to the EU list. Furthermore, the new Environmental Crime Directive 2024/1203 also came into effect on May 20, 2024, and makes it an offense punishable by substantial fines for unlawful recycling of ships that fall within the scope of SRR. Member states have two years to implement this directive.

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

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

On November 10, 2022, the EU Parliament adopted the 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 (e.g., respect for employee and human rights, anti-corruption and bribery, corporate governance, and diversity and inclusion). In addition, it will require disclosure regarding the due diligence processes implemented by a company in relation to sustainability matters and the actual and potential adverse sustainability impacts of an in-scope company's operations and value chain. The CSRD will begin to apply for financial years starting in 2024 to large EU and non-EU undertakings subject to certain financial and employee thresholds being met. New systems, including personnel and data management systems, and reporting procedures will have to be put in place, at a significant cost, to prepare for and manage the administrative aspect of CSRD compliance. 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 and 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 €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.

A new Corporate Sustainability Due Diligence Directive (“CSDDD”) has also been proposed as part of the Fit for 55 package to establish a corporate due diligence duty. Though the European Parliament agreed on its negotiating position on the European Commission’s proposal for CSDDD on June 1, 2023, the same was later rejected. Following numerous postponements and difficulty reaching agreement, the Belgian presidency put forward the “final” compromise text in April 2024, although certain provisions were further altered after receiving pressure from a number of member states. The primary change of the changes proposed and accepted by member states relates to thresholds and scope. The number of employees was raised from 500 to 1,000 and the turnover threshold was raised from €150 million to €450 million, which means that only a third of companies will be covered by the law as compared to what was contemplated in the initial proposal. The aim of CSDDD is to foster sustainable and responsible corporate behavior and to anchor human rights and environmental considerations in companies’ operations and corporate governance. The new rules will ensure that businesses address adverse impacts of their actions, including in their value chains inside and outside of Europe. CSDDD will also apply to large companies. Companies that do not meet the CSDDD thresholds will still likely be impacted indirectly because their larger customers will require human rights and environmental data to be disclosed to enable their compliance. New systems, including personnel and data management systems, and reporting procedures, will have to be implemented, at significant cost, to prepare for and manage the administrative aspect of CSDDD compliance, which will likely commence in 2025.

IMO GHG strategy

At the MEPC 80 session in July 2023, the IMO revised its GHG emission reduction targets in line with the Paris Agreement, setting more ambitious targets compared to its 2018 initial GHG strategy. The organization now aims for net-zero emissions from the shipping industry by 2050. The IMO has added two indicative checkpoints for GHG reduction – (i) To reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30% in 2030, compared to 2008, and (ii) To reduce the total annual GHG emissions from international shipping by at least 70%, striving for 80% by 2040, compared to 2008. In addition, targets have been set for 2030: (i) reduction of CO₂ emission per transport work by at least 40% compared to 2008, and (ii) uptake in zero or near-zero GHG emission fuels by at least 5% and striving for 10%.

Achieving these targets will require a combination of energy efficiency requirements and energy saving technologies, in addition to encouraging shipowners to use alternative fuels such as biofuels and electro-/synthetic fuels such as hydrogen or ammonia. It may also include limiting the speed of ships. Currently, there is uncertainty regarding the exact measures that the IMO will undertake to achieve these targets. IMO-related uncertainty is a key factor preventing shipowners from placing new orders, as the vessels with conventional propulsion systems may have a high environmental compliance cost and possibly faster depreciating asset values in the future. Some shipowners have decided to manage this risk by ordering LNG-/methanol-fueled ships to comply with stricter regulations that may be announced in future.

The IMO concluded MEPC 80, addressing the current GHG measures and an additional basket of mid-term measures, including an economic and technical measure. Details on these measures will be discussed further in the upcoming inter-sessional meetings held by the IMO. The economic measure is expected to come in the form of a GHG levy and the technical measure will introduce a Goal Based Fuel Standard (GFS), which will assess the fuels that are used onboard on a life cycle basis according to the life cycle GHG intensity of marine fuels (LCA) guidelines. Both measures are expected to be implemented in 2027.

Alternative fuels for shipping

The IMO has set a target to reduce GHG emissions by 50% in 2050, which cannot be achieved with low-sulfur fuel and so has encouraged innovation in alternative fuels. The IMO has also been planning other technical and operational measures in order to meet emission targets. Alternative fuels like LPG and methanol are mainly used on vessels carrying these as cargo while LNG is used as a fuel in LNG vessels and also in other vessels. Since hydrogen and ammonia are in the initial stages of development as marine fuel, LNG is expected to remain the preferred alternative fuel in the near-to-medium term due to its availability. However, LNG is still a fossil fuel and is unable to meet the IMO 2050 decarbonization target. Another drawback is that LNG propulsion requires an LNG-capable engine which would need additional capex and increased fuel storage space. Biofuel is another potential alternative because it requires no major modification of engine, and therefore, no significant additional capex.

The LNG Fleet

LNG carriers are specialist vessels designed to transport LNG between liquefaction facilities and import terminals. They are double-hulled vessels with sophisticated containment systems that hold and insulate LNG to maintain it in liquid form. Any LNG that evaporates during the voyage and converts to a natural gas (normally referred to as boil-off) can be used as fuel to help propel the ship.

Among the existing fleet, there are several different types of containment systems used on LNG carriers, but the two most popular systems are:

- The Moss Rosenberg spherical system, which was designed in the 1970s and is used by a large portion of the existing LNG fleet. In this system, multiple self-supporting, spherical tanks are built independent of the carrier and arranged inside its hull.
- The Gaz Transport membrane system, which is built inside the carrier and consists of insulation between the thin primary and secondary barriers. The membrane is designed to accommodate thermal expansion and contraction without overstressing the membrane.

However, most new vessels are being built with membrane systems such as the Gaz Transport system. This trend is primarily a result of lower Suez Canal fees and related costs associated with passage through the Suez Canal, often required for many long-haul trade routes. In addition, ships with membrane systems, such as the Gaz Transport membrane system, tend to operate more efficiently with less wind resistance as compared to the ships with Moss Rosenberg systems. Generally, ships with membrane systems achieve better speed due to improved hull utilization, reduced cool down time, and better terminal capacity.

LNG Fleet

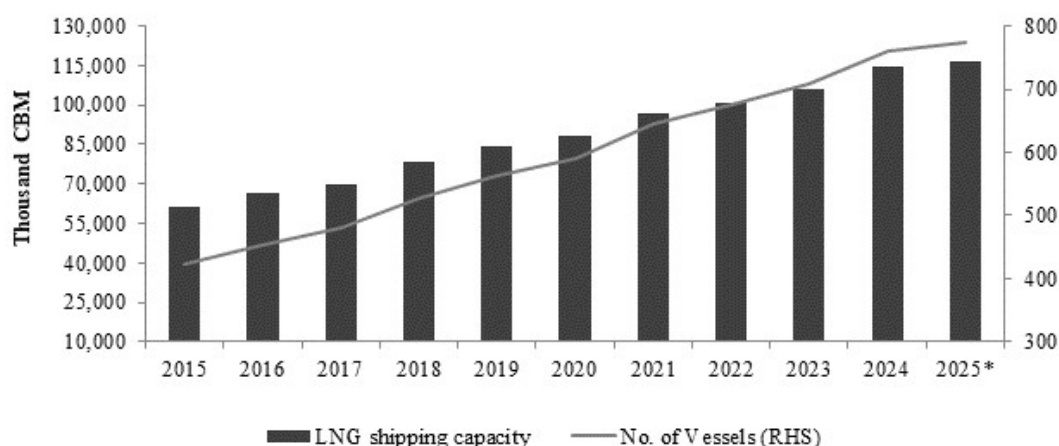
The cargo capacity of an LNG carrier is measured in cbm. As of February 28, 2025, the worldwide fleet totaled 774 ships with a combined capacity of 116.7 million cbm. The breakdown of the fleet by vessel size is shown below.

The LNG Fleet by Vessel Size: February 28, 2025

Size	No.	000 Cbm
0-17,999 cbm	50	339
18-49,999 cbm	28	694
50-74,999 cbm	4	278
75-124,999 cbm	6	475
125-149,999 cbm	166	23,523
150-199,999 cbm	469	79,869
200-219,999 cbm	37	7,809
220,000+ cbm	14	3,727
Total	774	116,714

Source: Drewry

The changes in LNG fleet supply are a function of deliveries of new ships from the orderbook and the removal of existing vessels through scrapping. The increases in seaborne LNG trade and ship demand over the last three years have resulted in rapid growth in the overall fleet size. LNG fleet capacity has expanded at a CAGR of 7.2% per annum between 2014 and 2024. High deliveries in the last four years have led to a sharp increase in LNG fleet in these years.

LNG Fleet: 2015- February 2025


Source: Drewry

Within the current worldwide fleet, there are only 76 vessels with ice class certification and these vessels account for close to 9.6% of the global LNG fleet. These ships are a niche part of the market and command a premium over the freight rates of non-ice class vessels.

The age profile of the existing fleet as of February 28, 2025, is shown below. The average age of all LNG carriers in service is 10.5 years, with lower fleet ages for comparatively bigger vessels and smaller vessels. Whereas, mid-sized vessels are relatively older.

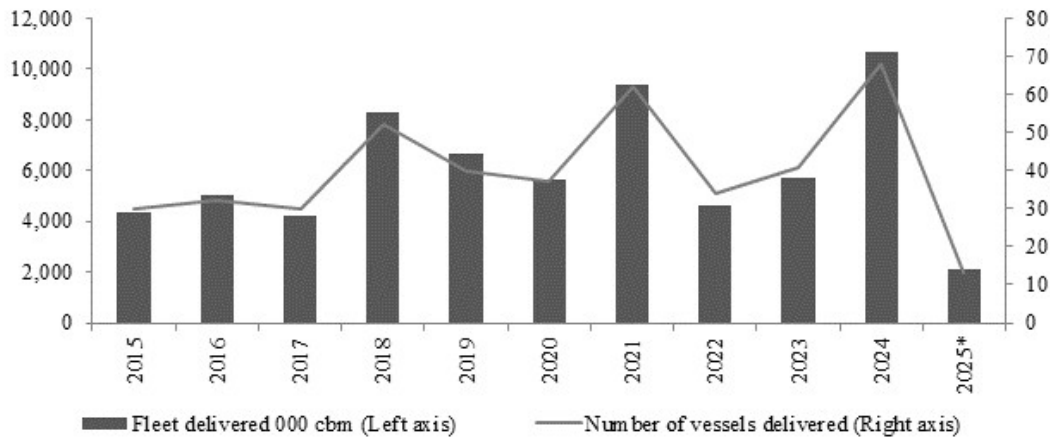
LNG Fleet Age Profile: February 28, 2025

Size Range in CBM	Average Age (Years)
0-18,000	8.5
18-50,000	9.3
50-75,000	22.7
75-125,000	4.5
125-150,000	21.3
150-200,000	6.5
200-220,000	14.1
220,000+	15.8
Average Age -Total Fleet	10.5

Source: Drewry

Due to high-quality construction and in most cases, high-quality maintenance, LNG carriers tend to have longer useful lives than oil tankers. However, older ships may find it harder to find employment. EEXI and CII regulations are expected to impact older steam turbine LNG vessels more. These vessels will need to reduce the speed. Ships built before 1990 will likely be replaced in the near future. Some of older tonnage may also get converted into FSRU. LNG fleet deliveries over last nine years are shown below. In early 2025 (till mid-March), two older steam turbine LNG vessels were sold for scrapping, demonstrating weak demand for these vessels.

LNG Fleet Delivery: 2015- February 2025



Source: Drewry, Note YTD 2023 deliveries include deliveries between January and February 2025

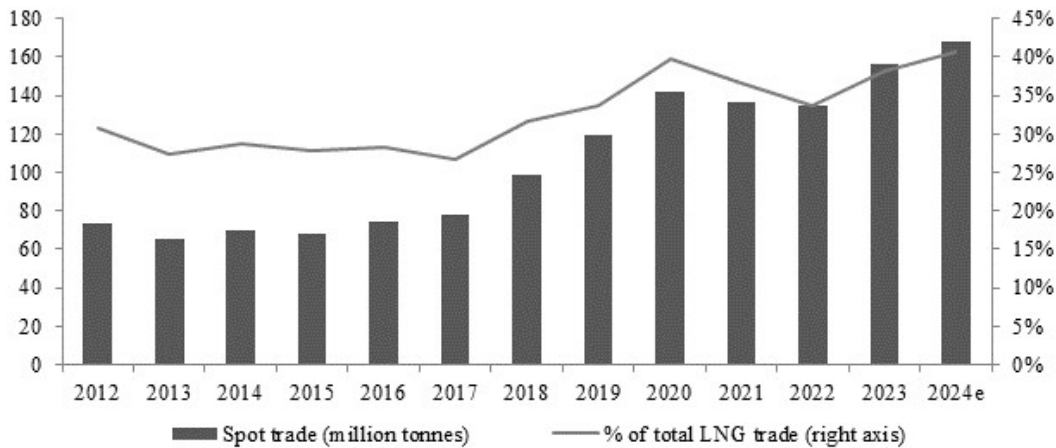
LNG Shipping Arrangements

LNG carriers are usually chartered for a fixed period of time. Shipping arrangements are normally based on charters of five years or more because:

- LNG projects are expensive and typically involve an integrated chain of dedicated facilities. Accordingly, the overall success of an LNG project depends heavily on long-term planning and coordination of project activities, including marine transportation; and
- LNG carriers are expensive to build, and vessel financing is supported by the corresponding cash-flow from long-term fixed-rate charters.

Most end users of LNG are utility companies, power stations or petrochemical producers with operations that depend on reliable and uninterrupted deliveries of LNG. Although most shipping requirements for new LNG projects continue to be provided on a long-term basis, spot voyages and time charters of four years or less have become a feature of the market in recent years. However, it should be noted that the LNG spot market is different from the tanker spot market. In the tanker market, the term “spot trade” refers to a single voyage, which is arranged at a short notice. In the LNG market, the term “spot trade” refers to the transport of one or more cargoes, sometimes within a specified time period between one and six months, with a set-up time of possibly several months. With changing global LNG market, the vessel owners are gradually increasing their exposure to spot trade. Earlier shipowners used to employ more than 85% of their fleet on long-term charters and 10 to 15% of the fleet used to operate in spot trade. However, short term LNG trade data for last ten years indicates that with increasing imports of China from the spot market and taking advantage of the rate spike in winters and other market imbalances, shipowners have increased the spot market exposure in the range of 27 to 40%.

Short-term LNG trade 2011-2024



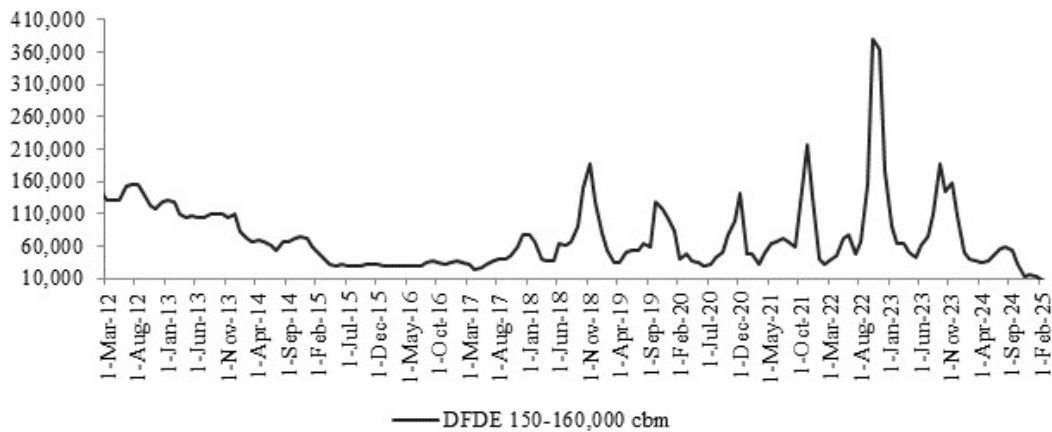
Source: Drewry

Spot earnings for LNG ships

Spot rates for LNG vessels were at its peak in 2012 following the Fukushima nuclear disaster of March 2011 in Japan. The disaster compelled Japan to adopt LNG more actively in lieu of nuclear power. The spot rates reached their lowest in 2016 as the demand slowed down. In 2018, the spot rates increased steadily despite strong newbuild deliveries. The strengthening in spot earnings of LNG ships was facilitated by a demand driven market in which demand for LNG vessels has outpaced the supply growth in world LNG fleet. Spot rates softened in 2019 on account of lower LNG imports in China, higher LNG inventory levels in Europe and Asia, and mild winter.

Spot LNG shipping rates plummeted in the first quarter of 2020 as the coronavirus (COVID-19) outbreak had an adverse impact on LNG trade and LNG spot prices. The outbreak forced several countries to go into lockdown, leading to decline in the world GDP and consequently weak LNG demand. Many LNG cargos were cancelled due to weak Asian LNG demand and high European gas inventories. However, LNG demand recovered in the latter half of 2020 as countries started easing the lockdown. LNG spot shipping freight rates started increasing from November 2020 on account of the cold snap in Asia, congestion in the Panama Canal, and availability of fewer LNG ships in the spot market. Higher Asian LNG demand supported spot LNG shipping rates in 2021. LNG shipping spot rates surged in 2022 mainly driven by European LNG imports as Europe switched towards LNG to end its reliance on Russian gas. LNG shipping rates have normalized in the last two years after peaking in 2022. LNG shipping spot rates softened in 2023 due to high inventory levels both in Europe and Asia, relatively mild winter and rising nuclear and renewable power in Asia, which limited LNG demand. In 2024, LNG shipping rates continued to decline as higher fleet growth due to increased vessel deliveries and fewer demolitions, outpaced trade growth. Average LNG shipping spot rates reached a five- year (2020-2024) low in 2024.

Spot rate for LNG ships January 2012 – February 2025
(U.S. \$ per day)



Source: Baltic exchange, Drewry

Russia-Ukraine war and impact on LNG shipping

The ongoing Russia-Ukraine war has led to a change in the LNG shipping trade pattern with Europe substituting Russian natural gas imports with LNG imports. The changing trade patterns have impacted LNG shipping with uncertainty over Russian gas supply to Europe, compelling the latter to increase its imports and upping the use of other alternatives – coal and nuclear- along with energy conservation measures. Europe accelerated FSRU-based LNG import projects to increase imports. The continent introduced about 10 import terminals (aggregating 41 mtpa), including eight FSRUs since the war. The rush to build import terminals in Europe eased considerably in 2023. Some projects were delayed or cancelled as the continent's position got better compared to 2022. Europe's shift to Russian gas seems unlikely in the event of a ceasefire in the Russia-Ukraine war, as the continent has spent billions of dollars to develop a resilient LNG infrastructure, in order to reduce its reliance on Russian gas. Furthermore, European players have signed several sale and purchase agreements to diversify their sources.

Israel-Hamas war and the Houthi crisis in the Red Sea impact on LNG shipping

US, Qatari and even Russian LNG vessels are transiting via the Cape of Good Hope (COGH) due to the heightened Houthi attacks in the Red Sea, which adds premium insurance, increasing costs. The higher frequency of LNG vessels via COGH and reduced transits via the Suez and Panama canals could cause volatility in LNG shipping rates during the seasonal high demand. Transits via the COGH result in longer deployment of LNGCs, generating vessel demand and adding tonne miles. However, the high deliveries in 2023 and 2024 have countered the possible gains that the sector could reap due to the ongoing disruptions at the two major canals.

Newbuilding Prices

Similar to other types of vessels, newbuilding prices for LNG carriers rose steeply in the late 1980s and early 1990s, and then began to drift downwards in the mid-1990s and fall sharply in the late 1990s. At the beginning of 1992, the price of a 125,000 cbm ship from a Far East yard was reported to be approximately \$270 million to \$290 million, compared with a low of \$120 million at the end of 1986. However, by early 2000 new orders were being struck at a new low of around \$150 million.

After the lows of early 2000, prices crept to \$165 million in 2001. Pressure on newbuilding prices pushed prices closer to \$160 million in 2002, and by 2003 prices fell to just above \$150 million. However, constrained shipbuilding capacity, currency movements and high steel prices led to an increase in prices in 2004 to around \$175 million. Prices rose above \$200 million in 2005 and renewed pressure on shipbuilding prices pushed prices close to \$220 million in 2006.

LNG Carrier Newbuilding Prices: 2010-2024
(End Period – U.S. \$ Million)



Source: Drewry

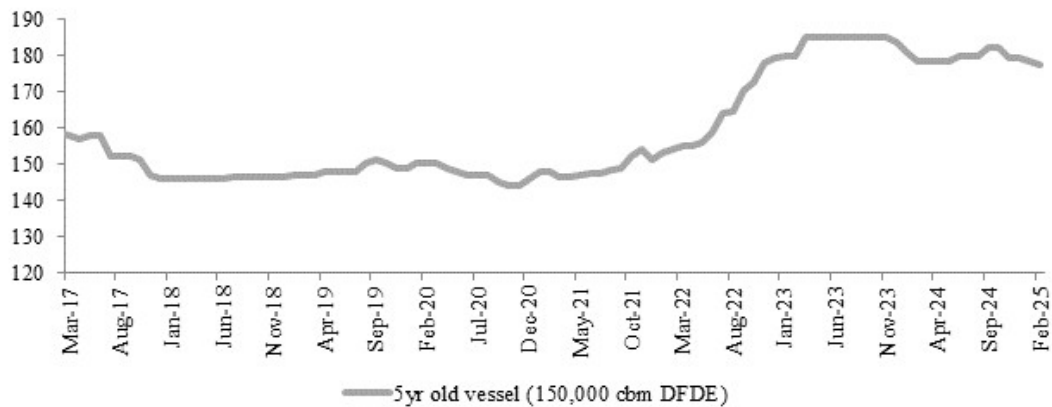
Prices for larger sized LNG carriers of 210,000-220,000 cbm were around \$215 million when they were first ordered in late 2004 and increased to \$235 million in the summer of 2005.

Newbuilding prices reached an all-time high of \$250 million around mid-2008, influenced by a number of factors including the declining dollar exchange rate, easy availability of finance, high steel prices, and tight shipbuilding capacity. However, newbuilding prices fell in the period between 2008 and 2011 due to a reduction in new orders. The newbuilding price for an LNG carrier increased marginally by 2% from \$202 million in 2011 to \$206 million in 2015, but dropped by 7.7% in 2016 due to weak freight rates and the resulting oversupply in the market. These prices continued to drop in 2017 before inching up by a marginal 1.4% on account of increased ordering activity in 2018 and thereafter 2.9% year over year to \$189.3 million in 2019 with a demand for better technology LNG vessels and higher competition for slots at shipyard. Newbuilding orders surged in 2018 and 2019 due to positive outlook of high liquefaction capacity to be added in the coming years, which would have created demand for additional LNG vessels. Newbuilding prices declined in 2020 due to weak LNG prospects and lower new orders. Increase in newbuilding prices in 2021 is on account of lower availability of LNG shipbuilding slots and inclusion of energy efficiency equipment. Newbuilding prices continued to increase in the last three years (2022-2024) on account of tight shipbuilding capacity and high vessel demand. However, the growth rate of newbuilding prices declined in 2024, and newbuilding prices seem to have found a ceiling owing to a fast build-up in LNG shipbuilding capacity in China.

Second-hand Prices

Sale and purchase transactions of LNG vessels are limited in number. The secondhand price of a five-year old 150,000cbm LNG vessel declined by 7.9% in 2016, 5.4% in 2017, and 5.1% in 2018. After falling between 2016 and 2018, secondhand vessel prices rose 1.5% year over year in 2019 on account of increase in newbuilding prices, rise in demand for MEG and DFDE vessels with increase in spot trading and expectation of significant liquefaction capacity to be added in 2019. Secondhand LNG prices declined in 2020 in line with softer LNG spot rates for majority of the year. Increase in secondhand vessel prices in 2021 is mainly driven by strong prospects of LNG vessels and increase in newbuild prices. Secondhand prices increased in 2022 and in most of 2023 due to high demand and sale for potential conversion to FSRU (particularly for older tonnage). Secondhand prices declined in 2024 mainly driven by softening of LNG shipping charter rates.

LNG Carrier Second-hand Prices: January 2016 – February 2025
(Monthly – U.S. \$ Million)



Source: Drewry

LNG Safety

LNG shipping is generally safe relative to other forms of commercial marine transportation. In the past forty years, there have been no significant accidents or cargo spillages involving an LNG carrier, even though over 40,000 LNG voyages have been made during that time.

LNG is non-toxic and non-explosive in its liquid state. It only becomes explosive or inflammable when it is heated, vaporized, and in a confined space within a narrow range of concentrations in the air (5% to 15%). The risks and hazards from an LNG spillage vary depending on the size of the spillage, the environmental conditions, and the site at which the spillage occurs.

Competition

We operate in markets that are highly competitive and based primarily on supply and demand. The process of obtaining new time charters generally involves intensive screening and competitive bidding, and often extends for several months. LNG carrier time charters are generally awarded based upon a variety of factors relating to the vessel operator, including but not limited to price, customer relationships, operating expertise, professional reputation and size, age and condition of the vessel. We believe that the LNG shipping industry is characterized by the significant time required to develop the operating expertise and professional reputation necessary to obtain and retain charterers.

We expect substantial competition for providing marine transportation services for potential LNG projects from a number of experienced companies, including state-sponsored entities and major energy companies. Many of these competitors have significantly greater financial resources and larger and more versatile fleets than we do. We anticipate that an increasing number of marine transportation companies, including many with strong reputations and extensive resources and experience, will enter the LNG transportation market. This increased competition may cause greater price competition for time charters.

Seasonality

Historically, LNG trade, and therefore charter rates, increased in the winter months and eased in the summer months as demand for LNG in the Northern Hemisphere rose in colder weather and fell in warmer weather. The LNG industry in general has become less dependent on the seasonal transport of LNG than a decade ago as new uses for LNG have developed, spreading consumption more evenly over the year. There is a higher seasonal demand during the summer months due to energy requirements for air conditioning in some markets and a pronounced higher seasonal demand during the winter months for heating in other markets. However, our vessels primarily operate under multi-year charters and are not subject to the effect of seasonal variations in demand.

Environmental and Other Regulations in the Shipping Industry

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

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

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

International Maritime Organization

The International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels (the “IMO”), has adopted the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as “MARPOL,” the International Convention for the Safety of Life at Sea of 1974 (“SOLAS Convention”), and the International Convention on Load Lines of 1966 (the “LL Convention”). MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, handling and disposal of noxious liquids and the handling of harmful substances in packaged forms. MARPOL is applicable to drybulk, tanker and LNG carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997, new emissions standards, titled IMO-2020, took effect on January 1, 2020.

Vessels that transport gas, including LNG carriers and FSRUs, are also subject to regulation under the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk, or the IGC Code, published by the IMO. The IGC Code provides a standard for the safe carriage of LNG and certain other liquid gases by prescribing the design and construction standards of vessels involved in such carriage. The completely revised and updated IGC Code entered into force in 2016, and the amendments were developed following a comprehensive five-year review and are intended to take into account the latest advances in science and technology. Compliance with the IGC Code must be evidenced by a Certificate of Fitness for the Carriage of Liquefied Gases in Bulk. Non-compliance with the IGC Code or other applicable IMO regulations may subject a shipowner or a bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. Amendments to the IGC Code (and the IGF Code, discussed below) concerning the application of high manganese austenitic steel for cryogenic service in cargo and fuel tanks of LNG carriers (and LNG-fueled ships) are expected to become effective on January 1, 2026. We believe that each of our vessels is in compliance with the IGC Code and each of our new buildings/conversion contracts requires that the vessel receive a certification that it is in compliance with applicable regulations before it is delivered.

Our LNG vessels may also become subject to the 2010 HNS Convention, if it is entered into force. The 2010 International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (“2010 HNS Convention”) creates a regime of liability and compensation for damage from hazardous and noxious substances (“HNS”), including liquefied gases. The 2010 HNS Convention sets up a two-tier system of compensation composed of compulsory insurance taken out by shipowners and an HNS Fund which comes into play when the insurance is insufficient to satisfy a claim or does not cover the incident. Under the 2010 HNS Convention, if damage is caused by bulk HNS, claims for compensation will first be sought from the shipowner up to a maximum of 100 million Special Drawing Rights (“SDR”). If the damage is caused by packaged HNS or by both bulk and packaged HNS, the maximum liability is 115 million SDR. Once the limit is reached, compensation will be paid from the HNS Fund up to a maximum of 250 million SDR. The 2010 HNS Convention has not been ratified by a sufficient number of countries to enter into force, and we cannot estimate the costs that may be needed to comply with any such requirements that may be adopted with any certainty at this time.

In June 2015 the IMO formally adopted the International Code of Safety for Ships using Gases or Low flashpoint Fuels, or the “IGF Code,” which is designed to minimize the risks involved with ships using low flashpoint fuels- including LNG. The IGF Code and the amendments to SOLAS became effective January 1, 2017. Amendments to the IGF Code relating to regulations on loading limit for liquefied gas fuel tanks, regulations for fuel distribution outside of machinery space, and others became effective in January 2024. IGF Code amendments regarding the application of high manganese austenitic steel for cryogenic service in cargo and fuel tanks of LNG carriers and LNG-fuelled ships are expected to become effective on January 1, 2026.

Air Emissions

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

The Marine Environment Protection Committee, or “MEPC,” adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. On October 27, 2016, at its 70th session, the MEPC agreed to implement a global 0.5% m/m sulfur oxide emissions limit (reduced from 3.50%) starting from January 1, 2020. This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels or certain exhaust gas cleaning systems. Ships are now required to obtain bunker delivery notes and International Air Pollution Prevention (“IAPP”) Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships, with the exception of vessels fitted with exhaust gas cleaning equipment (“scrubbers”) which can carry fuel of higher sulfur content, were adopted and took effect March 1, 2020. Additional amendments to Annex VI became effective in April 2022, and revised, among other terms, the definition of “Sulphur content of fuel oil” and “low-flashpoint fuel” and pertain to the sampling and testing of onboard fuel oil. Additional amendments to Annex VI, requiring bunker delivery notes to include a flashpoint of fuel oil or a statement that the flashpoint has been measured at or above 70°C as mandatory information, became effective May 1, 2024. These regulations subject ocean-going vessels to stringent emissions controls, and may cause us to incur substantial costs.

Sulfur content standards are even stricter within certain “Emission Control Areas,” or (“ECAs”). As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1% m/m. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated four ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area and United States Caribbean area. Ocean-going vessels in these areas will be subject to stringent emission controls and may cause us to incur additional costs. Recently at the MEPC78, the IMO approved a proposal for a new ECA for the Mediterranean Sea as a whole. These amendments entered into force on May 1, 2024, however ships operating in this ECA will be exempted from compliance with the 0.1% m/m sulfur content standard for fuel oil until July 1, 2025. 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. 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 (“EPA”) or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

Amended Annex VI also establishes new tiers of stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. Now amended Annex VI provides for a three-tier reduction in Nitrogen Oxide (NOx) emissions. Under the amendments, Tier III NOx standards apply to ships that operate in the ECAs designed for the control of NOx produced by vessels with a marine diesel engine installed and constructed on or after January 1, 2016. Tier III requirements could apply to areas that will be designated for Tier III NOx in the future (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 for ships built on or after January 1, 2021. The EPA promulgated equivalent (and in some senses stricter) emissions standards in 2010. 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. As a result of these designations or similar future designations, we may be required to incur additional operating or other costs.

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

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

Additionally, MEPC 75 introduced draft amendments to Annex VI which impose new regulations to reduce greenhouse gas emissions from ships. These amendments introduce requirements to assess and measure the energy efficiency of all ships and set the required attainment values, with the goal of reducing the carbon intensity of international shipping. The requirements include (1) a technical requirement to reduce carbon intensity based on a new Energy Efficiency Existing Ship Index (“EEXI”), and (2) operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator (“CII”). The attained EEXI is required to be calculated for ships of 400 gross tonnage and above, in accordance with different values set for ship types and categories. With respect to the CII, the draft amendments would require ships of 5,000 gross tonnage to document and verify their actual annual operational CII achieved against a determined required annual operational CII. Effective January 1, 2023, amendments to SEEMP require all ships above 400 gross tonnage to have an approved SEEMP on board. For ships above 5,000 gross tonnage, the SEEMP needs to include certain mandatory content. MEPC 75 also approved draft amendments to MARPOL Annex I to prohibit the use and carriage for use as fuel of heavy fuel oil (“HFO”) by ships in Arctic waters on and after July 1, 2024. The amendments introduced at MEPC 75 were adopted at the MEPC 76 session, with the requirements for EEXI and CII certification effective from January 1, 2023. MEPC 77 adopted a non-binding resolution which urges Member States and ship operators to voluntarily use distillate or other cleaner alternative fuels or methods of propulsion that are safe for ships and could contribute to the reduction of black carbon emissions from ships when operating in or near the Arctic.

MEPC 79 adopted amendments to Annex VI on the reporting of mandatory values related to the implementation of the IMO short-term GHG reduction measure, including attained EEXI, CII and rating values to the IMO DCS, which became effective May 1, 2024. MEPC 80 adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships with enhanced targets to mitigate harmful emissions. The revised IMO GHG Strategy comprises a common ambition to ensure an uptake of alternative zero and near-zero GHG fuels by 2030 and to achieve net-zero emissions from international shipping by 2050. At MEPC 81, measures already in force such as the Data Collection System for fuel oil consumption of ships (IMO DCS), Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) regulations were reviewed along with discussions on mid-term measures and lifecycle assessments of marine fuels with an aim to achieve the reinforced levels of ambition. Furthermore, MEPC 81 agreed on an illustration of a possible draft outline of an “IMO net-zero framework” for cutting greenhouse gas emissions (GHG) from international shipping. 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.

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

Safety Management System Requirements

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

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

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel’s management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. We have obtained a Document of Compliance (DoC) for managing gas carriers, which is being annually endorsed and renewed at the specified intervals. A valid Safety Management Certificate (SMC) is carried by every managed fleet vessel, endorsed during the intermediate audit and renewed as required.

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

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

Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code (“IMDG Code”). Effective January 1, 2018, the IMDG Code includes (1) updates to the provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) new marking, packing and classification requirements for dangerous goods, and (3) new mandatory training requirements. Amendments which took effect on January 1, 2020 also reflect the latest material from the UN Recommendations on the Transport of Dangerous Goods, including (1) new provisions regarding IMO type 9 tank, (2) new abbreviations for segregation groups, and (3) special provisions for carriage of lithium batteries and of vehicles powered by flammable liquid or gas. Amendments, which came into force on June 1, 2022, include (1) addition of a definition of dosage rate, (2) additions to the list of high consequence dangerous goods, (3) new provisions for medical/clinical waste, (4) addition of various ISO standards for gas cylinders, (5) a new handling code, and (6) changes to stowage and segregation provisions. Updates to the IMDG Code, in line with the updates to the United Nations Recommendations on the Transport of Dangerous Goods, which set the recommendations for all transport modes, became effective January 1, 2024.

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

The IMO’s Maritime Safety Committee and MEPC, respectively, each adopted relevant parts of the International Code for Ships Operating in Polar Water (the “Polar Code”). The Polar Code, which entered into force on January 1, 2017, covers design, construction, equipment, operational, training, search and rescue as well as environmental protection matters relevant to ships operating in the waters surrounding the two poles. It also includes mandatory measures regarding safety and pollution prevention as well as recommendatory provisions. The Polar Code applies to new ships constructed after January 1, 2017, and after January 1, 2018, ships constructed before January 1, 2017 are required to meet the relevant requirements by the earlier of their first intermediate or renewal survey.

Furthermore, recent action by the IMO’s Maritime Safety Committee and United States agencies indicates that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. By IMO resolution, administrations are encouraged to ensure that cyber-risk management systems must be incorporated by shipowners and managers by their first annual Document of Compliance audit after January 1, 2021. In February 2021, the U.S. Coast Guard published guidance on addressing cyber risks in a vessel’s safety management system. This might cause companies to create additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The impact of future regulations is hard to predict at this time.

Pollution Control and Liability Requirements

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

The 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). Based on subsequent amendments, all ships must meet the D-2 standard by September 8, 2024. Additionally, in November 2020, MEPC 75 adopted amendments to the BWM Convention which require 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 entered into force 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.

Once mid-ocean exchange ballast water treatment requirements become mandatory under the BWM Convention, the cost of compliance could increase for ocean carriers and may have a material effect on our operations. However, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S. for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements.

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

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

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the "AFS Convention." The AFS Convention, which entered into force on September 17, 2008, prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate (the "IAFS Certificate") is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced.

In November 2020, MEPC 75 approved draft amendments to the AFS Convention to prohibit anti-fouling systems containing cybutryne, which became effective January 1, 2023, or, for ships already bearing such an anti-fouling system, at the next scheduled renewal of the system after that date, but no later than 60 months following the last application to the ship of such a system. In addition, the IAFS Certificate has been updated to address compliance options for anti-fouling systems to address cybutryne. Ships which are affected by this ban on cybutryne must receive an updated IAFS Certificate no later than two years after the entry into force of these amendments. Ships which are not affected (i.e. with anti-fouling systems which do not contain cybutryne) must receive an updated IAFS Certificate at the next Anti-fouling application to the vessel.

We have obtained Anti-fouling System Certificates for all of our vessels that are subject to the Anti-fouling Convention.

Compliance Enforcement

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

United States Regulations

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

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

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

- i. injury to, destruction or loss of, or loss of use of natural resources and related assessment costs;
- ii. injury to, or economic losses resulting from, the destruction of real and personal property;
- iii. loss of subsistence use of natural resources that are injured, destroyed or lost;
- iv. net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;
- v. lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and
- vi. net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct clean-up costs. Effective March, 2023, the USCG adjusted the limits of OPA liability for a tank vessel, other than a single-hull tank vessel, over 3,000 gross tons to the greater of \$2,500 per gross ton or \$21,521,300 (subject to periodic adjustment for inflation). These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident as required by law where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311(c), (e)) or the Intervention on the High Seas Act.

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

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

The 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including higher liability caps under OPA, new regulations regarding offshore oil and gas drilling and a pilot inspection program for offshore facilities. However, several of these initiatives and regulations have been or may be revised. For example, the U.S. Bureau of Safety and Environmental Enforcement's ("BSEE") revised Production Safety Systems Rule ("PSSR"), effective December 27, 2018, modified and relaxed certain environmental and safety protections under the 2016 PSSR. Additionally, the BSEE released a final Well Control Rule in August 2023, which strengthens testing and performance requirements, and may affect offshore drilling operations and cause us to incur additional costs to comply.

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

We currently maintain pollution liability coverage insurance in the amount of \$1.0 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage, it could have an adverse effect on our business and results of operation.

Other United States Environmental Initiatives

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

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

The EPA and the USCG have also enacted rules relating to ballast water discharge, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels from entering U.S. Waters. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to 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 October 18, 2023, the EPA published a Supplemental Notice to the Vessel Incidental Discharge National Standards of Performance, which shares new ballast water information that the EPA received from the USCG. Comments to the Supplemental Notice were due by December 18, 2023. 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.

Several U.S. states have added specific requirements to the Vessel General Permit and, in some cases, may require vessels to install ballast water treatment technology to meet biological performance standards. Compliance with the EPA, U.S. Coast Guard, and state regulations could require the installation of ballast water treatment equipment on our vessels or the implementation of other port facility disposal procedures at potentially substantial cost, or may otherwise restrict our vessels from entering U.S. waters. Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP, including submission of a Notice of Intent (“NOI”) or retention of a PARI form and submission of annual reports. All of our vessels carry a valid electronic NOI, or “eNoI.” 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.

European Union Regulations

In October 2009, the E.U. amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or that of the ship is in danger. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Regulation (EU) 2015/757 of the European Parliament and of the Council of April 29, 2015 (amending EU Directive 2009/16/EC) governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually, which may cause us to incur additional expenses.

The E.U. has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age and flag as well as the number of times the ship has been detained. The E.U. 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 E.U. 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 E.U. has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. The EU Directive 2005/33/EC (amending Directive 1999/32/EC) introduced requirements parallel to those in Annex VI relating to the sulfur content of marine fuels. In addition, the E.U. imposed a 0.1% maximum sulfur requirement for fuel used by ships at berth in the Baltic, the North Sea and the English Channel (the so called “SOx-Emission Control Area”). As of January 2020, E.U. member states must also ensure that ships in all E.U. waters, except the SOx-Emission Control Area, use fuels with a 0.5% maximum sulfur content.

On April 18, 2023, the European Parliament voted to include greenhouse gas emissions from the maritime sector in the EU Emissions Trading system which has been in place since 2005. On July 14, 2021, the European Parliament formally laid down a proposal for the revision of the EU Emissions Trading Directive (ETS), as part of the Fit for 55 Package, which would involve gradually including the maritime sector in the ETS from 2024 and phasing the sector in over a three-year period. The final approval was made on May 10, 2023, and is the first of its kind to apply to the maritime sector. It is the first time that the polluter pays principle will apply to maritime. ETS now applies to ships above 5000GT from 2024 on a phased basis. 2025 is the first year of reporting and surrender of EU ETS emissions allowances (“EUAs”). This means that ships that are in scope and which enter E.U. ports will have to report on 100% of their E.U. emissions and 50% of non-E.U. emissions. Furthermore, ships that are in scope will have to surrender 40% of their allowances for the year 2024 in 2025; 70% for the year 2026 in 2025; and 100% for the year 2026 in 2027. Whilst responsibility for compliance is placed on the “shipping company” (defined as the ship owner or the entity that contractually assumes responsibility for compliance with ETS), the agreed ETS also mandates member states to pass national laws which oblige charterers or commercial operators of the ships to reimburse the “shipping companies” pay for their share of pollution as part of the ETS costs clause. Enforcement and compliance will be on a company wide basis (as opposed to the EU MRV system where compliance is on a per ship basis). Member states had until December 31, 2023, to introduce national legislation which gives effect to ETS requirements for maritime. However, only Denmark brought in national legislation in respect of EU ETS.

Additionally, on July 25, 2023, the European Council of the European Union adopted FuelEU under the FuelEU Initiative of its “Fit-for-55” package which sets limitations on the acceptable yearly greenhouse gas intensity of the energy used by covered vessels. Among other things, the Maritime Fuel Regulation requires that greenhouse gas intensity of fuel used by covered vessels is reduced by 2% starting January 1, 2025, with additional reductions contemplated every five years (up to 80% by 2050). Shipping companies may enter into pooling mechanisms with other shipping companies in order to achieve compliance, bank surplus emissions and borrow compliance balances from future years. A FuelEU Document of Compliance is required to be kept on board a vessel to show compliance by June 30, 2026. Both the ETS and FuelEU schemes have significant impacts on the management of the vessels calling to EU ports, by increasing the complexity and monitoring of, and costs associated with the operation of vessels and affecting the relationships with our time charterers.

International Labour Organization

The International Labour Organization (the “ILO”) 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 (Part I and Part II) are required to ensure compliance with the MLC 2006 for all ships that are 500 gross tonnage or over and are either engaged in international voyages 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.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, 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.

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

The E.U. made a unilateral commitment to reduce overall greenhouse gas emissions from its member states from 20% of 1990 levels by 2020. The E.U. 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 E.U. 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 E.U.’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. 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 proposed rule to include additional methane reduction measures. In December 2023, the EPA announced a final rule to reduce methane and other air pollutants from the oil and natural gas industry. The rule includes “Emissions Guidelines” for states to follow as they develop plans to limit methane emissions from existing sources.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the E.U., 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.

Vessel Security Regulations

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

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facility Security Code (“the ISPS Code”). The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate (“ISSC”) from a recognized security organization approved by the vessel’s flag state. Ships operating without a valid certificate may be detained, expelled from, or refused entry at port until they obtain an ISSC. The various requirements, some of which are found in the SOLAS Convention, include, for example,

- on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship’s identity, position, course, speed and navigational status;
- on-board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore;
- the development of vessel security plans; and
- ship identification number to be permanently marked on a vessel’s hull.

The USCG regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel’s compliance with the SOLAS Convention security requirements and the ISPS Code. Future security measures could have a significant financial impact on us. We intend to comply with the various security measures addressed by MTSA, the SOLAS Convention and the ISPS Code. Procedures are outlined in the IT Systems and Cyber Security Manual included in our Management System while the Partnership holds a valid ISO 27001 certification as of February 11, 2020, for our in-house management of IT services to the Head Office and the fleet vessels.

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

Inspection by Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Most insurance underwriters make it a condition for insurance coverage and lending that a vessel be certified “in class” by a classification society which is a member of the International Association of Classification Societies, the IACS. 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 (e.g., Lloyd’s Register of Shipping and Bureau Veritas).

A vessel must undergo annual surveys, intermediate surveys, dry-dockings 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 debt 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 and Machinery Insurance

We procure hull and machinery insurance, protection and indemnity insurance and war risk insurance and freight, demurrage and defense insurance for our fleet. The agreed deductible on each vessel averages \$250,000 increased to \$500,000 when trading outside Institute Warrantee Limits.

We have also obtained loss of hire insurance to protect us against loss of income in the event one of our vessels cannot be employed due to damage that is covered under the terms of our hull and machinery insurance. Under our loss of hire policies, our insurer will pay us the daily rate agreed in respect of each vessel for each day, in excess of a certain number of deductible days, for the time that the vessel is out of service as a result of damage, for a maximum of between 120 and 180 days. The number of deductible days for the vessels in our Fleet is 14 days per vessel increased to 30 days when trading outside Institute Warrantee Limits.

Protection and Indemnity Insurance

Protection and indemnity insurance is provided by mutual protection and indemnity associations, or "P&I Associations," and covers our third-party liabilities in connection with our shipping activities. This includes third-party liability and other related expenses of injury or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, 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 protection and indemnity mutual associations, or "clubs."

Our current protection and indemnity insurance coverage for pollution is \$1 billion per vessel per incident. The 12 P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. The International Group's website states that the Pool provides a mechanism for sharing all claims in excess of \$10 million up to, currently, approximately \$8.9 billion. As a member of a P&I Association, which is a member of the International Group, we are subject to calls payable to the associations based on our claim records as well as the claims records of all other members of the individual associations and members of the shipping pool of P&I Associations comprising the International Group. Information contained on this website does not constitute part of this annual report.

C. ORGANIZATIONAL STRUCTURE

We were formed on May 30, 2013, as a Marshall Islands limited partnership for the purpose of owning, operating, and acquiring LNG carriers and other business activities incidental thereto. We own (i) a 100% limited partner interest in Dynagas Operating LP, which owns a 100% interest in our Fleet through intermediate holding companies and (ii) the non-economic general partner interest in Dynagas Operating LP through our 100% ownership of its general partner, Dynagas Operating GP LLC. We own our vessels through separate wholly-owned subsidiaries that are incorporated in the Republic of the Marshall Islands and Republic of Malta.

Please see Exhibit 8.1 to this annual report for a list of our current subsidiaries.

D. PROPERTY, PLANT AND EQUIPMENT

For a description of our Fleet, please see “Item 4. Information on the Partnership—B. Business Overview—Our Fleet.”

We do not own any real property.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following management’s discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying audited consolidated financial statements and the related notes included in “Item 18. Financial Statements” of this annual report. Amounts relating to percentage variations in period-on-period comparisons shown in this section are derived from the actual numbers in our books and records. The following discussion contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements. See “Item 3. Key Information—D. Risk Factors” and the section entitled “Forward-Looking Statements” at the beginning of this annual report. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur.

A. OPERATING RESULTS

Overview

Since our IPO in November 2013, we have been a limited partnership focused on owning and operating LNG carriers growing our fleet from three vessels at the time of our IPO to six vessels to date. However, as a result of the significant challenges facing the listed midstream energy MLP industry, our cost of equity capital remained elevated for a prolonged period, making the funding of new acquisitions challenging. As of the date of this annual report, all six vessels in our Fleet are contracted to time charters, with international energy companies, including SEFE, Equinor, Yamal and NextDecade, providing us with the benefits of stable cash flows and high utilization rates. We believe that we are well regarded by our charterers for our expertise and history of safety in conducting our operations. We are now focusing our capital allocation on debt repayment, prioritizing balance sheet strength, in order to reposition the Partnership for potential future growth if our cost of capital allows us to access debt and equity capital on acceptable terms. As a result, if we are able to raise new debt or equity capital on terms acceptable to the Partnership in the future, we intend to leverage our reputation, expertise and relationships with our charterers, our Sponsor and our Manager in growing our core business and pursuing further business and growth opportunities in the transportation of energy or other energy-related projects, including floating storage regasification units, LNG infrastructure projects, maintaining cost-efficient operations and providing reliable seaborne transportation services to our current and prospective charterers. In addition, as opportunities arise, we may acquire additional vessels from our Sponsor and from third-parties and/or engage in investment opportunities incidental to the LNG or energy industry. In connection with such plans for growth, we may enter into additional financing arrangements, refinance existing arrangements or arrangements that our Sponsor, its affiliates, or such third-party sellers may have in place for vessels and businesses that we may acquire, and, subject to favorable market conditions, we may raise capital in the public or private markets, including through incurring additional debt, debt or equity offerings of our securities or in other transactions. However, we cannot assure you that we will grow or maintain the size of our Fleet or that we will continue to pay the per unit distributions in the amounts that we have paid in the past or at all or that we will be able to execute our future plans for growth.

Historically spot and short-term charter hire rates for LNG carriers have been uncertain and volatile, as has the supply and demand for LNG carriers. An excess of LNG carriers first became evident in 2004 before reaching a peak in the second quarter of 2010, when spot and short-term charter hire rates together with utilization reached historic lows. Due to a lack of newbuilding orders placed between 2008 and 2010, this trend then reversed from the third quarter of 2010, such that the demand for LNG shipping was not being met by available supply in 2011 and the first half of 2012. Spot and short-medium term charter hire rates together with fleet utilization reached historic highs as a result. What turned the tide for LNG shipping demand from the second quarter of 2011 was the unprecedented rise in Japanese LNG demand following the Fukushima nuclear leak.

Charter rates for LNG vessels started declining from 2013 as the supply increased more than the increase in demand. Global liquefaction capacity grew marginally with only the Angola LNG plant becoming operational in 2013. The trend continued in 2014 to 2017 as additional tonnage negated the effect of new liquefaction plants coming online. The impact of excess vessel supply caused by the delivery of 28, 27, 28 and 24 vessels in 2014, 2015, 2016 and 2017, respectively, showed on spot rates, which fell sharply. Low crude oil prices intensified the challenges in the LNG shipping market as it delayed the completion of liquefaction projects. Moreover, demand from traditional Asian buyers such as Japan and South Korea remained flat due to a weaker macroeconomic environment and greater preference for coal in power production, and in the case of Japan a switch back to nuclear power. Towards the end of 2017, a surge in the Chinese LNG imports, due to a switch from coal to gas for heating purposes, helped the LNG freight rates recover sharply. In 2018, average spot LNG charter rates were more than double of 2017 mainly driven by the vessel shortage as Asian LNG imports surged. Spot charter rates declined in 2019 on account of declines in Chinese LNG import growth rates, higher LNG inventory levels in Europe and Asia and a mild winter. Spot LNG shipping rates declined in 2020 as COVID-19 adversely impacted global LNG trade. Many U.S. LNG cargos were cancelled due to weak Asian LNG demand. However, spot LNG shipping rates increased from November on account of the cold snap in Asia, congestion in the Panama Canal, and availability of fewer LNG ships in the spot market. High Asian LNG demand supported spot LNG shipping rates in 2021. LNG shipping spot rates increased in 2022 mainly driven by higher European LNG imports as Europe switched towards LNG to transition its reliance on Russian gas. LNG shipping spot rates softened in 2023 due to high inventory levels both in Europe and Asia, relatively mild winters and increases in nuclear and renewable power in Asia. LNG shipping spot rates softened in 2024 due to higher fleet growth outpacing the trade growth.

Principal Factors Affecting Our Results of Operations

The principal factors which have affected our results and are expected to affect our future results of operations and financial position, include:

- Ownership days. The number of vessels in our Fleet is a key factor in determining the level of our revenues. Aggregate expenses also increase as the size of our Fleet increases;
- Charter rates. Our revenue is dependent on the charter rates we are able to obtain on our vessels. Charter rates on our vessels are based primarily on demand for and supply of LNG carrier capacity at the time we enter into the charters for our vessels, which is influenced by LNG market trends, such as the demand and supply for natural gas and in particular LNG as well as the supply of LNG carriers available for profitable employment. The charter rates we obtain are also dependent on whether we employ our vessels under multi-year charters or charters with initial terms of less than two years. As of the date of this annual report, all the vessels in our Fleet are employed under multi-year time charters with staggered maturities, which is intended to make us less susceptible to cyclical fluctuations in charter rates than vessels operated on charters of less than two years. However, we expect to be exposed to fluctuations in prevailing charter rates when we seek to re-charter our vessels upon the expiry of their respective current charters and when we seek to charter vessels that we may acquire in the future;
- Utilization of our Fleet. Historically, our Fleet has had a limited number of unscheduled off-hire days. However, an increase in annual off-hire days would reduce our utilization. The efficiency with which suitable employment is secured, the ability to minimize off-hire days, and the amount of time spent positioning vessels also affects our results of operations. If the utilization of our Fleet is reduced, our financial results would be affected;
- Operating expenses. The level of our vessel operating expenses, including crewing costs, insurance, and maintenance costs. Our ability to control our vessel operating expenses also affects our financial results. These expenses include crew wages and related costs, the cost of insurance, expenses for repairs and maintenance, the cost of spares and consumable stores, lubricating oil costs, tonnage taxes and other miscellaneous expenses. In addition, factors beyond our control, such as developments relating to market premiums for insurance and the value of the U.S. dollar compared to currencies in which certain of our expenses, primarily vessels' dry-docking and maintenance costs, are paid, can cause our vessel operating expenses to increase;
- The number of off-hire days and dry-docking requirements, including our ability to complete scheduled dry-docking on time and within budget;
- The timely delivery of any vessels we may acquire in the future;
- Our ability to maintain solid working relationships with our existing charterers and our ability to increase the number of our charterers through the development of new working relationships;
- The performance of our charterers' obligations under their charter agreements;
- The effective and efficient technical management of the vessels under our Master Agreement;
- Our ability to obtain acceptable equity and debt financing to fund our capital commitments;
- The supply and demand relationship for LNG shipping services;
- Our ability to obtain and maintain regulatory approvals and to satisfy technical, health, safety and compliance standards that meet our charterers' requirements;
- Our ability to successfully defend against any claims, suits, and complaints, including, but not limited to, those involving laws and regulations;

- Economic, regulatory, political, and governmental conditions that affect shipping and the LNG industry, which include changes in the number of new LNG importing countries and regions, as well as structural LNG market changes impacting LNG supply that may allow greater flexibility and competition of other energy sources with global LNG use;
- Our ability to successfully employ our vessels at economically attractive rates, as our charters expire or are otherwise terminated;
- Our access to capital required to acquire additional ships and/or implement our business strategy;
- Our level of debt, the related interest expense, our debt amortization levels, and the timing of required principal installments;
- The level of our general and administrative expenses, including salaries and costs of consultants;
- Our charterers' right for early termination of the charters under certain circumstances;
- Performance of our counterparties, which are limited in number, including our charterers' ability to make charter payments to us; and
- The level of any distribution on all classes of our units.

Important Financial and Operational Terms and Concepts

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

Voyage Revenues. Our time charter revenues are driven primarily by the number of vessels in our Fleet, the amount of daily charter hire that our LNG carriers earn under time charters and the number of Revenue Earning Days during which our vessels generate revenues. These factors are, in turn, affected by our decisions relating to vessel acquisitions, the amount of time that our LNG carriers spend dry-docked undergoing repairs, maintenance and upgrade work, the age, condition and specifications of our vessels and the levels of supply and demand in the LNG carrier charter market. Our revenues may also be affected if any of our charterers cancel a time charter or if we agree to renegotiate charter terms during the term of a charter resulting in aggregate revenue reduction. Our time charter arrangements have been contracted in varying rate environments and expire at different times. We recognize revenues from time charters over the term of the charter as the applicable vessel operates under the charter. Under time charters, revenue is not recognized during days a vessel is off-hire. Revenue is recognized from delivery of the vessel to the charterer, until the end of the time charter period. Under time charters, we are responsible for providing the crewing and other services related to the vessel's operations, the cost of which is included in the daily hire rate, except when off-hire. Additionally, under our time charter arrangements, the charterers have agreed to provide us with EU ETS emissions allowances ("EUAs") arising under the EU ETS, mentioned below, and the value of the EUAs is recorded within Voyage revenues in the Consolidated Statements of Income, unless the voyage is during a period of offhire.

Off-hire (Including Commercial Waiting Time). When a vessel is "off-hire"—or not available for service—the charterer generally is not required to pay the time charter hire rate and we are responsible for all costs. Prolonged off-hire may lead to vessel substitution or termination of a time charter. Our vessels may be out of service, that is, off-hire, for several reasons: scheduled dry-docking, special survey, vessel upgrade or maintenance or inspection, which we refer to as scheduled off-hire; days spent waiting or positioning for a charter, which we refer to as commercial waiting time; and unscheduled repairs, maintenance, operational efficiencies, equipment breakdown, accidents, crewing strikes, certain vessel detentions or similar problems, or our failure to maintain the vessel in compliance with its specifications and contractual standards or to provide the required crew, which we refer to as unscheduled off-hire. We have obtained loss of hire insurance to protect us against loss of income in the event one of our vessels cannot be employed due to damage that is covered under the terms of our hull and machinery insurance. Under our loss of hire policies, our insurer generally will pay us the hire rate agreed in respect of each vessel for each day in excess of 14 days (increased to 30 days while navigating outside Institute Warrantee Limits) and with a maximum period of between 120 and 180 days.

Voyage Expenses. Voyage expenses primarily include port and canal charges, bunker (fuel) expenses and agency fees which are paid for by the charterer under our time charter arrangements or by us during periods of off-hire except for commissions, which are always paid for by us. We may incur voyage related expenses when positioning or repositioning vessels before or after the period of a time charter, during periods of commercial waiting time or while off-hire during a period of dry-docking. Voyage expenses can be higher when vessels trade on charters with initial terms of less than two years due to fuel consumption during idling, cool down requirements, commercial waiting time in between charters and positioning and repositioning costs. From time to time, in accordance with industry practice, we pay commissions ranging up to 1.25% of the total daily charter rate under the charters to unaffiliated ship brokers, depending on the number of brokers involved with arranging the charter. These commissions do not include the fees we pay to our Manager, which are described below under “—Management Fees.” Under the EU ETS, we are required to surrender EUAs equivalent to the emissions from voyages either starting in or ending in an EU port. The value of the EUA obligations incurred by us under the EU ETS is included in Voyage expenses in the Consolidated Statements of Income.

Available Days. Available Days are the total number of ownership days our vessels were in our possession during a period, less the total number of scheduled off-hire days during the period associated with major repairs, or dry-dockings.

Average Number of Vessels. Average number of vessels is the number of vessels that constituted our Fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our Fleet during the period divided by the number of ownership days in the period.

Fleet utilization. We calculate fleet utilization by dividing the number of our Revenue Earning Days by the number of our Available Days during that period. The shipping industry uses fleet utilization to measure a company’s efficiency in finding employment for its vessels and minimizing the number of days that its vessels are off-hire for reasons such as unscheduled repairs but excluding scheduled off-hires for vessel upgrades, dry-dockings or special or intermediate surveys.

Vessel Operating Expenses. Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses for repairs and maintenance, the cost of spares and consumable stores, lubricant costs, statutory and classification expenses, forwarding and communications expenses and other miscellaneous expenses.

Vessel operating expenses are paid by the shipowner under time charters and are recognized as expenses when incurred. We expect that vessel operating expenses will increase as our vessels age. Factors beyond our control, some of which may affect the shipping industry in general—for instance, developments relating to market premiums for insurance, industry and regulatory requirements and changes in the market price of lubricants due to increases in oil prices—may also cause vessel operating expenses to increase.

Dry-docking. We must periodically dry-dock each of our vessels for inspection, repairs and maintenance and any modifications required to comply with industry certification or governmental requirements. In accordance with industry certification requirements, we mandatorily dry-dock our vessels every 60 months until the vessel is 15 years old. If a vessel is less than 15 years old, an “in water survey in lieu of dry-dock” can take place in between the two special surveys, which statutorily must occur every five years. For vessels that are 15 years or older, dry-docking takes place every 36 months as required by classification societies, or, subject to special considerations, an “in water survey in lieu of dry-dock” can take place between the two special surveys. Special survey and dry-docking costs (consisting of direct costs, including shipyard costs, paints and class renewal expense, and peripheral costs, including spare parts, service engineer attendance) are expensed as incurred. The number of dry-dockings undertaken in a given period and the nature of the work performed determine the level of dry-docking expenditures. We expense costs related to routine repairs and maintenance performed during dry-docking or as otherwise incurred. We expect that dry-docking and special survey costs will increase as our vessels age. The three steam turbine vessels in our Fleet completed their most recent scheduled special survey and dry-docking repairs, as well as the installation of the BWTS in 2022. In 2023, our three TDFE propulsion system vessels completed their scheduled dry-docks and had their BWTS installed.

Depreciation. We depreciate our LNG carriers on a straight-line basis over their remaining useful economic lives. Depreciation is based on the cost of the vessel less its estimated salvage value. We estimate the useful life of the LNG carriers in our Fleet to be 35 years from their initial delivery from the shipyard, consistent with LNG industry practice. Vessel residual value is estimated based on historical market trends and represents Management’s best estimate of the current selling price assuming the vessels are already of age and condition expected at the end of its useful life. The assumptions made reflect our experience, market conditions and the current practice in the LNG industry; however, they required more discretion since there is a lack of historical references in scrap prices of similar types of vessels.

Interest and Finance Costs. We incur interest expense on outstanding indebtedness under our existing debt agreements which we include in interest and finance costs. Interest expense depends on our overall level of borrowings and may significantly increase when we acquire or refinance ships. Interest expense may also change with prevailing interest rates, although interest rate swaps or other derivative instruments may reduce the effect of these changes. We also incur financing and legal costs in connection with establishing debt agreements, which are deferred and amortized to interest and finance costs using the effective interest method. We will incur additional interest expense in the future on our outstanding borrowings and under future borrowings. For a description of our existing debt agreements, please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Our Borrowing Activities.”

Vessel Lives and Impairment. Vessels are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, we first compare the undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals as considered necessary. Since our inception, no impairment loss was recorded in any of our Fleet vessels.

Insurance

Hull and Machinery Insurance. We have obtained hull and machinery insurance on all our vessels to insure against marine and war risks, which include the risks of damage to our vessels, salvage and towing costs, and also insures against actual or constructive total loss of any of our vessels. However, our insurance policies contain deductible amounts for which we will be responsible. We have also arranged additional total loss coverage for each vessel. This coverage, which is called disbursements increased value coverage, provides us additional coverage in the event of the total loss or the constructive total loss of a vessel. The agreed deductible on each vessel averages \$250,000 increased to \$500,000 when trading outside Institute Warrantee Limits.

Loss of Hire Insurance. We have obtained loss of hire insurance to protect us against loss of income in the event one of our vessels cannot be employed due to damage that is covered under the terms of our hull and machinery insurance. Under our loss of hire policies, our insurer will pay us the hire rate agreed in respect of each vessel for each day, in excess of a certain number of deductible days, for the time that the vessel is out of service as a result of damage, for a maximum of between 120 and 180 days. The number of deductible days for the vessels in our Fleet is 14 days per vessel increased to 30 days when trading outside Institute Warrantee Limits.

Protection and Indemnity Insurance. Protection and indemnity insurance, which covers our third-party legal liabilities in connection with our shipping activities, is provided by a mutual protection and indemnity association, or P&I club. This includes third-party liability and other expenses related to the injury or death of crew members, passengers and other third-party persons, loss or damage to cargo, claims arising from collisions with other vessels or from contact with jetties or wharves and other damage to other third-party property, including pollution arising from oil or other substances, and other related costs, including wreck removal. Our current protection and indemnity insurance coverage is unlimited, except for pollution, which is limited to \$1 billion per vessel per incident.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of our financial statements requires us to make estimates and judgments in the application of our accounting policies that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure at the date of our consolidated financial statements. Because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. For a description of all our significant accounting policies, see Note 2 to our consolidated financial statements included under “Item 18. Financial Statements” of this annual report.

Voyage Revenues and related expenses

Revenues are generated from time charter agreements, which contain a lease as they meet the criteria of a lease under ASC 842. Certain of our time charters provide for variable lease payments, charterers' option to extend the lease terms, termination clauses and charterers' option to purchase the underlying assets. Each lease term is assessed at the inception of such lease. Under our time charter agreements, the charterer pays a specified daily charter hire rate for the use of the vessel. Additionally, we pay for the operation and the maintenance of the vessel, including crew, insurance, spares and repairs, which are recognized in operating expenses.

We, as lessor, have elected not to allocate the consideration in the agreement to the separate lease and non-lease components (operation and maintenance of the vessel) as their timing and pattern of transfer to the charterer, as the lessee, are the same and the lease component, if accounted for separately, would be classified as an operating lease. Additionally, the lease component is considered the predominant component as we have assessed that more value is ascribed to the vessel rather than to the services provided under our time charter agreements.

Our voyage revenues are recognized on a straight-line basis at the average minimum lease revenue over the rental periods of such charter agreements, as service is performed. Revenues generated from variable lease payments are recognized in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Apart from the agreed hire rate, we may be entitled to an additional income, such as ballast bonus, which is considered as reimbursement of our expenses and is recognized together with the lease component over the duration of the charter. We have made an accounting policy election to recognize the related ballast costs, which mainly consisting of bunkers, incurred over the period between the charter party date or the prior redelivery date (whichever is latest) and the delivery date to the charterer, as contract fulfilment costs in accordance with ASC 340-40 and amortized over the charter period. Voyage expenses, primarily consist of commissions which are paid by us as well as port, canal and bunker expenses that are unique to a particular charter and which are paid by the charterer under the time charter arrangements or by us during periods of off-hire. All voyage expenses are expensed as incurred, except for commissions. Commissions paid to brokers are deferred and amortized over the related charter period to the extent revenue has been deferred since commissions are incurred as our revenues are earned.

Vessels Lives and Impairment

The carrying value of a vessel represents its historical acquisition or construction cost, including capitalized interest, supervision, technical and delivery cost, net of accumulated depreciation and impairment loss, if any. Expenditures for subsequent conversions and major improvements are capitalized provided that such costs increase the earnings capacity or improve the efficiency or safety of the vessels.

We depreciate the original cost, less an estimated residual value, of our LNG carriers on a straight-line basis over each vessel's estimated useful life. The carrying values of our vessels may not represent their market value at any point in time because the market prices tend to fluctuate with changes in hire rates and the cost of newbuilds. Both hire rates and newbuild costs tend to be cyclical in nature.

We review vessels for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. When such indications are present, we determine undiscounted projected net operating cash flows for each vessel and compare it to the vessel's carrying value. In developing estimates of future cash flows, we must make assumptions about future charter rates, vessel operating expenses, dry-docking expenditures, fleet utilization, and the estimated remaining useful life of the vessels. These assumptions are based on historical trends as well as future expectations and are also consistent with the plans and forecasts that we use to conduct our business.

The future undiscounted net operating cash flows are determined by considering the charter revenues from existing time charters for the fixed vessel days and by estimating charter rates for the unfixed days over the estimated remaining economic life of each vessel. Estimates of the daily time charter equivalent for the unfixed days are based on a combination of the average of the trailing 10-year historical charter rates adjusted for expected off-hires due to scheduled vessels' maintenance and estimated unexpected breakdown off-hires. Expected outflows for scheduled vessel maintenance and vessel operating expenses are based on the Partnership's budget by using historical data, which is adjusted annually with the assumption of an annual inflation rate of up to 2%. In developing the estimate for the effective fleet utilization, the Partnership takes into account the period(s) each vessel is expected to undergo its scheduled maintenance (dry-docking and special surveys) and each vessel's loss of hire resulting from repositioning or other conditions.

The estimated salvage value of each vessel is \$500 per lightweight ton, in accordance with our vessel depreciation policy. We use a probability-weighted approach for developing estimates of future cash flows used to test our vessels for recoverability when alternative courses of action are under consideration (i.e. sale or continuing operation of a vessel). If the estimated future undiscounted cash flows of an asset exceed the asset's carrying value, no impairment is recognized even though the fair value of the asset may be lower than its carrying value. If the estimated future undiscounted cash flows of an asset are less than the asset's carrying value and the fair value of the asset is less than its carrying value, the asset is written down to its fair value. The fair value at the date of the impairment becomes the new cost basis and will result in a lower depreciation expense than for periods before the recorded vessel impairment loss. Historically, there was no impairment loss recorded in any of the six vessels in our Fleet.

We determine the fair value of our vessels based on our estimates and assumptions and by making use of available market data and taking into consideration third-party valuations. We employ the majority of our LNG carriers on fixed-rate charters with major companies. These charters typically have original terms of two or more years in length. Consequently, while the market value of a vessel may decline below its carrying value, the carrying value of a vessel may still be recoverable based on the future undiscounted cash flows the vessel is expected to obtain from servicing its existing and future charters.

Considering that there were not any significant changes in circumstances that would indicate that the carrying value of our vessels may not be recoverable, we did not perform a review for impairment as of December 31, 2024. Using the framework for estimating future undiscounted net operating cash flows described above, we completed our impairment analysis for the year ended December 31, 2023, for those operating vessels that indications of impairment existed. Our impairment analysis as of December 31, 2023, indicated that the carrying amount of our vessels, was recoverable, and therefore concluded that no impairment charge was necessary.

Certain assumptions relating to our estimates of future cash flows are more predictable by their nature in our experience, including estimated revenue under existing charter terms, on-going operating costs and remaining vessel life. Certain assumptions relating to our estimates of future cash flows require more discretion and are inherently less predictable, such as future hire rates beyond the firm period of existing charters and vessel residual values, due to factors such as the volatility in vessel hire rates and the lack of historical references in scrap prices of similar type of vessels.

Although we believe that the assumptions used to evaluate potential asset impairment are based on historical trends and are reasonable and appropriate, at the time they are made, such assumptions are highly subjective and we can make no assurances, however, as to whether our estimates of future cash flows, particularly future vessel hire rates or vessel values, will be accurate. To minimize such subjectivity, our analysis for the year ended December 31, 2023, also involved sensitivity analysis to the model input we believe is most important, being the future hire rates. In particular, in terms of our estimates for the charter rates for the unfixed period, we use the average of the trailing 10-year historical charter rates as of December 31, 2023. Although the trailing 10-year historical charter rates, cover at least a full business cycle, we sensitized our model with regards to long-term historical charter rate assumptions for the unfixed period beyond the first year. Our sensitivity analysis revealed that, to the extent that going forward the 10-year historical charter rates would not decline by more than 50% for LNG carrier vessels and we would not be required to recognize impairment.

Depreciation on our LNG carriers is calculated using an estimated useful life of 35 years, commencing at the date the vessel was originally delivered from the shipyard. However, the actual life of a vessel may be different than the estimated useful life, with a shorter actual useful life resulting in an increase in the depreciation and potentially resulting in an impairment loss. The estimated useful life of our LNG carriers takes into account design life, commercial considerations and regulatory restrictions. Vessel residual values are based on our estimation over our vessels sale price at the end of their useful life, being a product of a vessel's lightweight tonnage times an estimated scrap rate and the estimated resale price of certain equipment and material. Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or for other reasons.

An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation and accelerating it into earlier periods.

A decrease in the useful life of the vessel may occur as a result of poor vessel maintenance, harsh ocean going and weather conditions, or poor quality of shipbuilding. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its remaining useful life is adjusted to end at the date such regulations preclude such vessel's further commercial use. Weak freight market rates result in owners scrapping more vessels and scrapping them earlier in their lives due to the unattractive returns.

An increase in the useful life of the vessel may occur as a result of superior vessel maintenance performed, favorable ocean going and weather conditions, superior quality of shipbuilding, or high freight market rates, which result in owners scrapping the vessels later in their lives due to the attractive cash flows.

Actual outcomes may differ from estimates. Such estimates are reviewed and updated at each reporting period.

The table set forth below indicates the carrying value of each of our vessels as of December 31, 2024 and 2023.

Vessel	Capacity (cbm)	Year Built/ Purchased	Carrying Value (in millions of U.S. dollars) as of	
			December 31, 2024	December 31, 2023
<i>Clean Energy</i>	149,700	2007	\$ 98.0	\$ 102.9
<i>Ob River</i>	149,700	2007	98.4	103.1
<i>Amur River</i>	149,700	2008	106.4	111.4
<i>Arctic Aurora</i>	155,000	2014	152.7	158.5
<i>Yenisei River</i>	155,000	2014	143.4	148.8
<i>Lena River</i>	155,000	2015	166.3	172.7
TOTAL	914,100		\$ 765.2	\$ 797.4

As of December 31, 2024, there were no indications that the carrying amounts of the vessels in our Fleet may not be recoverable. Thus, no impairment analysis was performed. As of December 31, 2023, the carrying amounts for two of the vessels in our Fleet were above the average of their values as assessed by third-party valuations and therefore we tested these two vessels for potential impairment. In assessing the recoverability of our vessels' carrying amounts, the undiscounted projected net operating cash flows of the vessels significantly exceeded their carrying amounts resulting in no impairment loss being recognized. We refer you to the risk factor entitled "Vessel values may fluctuate substantially and, if these values are lower at a time when we are attempting to dispose of vessels, we may incur a loss" and the discussion herein under the heading "Item 3. Key Information—D. Risk Factors —Risks relating to our Partnership."

Our estimates of basic market value assume that our vessels are all in good and seaworthy condition without need for repair and if inspected, would be certified in class without notations of any kind. Our estimates are based on information available from various industry sources, including:

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

As we obtain information from various industry and other sources, our estimates of basic market value are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future basic market value of our vessels or prices that we could achieve if we were to sell them.

Depreciation

We depreciate our vessels on a straight-line basis over their estimated useful lives, after considering their estimated residual values. Management estimates residual value of our vessels to be equal to the product of its lightweight tonnage (“LWT”) and an estimated scrap rate per LWT per LNG carrier, which represents our estimate of the market value of the ship at the end of its useful life. Useful economic life of each vessel in our Fleet is estimated to be 35 years from their initial delivery from the shipyard. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge. Effective from October 1, 2019, we reduced the average scrap rate estimate from \$0.685 to \$0.500 per lightweight ton per LNG carrier, following a reassessment of the scrap rate. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its remaining useful life is adjusted at the date such regulations become effective.

Recent Accounting Pronouncements

For a discussion on Recent Accounting Pronouncements, see Note 2 to our consolidated financial statements included in this annual report.

Results of Operations

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

Voyage Revenues. Voyage revenues increased by \$7.5 million, or 5.0%, to \$156.4 million in the year ended December 31, 2024, compared to \$148.9 million for the year ended December 31, 2023. Excluding non-cash items, which related to the amortization of deferred revenue and the value of the EUAs due to us by the charterers of our vessels, under time charter employment, voyage revenues increased by \$18.1 million. This increase in voyage revenues was primarily due to the increase in the hire rate of the *Arctic Aurora* following its new time charter party agreement with Equinor ASA, which took effect in October 2023.

Revenues from contracts with customers. In the year ended December 31, 2024, revenues from contracts with customers were nil, compared to \$11.6 million for the year ended December 31, 2023. Revenues from contracts with customers include compensation from Yamal for services regarding the special surveys of the Lena River and the Yenisei River, which were completed in the year ended December 31, 2023, as per the terms of the charter party agreements.

Voyage Expenses—including related party. In the year ended December 31, 2024, voyage expenses were \$6.4 million, compared to \$3.3 million for the year ended December 31, 2023, representing an increase of \$3.1 million or 93.9%. The increase is primarily associated with the corresponding value of the EUAs, mentioned above, which we are obliged to surrender to the EU authorities.

Vessels’ Operating Expenses. Vessel operating expenses decreased by 8.1% or \$2.8 million, to \$31.6 million during the year ended December 31, 2024 from \$34.4 million during the year ended December 31, 2023. Our daily operating expenses decreased from \$15,713 for the year ended December 31, 2023 to \$14,409 for the year ended December 31, 2024. This decrease is primarily associated with lower technical maintenance on our vessels.

Dry-docking and special survey costs. In the year ended December 31, 2024, dry-docking and special survey costs were nil, compared to \$17.7 million for the year ended December 31, 2023, representing a decrease of \$17.7 million or 100%. The three TFDE vessels in our Fleet, the *Arctic Aurora*, the *Yenisei River* and the *Lena River* completed their scheduled special survey and dry-dock in the year ended December 31, 2023. No special survey or dry-docking took place on our vessels in the year ended December 31, 2024.

General and administrative expenses—including related party. General and administrative expenses increased by 5.0%, or \$0.1 million, to \$2.1 million during the year ended December 31, 2024, from \$2.0 million during the year ended December 31, 2023. This increase of general and administrative expenses is mainly attributable to increased legal expenses and audit fees.

Management Fees. We incurred an aggregate of \$6.6 million, or \$3,005 per LNG carrier per day in management fees for the year ended December 31, 2024, compared to an aggregate of \$6.4 million, or \$2,917 per LNG carrier per day in management fees for the year ended December 31, 2023. The 3.1%, or \$0.2 million, increase in management fees is consistent with the annual 3% increase in daily management fees pursuant to the Master Agreement see also “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions”.

Depreciation. Depreciation expense increased by 0.9%, or \$0.3 million, to \$32.2 million during the year ended December 31, 2024, from \$31.9 million during the year ended December 31, 2023. The increase is due to a differential in the number of calendar days between the compared periods.

Interest and Finance Costs. Interest and finance costs decreased by 20.4%, or \$8 million to \$31.2 million during the year ended December 31, 2024, from \$39.2 million during the year ended December 31, 2023. The decrease in interest and finance costs was predominantly due to the reduction in the outstanding balance of interest-bearing debt in the year ended December 31, 2024, as compared to the corresponding period of 2023.

Interest Income. Interest income decreased by 3.8%, or \$0.1 million, to \$2.5 million during the year ended December 31, 2024, from \$2.6 million during the year ended December 31, 2023. The decrease is attributable to the decrease in interest rates during the year ended December 31, 2024, as compared to the corresponding period of 2023.

Gain on derivative instruments. On May 7, 2020 we entered into a floating to fixed interest rate swap transaction effective from June 29, 2020. It provided a fixed 3-month LIBOR rate of 0.41% based on notional values that reflect the amortization schedule of 100% of our debt outstanding under the \$675 Million Credit Facility. During the year ended December 31, 2024, we recognized a gain on the derivative financial instruments of \$1.8 million (relating to the portion of the period the interest rate swap agreement was in effect), compared to a gain on the derivative financial instrument of \$5.3 million which was recognized in the year ended December 31, 2023.

Loss on debt extinguishment. Loss on debt extinguishment increased by 50%, or \$0.1 million, to \$0.3 million loss during the year ended December 31, 2024, from \$0.2 million loss during the corresponding period in 2023. This increase of Loss on debt extinguishment is mainly attributable to the write-off of \$0.3 million of the unamortized deferred financing fees attributable to the portion of the \$675 Million Credit Facility that was extinguished in the year ended December 31, 2024, due to the full prepayment of the outstanding amount thereunder of \$408.6 million, mentioned below, compared the write-off of \$0.2 million of the unamortized debt discounts attributable to the portion of the \$675 Million Credit Facility that was extinguished in the year ended December 31, 2023, due to the voluntary partial prepayment of \$31.3 million of the \$675 Million Credit Facility .

Other Income. Other Income decreased to \$1.5 million during the year ended December 31, 2024, from \$2.9 during the corresponding period in 2023. Other income includes income from claims from hull and machinery and loss of hire insurance for damages incurred by our vessels in previous years.

Year ended December 31, 2023 compared to the 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 – 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 April 26, 2024.

B. LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Cash Needs

We operate in a capital-intensive industry and we expect to finance the purchase of additional vessels and other capital expenditures through a combination of borrowings from debt transactions, cash generated from operations and equity financings. Our liquidity requirements relate to servicing the principal and interest on our debt, paying distributions, when, as and if declared by our Board of Directors and funding capital expenditures and working capital. Our funding and treasury activities are intended to maximize investment returns while maintaining appropriate liquidity.

For the year ended December 31, 2024, our principal sources of funds were our operating cash flows and cash flows from financing activities. We frequently monitor our capital needs by projecting our fixed income, expenses and debt obligations and seek to maintain adequate cash reserves to compensate for any budget overruns.

Our short-term liquidity requirements relate to servicing the principal and interest on our debt, making at least the required distribution on our Series A Preferred Units and Series B Preferred Units in accordance with our Partnership Agreement, and funding of our normal working capital requirements, including vessel operating expenses and payments under our Master Agreement.

As of April 10, 2024, we believe our sources of funds (assuming the current contracted rates are earned from our existing charters) are sufficient to meet our normal working capital and other cash requirements for our current business for at least the next twelve months.

We reserve cash from operations for future maintenance capital expenditures, normal working capital requirements and other matters. Our future capital expenditure requirements principally relate to vessel drydocks including costs related to voyages to and from the drydocking yard that will depend on the distance from the vessel's ordinary trading area to the drydocking yard. No scheduled vessel drydocks are expected in 2025. As at December 31, 2024, we have no other material capital expenditure commitments for the next twelve months.

On November 21, 2024, our Board of Directors authorized the Common Unit Repurchase Program, which authorizes the repurchase of up to an aggregate of \$10 million of our outstanding common units over 12 months. Repurchases of common units under the Common Unit Repurchase Program may be made, from time to time, in privately negotiated transactions, in open market transactions, or by other means, including through trading plans intended to qualify under Rule 10b-18 and/or Rule 10b5-1 of the Exchange Act. The amount and timing of any repurchases made under the Common Unit Repurchase Program will be in our management team's sole discretion, and will depend on a variety of factors, including legal requirements, market conditions, other investment opportunities, available liquidity, and the prevailing market price of the common units. The Common Unit Repurchase Program does not obligate us to repurchase any dollar amount or number of common units, and the Common Unit Repurchase Program may be suspended or discontinued at any time at our discretion. During the year ended December 31, 2024, we re-purchased 55,118 common units for a total amount of \$0.2 million. See "Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers".

Our long-term liquidity requirements relate primarily to funding capital expenditures, including the repayment of our long-term debt and the potential acquisition of additional vessels.

In accordance with our business strategy, other liquidity needs may relate to funding potential investments and maintaining cash reserves against fluctuations in operating cash flows. We expect that we will rely upon external financing sources, including bank borrowings, other financing arrangements and the issuance of debt and equity securities, to fund acquisitions and other expansion capital expenditures. Cash and cash equivalents are held in U.S. dollars. Please see "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Our Cash Distribution Policy" for a discussion of our cash distribution policy and how we define "available cash" under the Partnership Agreement.

Cash and cash equivalents

As of December 31, 2024, we reported cash and cash equivalents of \$68.2 million which represented a decrease of \$5.6 million, or 7.6%, compared to \$73.8 million, as of December 31, 2023. Please see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Our Borrowing Activities."

Working capital position

Working capital is equal to current assets minus current liabilities, including the current portion of long-term debt. As of December 31, 2024, we had a working capital deficit of \$5.7 million as compared to the working capital deficit of \$353.5 million as of December 31, 2023. Our working capital deficit was mainly due to the current portion of our long-term debt and other financial liabilities.

We believe that our anticipated sources of funds, as mentioned above and those that we anticipate to internally generate for a period of at least the next twelve months, will be sufficient to fund the operations of our Fleet, and to meet our normal working capital requirements, service our principal and interest debt, and make at least the required distribution on our Series A Preferred Units and Series B Preferred Units in accordance with our Partnership Agreement.

Our Borrowing Activities

As of December 31, 2024, we had \$322.9 million outstanding under the 2024 Lease Financing (discussed below). As of December 31, 2024, we were in compliance with all of the covenants, including the financial and liquidity covenants, contained in the 2024 Lease Financing.

\$675 Million Credit Facility

On September 18, 2019, we entered into the \$675 Million Credit Facility: a 5-year syndicated \$675 million senior secured term loan with leading international banks for the purpose of refinancing the Partnership's existing total indebtedness at that time. On June 27, 2024, we used the proceeds received under the 2024 Lease Financing (discussed below), together with \$63.7 million of our own funds, to fully prepay outstanding amounts under the \$675 Million Credit Facility, which was scheduled to mature on September 18, 2024. Please see below, "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—2024 Lease Financing."

2024 Lease Financing

On June 19, 2024, we entered into sale and leaseback agreements, or the Sale and Leaseback Agreements, with China Development Bank Financial Leasing Co. Ltd. ("CDBL"), for four of our vessels, the *OB River*, the *Clean Energy*, the *Amur River*, and the *Arctic Aurora* for the amounts of \$71.2 million, \$53.6 million, \$73.1 million and \$147.0 million, respectively. We sold and chartered back on a bareboat basis from CDBL, the *OB River*, the *Clean Energy* and the *Amur River* for a period of five years, and the *Arctic Aurora* for a period of ten years, and utilized the proceeds from the 2024 Lease Financing, together with \$63.7 million of cash on hand, to fully prepay outstanding amounts under our \$675 Million Credit Facility. The applicable interest rate is 3-month term SOFR plus a margin. Following the first anniversary of the bareboat charters, we have the option at any time to repurchase each vessel at a predetermined price as set forth in each respective 2024 Lease Financing and at the end of each bareboat period, we have the obligation to repurchase the respective vessel at a price equal to 20% of the financing amount for the *OB River*, the *Clean Energy* and the *Amur River* and 15% of the financing amount for the *Arctic Aurora*. We are required to maintain at all times a value maintenance ratio of at least 120% of the charterhire principal outstanding for each vessel. For additional information regarding the 2024 Lease Financing, please see Note 5 to our annual consolidated financial statements included in this annual report.

Each Sale and Leaseback Agreement is secured by a customary security package which includes, among other things (except as otherwise provided herein, capitalized terms used herein but not otherwise defined herein shall have the meanings set forth in the relevant Sale and Leaseback Agreement):

- the Accounts Charges over the Earnings Accounts;
- the Charterers' Assignments in relation to the Earnings, the Insurances, the Requisition Compensation and the Assigned Documents of the Ships;
- the Charter Guarantee in relation to the Charterers' obligations under the Transaction Documents;
- the Negative Share Pledges in relation to the issued shares of the Charterers; and
- the Manager's Undertakings by each Approved Manager of each Ship.

As of December 31, 2024, we were in compliance with all the financial covenants contained in the sale and leaseback agreements.

Capital Expenditures

We reserve cash from operations for future maintenance capital expenditures, normal working capital requirements and other matters.

Our future capital expenditure requirements principally relate to vessel drydocks including costs related to voyages to and from the drydocking yard that will depend on the distance from the vessel's ordinary trading area to the drydocking yard. No scheduled vessel drydocks are expected in 2025. As at December 31, 2024, we have no other material capital expenditure commitments for the next twelve months.

Cash Flows

The following table summarizes our net cash flows from operating, investing and financing activities and our cash and cash equivalents and restricted cash for the years ended December 31, 2024, 2023 and 2022:

<i>(Amounts in thousands of Dollars)</i>	Year Ended December 31,		
	2024	2023	2022
Net cash provided by operating activities	\$ 92,158	\$ 64,391	\$ 57,324
Net cash used in investing activities	(27)	(4,238)	(3,635)
Net cash used in financing activities	(97,727)	(66,269)	(70,836)
Cash and cash equivalents and restricted cash at beginning of year	73,752	79,868	97,015
Cash and cash equivalents and restricted cash at end of year	<u>\$ 68,156</u>	<u>\$ 73,752</u>	<u>\$ 79,868</u>

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased by \$27.8 million, or 43.2%, to \$92.2 million for the year ended December 31, 2024, compared to \$64.4 million for the year ended December 31, 2023. This increase was primarily due to the higher voyage revenues generated and the favorable working capital variations.

Net cash provided by operating activities increased by \$7.1 million, or 12.4%, to \$64.4 million for the year ended December 31, 2023, compared to \$57.3 million for the year ended December 31, 2022. This increase was primarily due to favorable working capital variations.

Net Cash Used in Investing Activities

Net cash used in investing activities decreased by \$4.2 million, or 100%, to nil for the year ended December 31, 2024, compared to \$4.2 for the year ended December 31, 2023. This decrease was primarily attributable to cash used for the installation of the BWTS on the *Arctic Aurora*, the *Yenisei River* and the *Lena River* in the year ended December 31, 2023.

Net cash used in investing activities increased by \$0.6 million, or 16.7%, to \$4.2 million for the year ended December 31, 2023, as compared to \$3.6 million for the year ended December 31, 2022. This increase was primarily attributable to cash used for the installation of the BWTS on the *Arctic Aurora*, the *Yenisei River* and the *Lena River* compared to cash used for installation of BWTS on other three vessels in 2022.

Net Cash Used in Financing Activities

Net cash used in financing activities increased by \$31.4 million, or 47.4%, from net cash used in financing activities of \$66.3 million in the year ended December 31, 2023, to net cash used in financing activities of \$97.7 million in the year ended December 31, 2024. This increase is mainly due to: (a) the increase in the repayments of long-term debt by \$363.4 million, due to the amounts paid for the full prepayment of the \$675 Million Credit Facility, mentioned above, (b) the increase in the payment of deferred finance fees by \$2.5 million, attributable to the 2024 Lease Financing, mentioned above, (c) the increase of \$1.8 million and \$1.4 million in the payment of distributions to the common and the preferred B unitholders, respectively, (d) the increase in the amounts paid for the repurchase of common units by \$0.2 million, as part of the Common Unit Repurchase Program, mentioned above, and (e) the decrease of \$7.0 million in receipts from derivative instruments. The above increase in net cash used in financing activities was partially offset by the proceeds of \$344.9 million from the 2024 Lease Financing.

Net cash used in financing activities decreased by \$4.5 million, or 6.4% from net cash used in financing activities of \$70.8 million in the year ended December 31, 2022, to net cash used in financing activities of \$66.3 million in the year ended December 31, 2023. This decrease was mainly due to the increase of receipts of derivative instruments by \$17.2 million, which was offset by an increase in of repayments of the \$675 Million Credit Facility by \$12.6 million, due to the amounts paid for voluntary prepayments of \$31.3 million and \$18.73 million, on March 27, 2023 and October 12, 2022, respectively, under the \$675 Million Credit Facility.

Distributions

Distributions on Common Units

We paid a cash distribution of \$0.049 per unit to all common unitholders on December 12, 2024 and February 27, 2025.

See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Our Cash Distribution Policy.”

Distributions on Series A Preferred Units

We paid a cash distribution of \$0.5625 per unit to all Series A Preferred unitholders on February 12, 2020, May 12, 2020, August 12, 2020, November 12, 2020, February 12, 2021, May 12, 2021, August 12, 2021, November 12, 2021, February 14, 2022, May 12, 2022, August 12, 2022, November 14, 2022, February 13, 2023, May 12, 2023, August 14, 2023, November 13, 2023, and February 12, 2024, May 13, 2024, August 12, 2024, November 12, 2024 and February 12, 2025.

See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Our Cash Distribution Policy.”

Distributions on Series B Preferred Units

We paid a cash distribution of \$0.546875 per unit to all Series B Preferred unitholders on February 24, 2020, May 22, 2020, August 24, 2020, November 23, 2020, February 22, 2021, May 24, 2021, August 23, 2021, November 22, 2021, February 22, 2022, May 23, 2022, August 22, 2022, November 22, 2022, February 22, 2023, May 22, 2023, August 22, 2023, and November 22, 2023.

We paid a cash distribution of \$0.71764025 per unit to all Series B Preferred unitholders on February 22, 2024.

We paid a cash distribution of \$0.69853375 per unit on to all Series B Preferred unitholders on May 22, 2024.

We paid a cash distribution of \$0.714537806 per unit on to all Series B Preferred unitholders on August 22, 2024.

We paid a cash distribution of \$0.69999031 per unit on to all Series B Preferred unitholders on November 22, 2024.

We paid a cash distribution of \$0.677286319 per unit on to all Series B Preferred unitholders on February 24, 2025.

See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Our Cash Distribution Policy.”

General Partner Distributions

During the years ended December 31, 2024 and 2023, the Board of Directors approved a quarterly cash distribution to its General Partner and holder of the incentive distribution rights in the Partnership, of an amount of \$1,741 and nil, respectively.

The declaration and payment of distributions, if any, is always subject to the discretion of our Board of Directors. We may reduce or eliminate our cash distributions relating to our common units or preferred units at any time in our sole discretion.

Securities Transactions (following the IPO)

In June 2014, we completed our underwritten public offering of 4,800,000 common units at \$22.79 per common unit, and on June 18, 2014, the underwriters in the offering exercised their option to purchase an additional 720,000 common units at the same price.

In September 2014, we completed our underwritten public offering of \$250.0 million in aggregate principal amount of our 6.25% Senior Notes due 2019, or our 2019 Notes. The 2019 Notes commenced trading on the NYSE on December 30, 2014 under the ticker symbol “DLNG 19.” On October 30, 2019, we redeemed the entire outstanding balance of the 2019 Notes of \$250 million aggregate principal amount using proceeds from the \$675 Million Credit Facility together with cash on hand.

In July 2015, we completed our underwritten public offering of 3,000,000 of our 9.00% Series A Cumulative Redeemable Preferred Units at \$25.00 per unit. Our Series A Preferred Units trade on the NYSE under the ticker symbol “DLNG PR A.”

In October 2018, we completed our underwritten public offering of 2,200,000 8.75% Series B Fixed to Floating Rate Cumulative Redeemable Perpetual Preferred Units at \$25.00 per unit. Our Series B Preferred Units trade on the NYSE under the ticker symbol “DLNG PR B.”

On July 2, 2020, we entered into a sales agreement, or the Original Agreement, with Virtu Americas LLC, as sales agent, for the offer and sale, from time to time, of up to an aggregate of \$30.0 million of our common units representing limited partnership interests under an “at-the-market” offering program. In August 2020, we entered into an amended and restated ATM Sales Agreement, or the A&R Sales Agreement, with Virtu Americas LLC and DNB Markets, Inc., for the offer and sale of common units representing limited partnership interests, having an aggregate offering price of up to \$30.0 million. Upon entry into the A&R Sales Agreement, the Partnership terminated its prior at-the-market program established in July of 2020 pursuant to the Original Agreement (the “Prior ATM Program”). At the time of such termination, the Partnership had issued and sold 122,580 common units resulting in net proceeds of \$0.3 million, under the Original Agreement. During the year ended December 31, 2021, we issued and sold 1,189,667 of our common units resulting in net proceeds of \$3.3 million under the A&R Sales Agreement. No common units were sold under the A&R Sales Agreement during the years ended December 31, 2022, 2023 and 2024. The A&R Sales Agreement is no longer in effect.

On November 21, 2024, our Board of Directors authorized the Common Unit Repurchase Program, which authorizes the repurchase of up to an aggregate of \$10 million of our outstanding common units over 12 months. Repurchases of common units under the Common Unit Repurchase Program may be made, from time to time, in privately negotiated transactions, in open market transactions, or by other means, including through trading plans intended to qualify under Rule 10b-18 and/or Rule 10b5-1 of the Exchange Act. The amount and timing of any repurchases made under the Common Unit Repurchase Program will be in our management team’s sole discretion, and will depend on a variety of factors, including legal requirements, market conditions, other investment opportunities, available liquidity, and the prevailing market price of the common units. The Common Unit Repurchase Program does not obligate us to repurchase any dollar amount or number of common units, and the Common Unit Repurchase Program may be suspended or discontinued at any time at our discretion. During the year ended December 31, 2024, we re-purchased 55,118 common units for a total amount of \$0.2 million. See “Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers”.

Recent Developments

Distributions

On January 21, 2025, we declared a cash distribution of \$0.5625 per unit on our Series A Preferred Units for the period from November 12, 2024 to February 11, 2025, which was paid on February 12, 2025 to all Series A preferred unitholders of record as of February 5, 2025.

On February 4, 2025, we declared a cash distribution of \$0.677286319 per unit on our Series B Preferred Units for the period from November 22, 2024 to February 23, 2025, which was paid on February 24, 2025 to all Series B preferred unitholders of record as of February 14, 2025.

On February 6, 2025, we declared a cash distribution of \$0.049 per unit on all common unitholders and our General Partner for the quarter ended December 31, 2024, which was paid on February 27, 2025 to our General Partner and all common unitholders of record as of February 24, 2025.

Following December 31, 2024 and up to April 8, 2025, the Partnership re-purchased 104,873 common units for a total amount of \$0.4 million, pursuant to the Common Unit Repurchase Program (as defined above).

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Not applicable.

D. TREND INFORMATION

See “Item 4. Information on the Partnership – B. Business Overview – The International Liquefied Natural Gas (LNG) Shipping Industry.”

E. CRITICAL ACCOUNTING ESTIMATES

For a description of all our significant accounting policies, see Note 2 to our annual consolidated financial statements included elsewhere in this annual report, and for our critical accounting estimates, see the paragraph entitled “Critical Accounting Estimates and Policies” under Item 5.A discussed above.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

The following provides information about each of our directors and senior management.

Name	Age	Position
Georgios Prokopiou	78	Chairman of the Board of Directors and Appointed Director
Tony Lauritzen	48	Chief Executive Officer and Appointed Director
Michael Gregos	53	Chief Financial Officer
Dimitris Anagnostopoulos	78	Class III Director
Alexios Rodopoulos	77	Class II Director
Evangelos Vlahoulis	78	Class I Director

Certain biographical information about each of our directors and executive officers is set forth below.

Georgios Prokopiou. Mr. Georgios Prokopiou has served as Chairman of our Board of Directors since our inception. Since entering the shipping business in 1974, Mr. Prokopiou has managed a shipping fleet consisting of over 500 vessels and is among other, the founder of Dynacom Tankers Management, Sea Traders and Dynagas Ltd., our Manager. Dynacom was founded in 1991 to manage tankers and Sea Traders SA was founded in 1974 to manage bulk carriers. Since 2002, companies controlled by Mr. Prokopiou have built more than 100 vessels at shipyards in South Korea, Japan and China. Mr. Prokopiou holds a civil engineering degree from the National Technical University of Athens. Mr. Prokopiou has also served as Chairman of the North of England P&I Association. He is Chairman of the Greek committee of Bureau Veritas, as well as member of the Greek committees of DNV-GL, Lloyd’s Register and ABS. In 2005 Dynacom was awarded Tanker Company of the Year award by Lloyd’s List. In 2015 Dynagas Ltd. was the winner of Statoil’s Working Safely with Suppliers Award. Mr. Prokopiou was the recipient of Seatrade’s Lifetime Achievement Award in June 2017 and the Capital Link Lifetime Achievement Award in January 2020.

Tony Lauritzen. Mr. Tony Lauritzen has served as our Chief Executive Officer and on our Board of Directors since our inception in 2013. Mr. Lauritzen has been the general manager of our Sponsor’s LNG activities since 2006. Prior to joining Dynagas, Mr. Lauritzen worked for the shipowner and ship manager Bernhard Schulte Shipmanagement Ltd where he was a project manager with a focus on the gas shipping segment. Prior to that, he worked for Westshore Shipbrokers AS in the offshore shipbroking segment. Mr. Lauritzen holds a Master of Science in Shipping Trade and Finance from Bayes Business School (formerly known as Cass Business School) of City University in London (2003) and a Master of Arts in Business and Finance from Heriot Watt University, Edinburgh (2002). Mr. Lauritzen is the son-in-law of Mr. Prokopiou.

Michael Gregos. Mr. Michael Gregos has served as our Chief Financial Officer since our inception. Mr. Gregos has served as commercial manager of the activities of Dynacom Tankers Management since 2009. From 2007 to 2009, Mr. Gregos served as Chief Operating Officer of Ocean Freight Inc. a shipping transportation company listed on NASDAQ. Prior to that, Mr. Gregos was commercial manager of the activities of Dynacom Tankers Management. Mr. Gregos has also worked for Oceania Maritime Agency, a shipping transportation company in Connecticut, USA and ATE Finance the corporate finance arm of Agricultural Bank of Greece responsible for the implementation of initial public offerings in the Greek equities market. He is a graduate of Queen Mary University in London and holds an M.Sc. in Shipping, Trade and Finance from Bayes Business School (formerly known as Cass Business School) of City University in London.

Dimitris Anagnostopoulos. Mr. Anagnostopoulos has served as one of our directors since August 2023 and also serves on the Conflicts Committee and the Compensation Committee of the Board. Mr. Anagnostopoulos has over 50 years of experience in shipping, ship finance and banking. Mr. Anagnostopoulos obtained his BSc at the Athens University of Economics and Business. Throughout his career, Mr. Anagnostopoulos has held various posts at the National Investment Bank of Industrial Development (ETEBA), Continental Illinois National Bank of Chicago, the Greyhound Corporation, and with ABN AMRO, where he spent nearly two decades, holding the positions of Senior Vice-President and Head of Shipping. From 2010 to 2023 he served as a Board Member of Aegean Baltic Bank S.A. and continues to serve as an advisor to the bank's management team. Mr. Anagnostopoulos has been a speaker and panelist at various shipping conferences in Europe, and a regular guest lecturer at the Bayes Business School (formerly known as Cass Business School) of City University in London, the Athens University of Economics and Business and the ALBA Graduate Business School. He is a member (and ex-vice chairman) of the Association of Banking and Financial Executives of Greek Shipping and an Associate Member of the Institute of Energy of South East Europe. In 2008 he was named by the Lloyd's Organization as Shipping Financier of the Year. In addition, since 2009 he has served as a member of the board of directors of Seenergy Maritime Holdings Corp. (Nasdaq:SHIP), where he serves on the audit committee, compensation committee and nominating committee.

Alexios Rodopoulos. Mr. Alexios Rodopoulos has served as one of our directors since the closing of our IPO in November 2013 and also serves as Chairman of our Audit Committee. Mr. Rodopoulos is an independent shipping business consultant, operating through his family-owned company, Rodofin Business Consultants Ltd. From 1999 until 2011 Mr. Rodopoulos served as the Head of Shipping (Piraeus) of Royal Bank of Scotland (RBS). Mr. Rodopoulos is a graduate of the Economic University of Athens, Greece.

Evangelos Vlahoulis. Mr. Evangelos Vlahoulis has served as one of our directors since the closing of our IPO in November 2013 and also serves as Chairman of the Compensation Committee. Since 2005, Mr. Vlahoulis has served as Chief Executive Officer of Finship S.A. which provides maritime financing services including to Deutsche Bank in connection with their shipping activities in Greece. From 1984 until 2005 Mr. Vlahoulis served as the representative for Greek shipping of Deutsche Schiffsbank (the predecessor to Commercebank AB). Since October 2015, Mr. Vlahoulis serves as a consultant for the Greek branch of DVB bank. Mr. Vlahoulis is a graduate of London University and holds a BA in Economics.

Reimbursement of Expenses of Our General Partner

Our General Partner does not receive compensation from us for any services it provides on our behalf, however, it is entitled to reimbursement for expenses incurred on our behalf.

B. COMPENSATION

Executive Compensation

Our executive officers, who report directly to our Board of Directors, are provided to us by our Manager under an Executive Services Agreement with retroactive effect from the closing date of our IPO. Under the agreement, our Manager is entitled to an executive services fee of €538,000 per annum, for the initial five-year term, payable in equal monthly instalments and automatically renews for successive five-year terms unless terminated earlier. Subsequent to the initial term, the Executive Services Agreement automatically renewed in November 2018 and November 2023.

Director Compensation

Our chief executive officer who also serves as our director does not receive additional compensation for his service as director. Each non-management director receives compensation for attending meetings of our Board of Directors, as well as committee meetings. Non-management directors receive director fees of approximately \$135,000 per year, in aggregate. In addition, each director is reimbursed for out-of-pocket expenses in connection with attending meetings of the Board of Directors or other committees. Each director is fully indemnified by us for actions associated with being a director to the extent permitted under Marshall Islands law.

C. BOARD PRACTICES

General

Pursuant to the terms of our Partnership Agreement, our General Partner has delegated to our Board of Directors the authority to oversee and direct our operations, management and policies on an exclusive basis, and such delegation will be binding on any successor general partner of the Partnership. Our General Partner is wholly owned by our Sponsor. Our executive officers, whose services are provided to us pursuant to the Executive Services Agreement with our Manager, manage our day-to-day activities consistent with the policies and procedures adopted by our Board of Directors.

Our board consists of five members, two of whom are appointed by our General Partner in its sole discretion and three of whom are elected by our common unitholders. Our Board of Directors has determined that all of the directors, other than Mr. Georgios Prokopiou and Mr. Tony Lauritzen, satisfy the independence standards established by the NYSE, as applicable to us. The directors appointed by our General Partner serve until a successor is duly appointed by the General Partner. Directors elected by our common unitholders are divided into three classes serving staggered three-year terms.

At the Partnership's 2014 Annual General Meeting of Limited Partners, the Class I Elected Director was elected to serve for a one year term expiring on the date of the succeeding annual meeting, the Class II Elected Director was elected to serve for a two-year term expiring on the second succeeding annual meeting and the Class III Elected Director was elected to serve for a three-year term expiring on the third succeeding annual meeting. At each annual meeting of limited partners, directors will be elected to succeed the class of directors whose terms have expired by a plurality of the votes of the common unitholders. Directors elected by our common unitholders will be nominated by the Board of Directors or by any limited partner or group of limited partners that beneficially owns at least 15% of the outstanding common units.

The Partnership held its 2024 Annual General Meeting of Limited Partners on November 29, 2024, at which (i) Mr. Evangelos Vlahoulis was elected as a Class I Director to serve for a three-year term until the 2027 Annual Meeting of Limited Partners, and (ii) Ernst & Young (Hellas) Certified Auditors Accountants S.A. were re-appointed to serve as the Partnership's independent auditors for the fiscal year ending December 31, 2024.

Each outstanding common unit is entitled to one vote on matters subject to a vote of common unitholders. However, to preserve our ability to be exempt from U.S. federal income tax under Section 883 of the Code, if at any time, any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes (except for purposes of nominating a person for election to our board), determining the presence of a quorum or for other similar purposes under our Partnership Agreement, unless otherwise required by law. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our General Partner, its affiliates, including our Sponsor, and persons who acquired common units with the prior approval of our Board of Directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.

Committees

We have an audit committee that, among other things, reviews our external financial reporting function, engages our external auditors and oversees our internal audit activities and procedures and the adequacy of our internal accounting controls. Our audit committee is comprised of two directors, Mr. Evangelos Vlahoulis and Mr. Alexios Rodopoulos. Our Board of Directors has determined that Mr. Vlahoulis and Mr. Rodopoulos satisfy the independence standards established by the NYSE. Mr. Rodopoulos qualifies as an “audit committee expert” for purposes of SEC rule and regulations.

We also have a Conflicts Committee comprised of two members of our Board of Directors. The Conflicts Committee is available at the board’s discretion to review specific matters that the board believes may involve conflicts of interest. The Conflicts Committee will determine if the resolution of the conflict of interest is fair and reasonable to us. The members of the Conflicts Committee may not be officers or employees of us or directors, officers or employees of our general partner or its affiliates, and must meet the independence standards established by the NYSE to serve on a conflicts committee of a Board of Directors and certain other requirements. Any matters approved by the Conflicts Committee will be conclusively deemed to be fair and reasonable to us, approved by all of our partners, and not a breach by our directors, our general partner or its affiliates of any duties any of them may owe us or our unitholders. The members of our Conflicts Committee are currently Mr. Dimitris Anagnostopoulos and Mr. Alexios Rodopoulos. For additional information about the Conflicts Committee, please see “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions—Conflicts of Interest and Fiduciary Duties.”

We also have a compensation committee comprised of two members of our Board of Directors. The members of our compensation committee are currently Mr. Evangelos Vlahoulis and Mr. Dimitris Anagnostopoulos. The compensation committee is responsible for carrying out the Board’s responsibilities relating to compensation of our executive officers and for providing such other guidance with respect to compensation matters as the Committee deems appropriate.

Please see “Item 16G. Corporate Governance.”

D. EMPLOYEES

As of December 31, 2024, we did not employ any onshore or offshore staff. Our Manager has provided and continues to provide us with commercial and technical management services, including all necessary crew-related services, to our vessel owning subsidiaries pursuant to the Master Agreement. Please see “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions—Vessel Management.” The services of our executive officers and other employees are provided to us by our Manager pursuant to an Executive Services Agreement and an Administrative Services Agreement, in return of a monthly and an annual fee, respectively. Please see “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions—Administrative Services Agreement & Executive Services Agreement.”

E. UNIT OWNERSHIP

Please see “Item 7. Major Unitholders and Related Party Transactions—A. Major Unitholders.”

F. DISCLOSURE OF A REGISTRANT’S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

Not applicable.

ITEM 7. MAJOR UNITHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR UNITHOLDERS

The following table sets forth the beneficial ownership of our common units as of April 8, 2025, by each person that we know to beneficially own more than 5% of our outstanding common units. The number of units beneficially owned by each person is determined under SEC rules and the information is not necessarily indicative of beneficial ownership for any other purpose:

Name of Beneficial Owner	Number	Percent ⁽¹⁾
Dynagas Holding Ltd. ⁽²⁾	15,595,000	42.56 %
Cobas Asset Management SGIIC SA ⁽³⁾	5,486,906	14.97 %
Dell Loy Hansen ⁽⁵⁾	3,563,020	9.72 %
All executives, officers and directors as a group ⁽³⁾⁽⁴⁾	*	*

- (1) Based on 36,642,256 common units outstanding as of April 8, 2025.
- (2) Dynagas Holding Ltd. is beneficially owned by the Prokopiou Family, including the chairman of our Board of Directors, Georgios Prokopiou and his daughters Elisavet Prokopiou, Johanna Prokopiou, Marina Kalliope Prokopiou, and Maria Eleni Prokopiou, which collectively have a business address at 23, Rue Basse, 98000 Monaco.
- (3) This information is derived from Schedule 13G/A filed with SEC on February 5, 2024.
- (4) Neither any member of our Board of Directors or executive officer individually, nor all of them taken as a group, hold more than 1% of our outstanding common units apart from Mr. Georgios Prokopiou, whose ownership interests are separately presented in the above table.
- (5) This information is derived from Schedule 13G filed with the SEC on October 15, 2020.

As of April 8, 2025, we had four unitholders of record, three of which were located in the United States, representing 57.44% of our outstanding common units. However, one of the U.S. common unitholders of record is CEDE & CO., a nominee of the Depository Trust Company, which held 57.43% of our common units as of the same date. Accordingly, we believe that the common units held by CEDE & CO. include common units beneficially owned by both holders in the United States and non-U.S. beneficial owners. Except as otherwise disclosed herein, we are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of us.

B. RELATED PARTY TRANSACTIONS

From time to time we have entered into agreements and have consummated transactions with certain related parties. We may enter into related party transactions from time to time in the future. In connection with our IPO, we established a Conflicts Committee, comprised entirely of independent directors, to evaluate any transaction or other matter referred or disclosed to the Conflicts Committee in which a conflict of interest or potential conflict of interests exists or arises.

Omnibus Agreement

In November 2013 and as amended and restated in April 2016, we, and certain of our subsidiaries, entered into the Omnibus Agreement with our Sponsor and our General Partner, which provided us with, among other things, certain rights to acquire certain identified vessels and interests in vessels. As of the date of this annual report, we no longer have any rights to acquire any identified vessels or ownership interests in vessels owned by our Sponsor. We still have the right, but not the obligation, to purchase from our Sponsor any LNG carriers acquired or placed under contracts with an initial term of four or more years, for so long as the Omnibus Agreement is in full force and effect (as described below).

Noncompetition

Under the Omnibus Agreement, our Sponsor has agreed, and has caused its affiliates (other than us, and our subsidiaries) to agree, not to acquire, own, operate or contract for any LNG carrier operating under a charter with an initial term of four or more years. We refer to these LNG carriers as “Four-Year LNG carriers” and to all other LNG carriers, together with any related contracts, as “Non-Four-Year LNG carriers.” The restrictions in this paragraph will not prevent our Sponsor or any of its controlled affiliates (including us and our subsidiaries) from:

- (1) acquiring, owning, operating or chartering any Non-Four-Year LNG carriers;
- (2) (i) acquiring or owning one or more Four-Year LNG carrier(s) if such Dynagas Holding Entity (as defined in the Omnibus Agreement) offers to sell such Four-Year LNG carrier to us for the acquisition price plus any administrative costs in accordance with the procedures set forth in the Omnibus Agreement (and we do not fulfill our obligation to purchase such Four-Year LNG carrier in accordance with the terms of the Omnibus Agreement) and (ii) owning any Optional Interests (as defined in the Omnibus Agreement) in the entities relating to the Optional Vessels at any time on or after the time at which such interests are treated as a Four-Year LNG carrier pursuant to the Omnibus Agreement, if the related Dynagas Holding Entities (as applicable), offer to sell such Optional Interests to us for the pro rata portion of the acquisition price relating to the corresponding LNG carrier owned by such entity plus any administrative costs in accordance with the procedures set forth in the Omnibus Agreement (and we do not fulfill our obligation to purchase such Optional Interests in accordance with the terms of the Omnibus Agreement);
- (3) operating or chartering an LNG carrier under a charter with a term of four or more years if such Dynagas Holding Entity offers to sell such LNG carrier to us for fair market value (i) promptly after the time it becomes a Four-Year LNG carrier and (ii) at each renewal or extension of that charter if such renewal or extension is for a term of four or more years, in each case in accordance with the procedures set forth in the Omnibus Agreement;
- (4) acquiring and owning a controlling interest in one or more Four-Year LNG carriers as part of the acquisition of an interest in business or package of assets that owns, operates or charters such Four-Year LNG carriers; provided, however; if a majority of the value of the business or assets acquired is attributable to Four-Year LNG carriers, as determined in good faith by our Sponsor’s board of directors, the Dynagas Holding Entity must offer to sell such Four-Year LNG carrier(s) to us for their fair market value plus any administrative costs in accordance with the procedures set forth in the Omnibus Agreement (for the avoidance of doubt, nothing herein shall prohibit the acquisition and owning of one or more Four-Year LNG carriers as part of the acquisition of a minority interest in a business or package of assets that owns, operates or charters Four-Year LNG carriers);
- (5) acquiring a non-controlling interest in any company, business or pool of assets;
- (6) acquiring, owning, operating or chartering any Four-Year LNG carrier if we do not fulfill our obligation to purchase such Four-Year LNG carrier in accordance with the terms of the Omnibus Agreement;
- (7) acquiring, owning, operating or chartering any Four-Year LNG carrier that is subject to the offers to us described in paragraphs (2), (3) and (4) above pending our determination whether to accept such offers and pending the closing of any offers we accept;
- (8) providing vessel management services relating to any LNG carrier;
- (9) acquiring and owning any Four-Year LNG carrier as part of a financing arrangement, including by way of a sale leaseback transaction, which is accounted for as a financial lease under United States generally accepted accounting principles; or
- (10) acquiring, owning, operating or chartering any Four-Year LNG carrier if we have previously advised our Sponsor that we consent to such acquisition, operation or charter.

If our Sponsor or any of its controlled affiliates acquires, owns, operates or contracts for Four-Year LNG carriers pursuant to any of the exceptions described above, it may not subsequently expand that portion of its business other than pursuant to those exceptions.

Under the Omnibus Agreement, we are not restricted from acquiring, operating or chartering Non-Four-Year LNG carriers.

Upon a change of control (as such term is set forth in the Omnibus Agreement) of us or our General Partner, the noncompetition provisions of the Omnibus Agreement will terminate immediately. Upon a change of control of our Sponsor (as such term is set forth in the Omnibus Agreement), the noncompetition provisions of the Omnibus Agreement applicable to our Sponsor will terminate immediately. In addition, on the date on which a majority of our directors ceases to consist of directors that were (1) appointed by our General Partner prior to our first annual meeting of unitholders and (2) recommended for election by a majority of our appointed directors, the noncompetition provisions applicable to our Sponsor shall terminate immediately.

Rights of First Offer on LNG carriers

Under the Omnibus Agreement, we and our subsidiaries have granted to our Sponsor the right of first offer on any proposed sale, transfer or other disposition of any LNG carrier owned by us. Under the Omnibus Agreement, our Sponsor has agreed (and will cause their subsidiaries to agree) to grant a similar right of first offer to us for any Four-Year LNG carriers they own. These rights of first offer will not apply to (a) with respect to the Sponsor, a sale, transfer or other disposition of assets between or among any of its subsidiaries (other than us) and with respect to us, a sale, transfer or other disposition of assets between or among any of our subsidiaries (other than the Sponsor, if applicable), or pursuant to the terms of any contract or other agreement with a contractual counterparty existing at the time of the closing of our IPO or (b) a merger with or into, or sale of substantially all of the assets to, an unaffiliated third-party. In addition, the rights of first offer may be waived by us under Section 7.5 of the Omnibus Agreement in our discretion.

Prior to engaging in any negotiation regarding any LNG carrier's disposition with respect to a Four-Year LNG carrier with a non-affiliated third-party, we or our Sponsor, as the case may be, will deliver a written notice to the other relevant party setting forth the material terms and conditions of the proposed transaction. During the 30-day period after the delivery of such notice, we and our Sponsor will negotiate in good faith to reach an agreement on the transaction. If we do not reach an agreement within such 30-day period, we or our Sponsor, as the case may be, will be able within the next 180 calendar days to sell, transfer, dispose or re-contract the LNG carrier to a third-party (or to agree in writing to undertake such transaction with a third-party) on terms generally no less favorable to us or our Sponsor as the case may be, than those offered pursuant to the written notice.

Upon a change of control of us or our General Partner, the right of first offer provisions of the Omnibus Agreement will terminate immediately.

Upon a change of control of our Sponsor, the right of first offer provisions applicable to our Sponsor under the Omnibus Agreement will terminate at the time of the change of control. On the date on which a majority of our directors ceases to consist of directors that were (1) appointed by our General Partner prior to our first annual meeting of unitholders and (2) recommended for election by a majority of our appointed directors, the provisions related to the rights of first offer granted to us by our Sponsor shall terminate immediately.

For purposes of the Omnibus Agreement a "change of control" means, with respect to any "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), other than our Sponsor or its Affiliates with respect to the General Partner, being or 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.

Indemnification

Our Sponsor indemnifies us for liabilities related to:

- tax liabilities attributable to the operation of the assets contributed or sold to us prior to the time they were contributed or sold.

Amendments

The Omnibus Agreement may not be amended without the prior approval of the Conflicts Committee if the proposed amendment will, in the reasonable discretion of our Board of Directors, adversely affect holders of our common units.

Vessel Management

Our Manager provides us with commercial and technical management services for our Fleet and certain corporate governance and administrative and support services, pursuant to a Master Agreement which includes a standard set of terms for technical and commercial management services applicable to all our vessels, which we refer to as our Management Agreements. Our Manager is wholly owned by Mr. Georgios Prokopiou, our Chairman of the Board, and has been providing these services for the vessels in our Fleet for over 15 years. Through our Manager, we have had a long-lasting presence in the LNG shipping industry, and during that time we believe our Manager has established a track record for efficient, safe and reliable operation of LNG carriers.

We currently pay our Manager a technical management fee of \$3,095 per day for each of our vessels, owned or bareboat chartered-in, prorated for the calendar days we own each vessel, for providing services, including engaging and providing qualified crews, maintaining the vessel, arranging supply of stores and equipment, arranging and supervising periodic dry-docking, cleaning and painting and ensuring compliance with applicable regulations, including licensing and certification requirements.

In addition, we pay our Manager a commercial management fee equal to 1.25% of the gross charter hire, ballast bonus which is the amount paid to the vessel owner or operator as compensation for all or a part of the cost of positioning the vessel to the port where the vessel will be delivered to the charterer, or other income earned during the course of the employment of our vessels, during the term of the Management Agreements, for providing the relevant vessel-owning subsidiary or the relevant subsidiary that has chartered-in a vessel under bareboat charter as part of the 2024 Lease financing, with services, including chartering, managing freight payment, monitoring voyage performance, and carrying out other necessary communications with the shippers, charterers and others. In addition to such fees, we pay for any capital expenditures, financial costs, operating expenses and any general and administrative expenses, including payments to third-parties, in accordance with the Management Agreements.

We incurred an aggregate expense of approximately \$8.6 million and \$8.2 million to our Manager in connection with the management of our Fleet under the Management Agreements for the years ended December 31, 2024 and 2023, respectively.

The term of the original management agreements with our Manager expired on December 31, 2020, and in March 2021, we entered into the Master Agreement with the Manager, which includes new Standard Management Terms for our six vessels effective as from January 1, 2021. This agreement amended, restated and superseded the previous technical and commercial management agreements commencing on January 1, 2021. The technical management fee of \$2,750 per day for each vessel was fixed until December 31, 2021 and thereafter, increases annually by 3%, subject to further annual increases to reflect material unforeseen costs of providing the management services, by an amount to be agreed between us and our Manager, which amount will be reviewed and approved by our Conflicts Committee. Under the terms of the Management Agreements, we may terminate the Management Agreements upon written notice if our Manager fails to fulfill its obligations to us under the Management Agreements. The Management Agreements terminate automatically following a change of control in us. If the Management Agreements are terminated as a result of a change of control in us, then we will have to pay our Manager a termination penalty. For this purpose, a change of control means (i) the acquisition of fifty percent or more by any individual, entity or group of the beneficial ownership or voting power of the outstanding shares of us or our vessel owning subsidiaries, (ii) the consummation of a reorganization, merger or consolidation of us and/or our vessel owning subsidiaries or the sale or other disposition of all or substantially all of our assets or those of our vessel owning subsidiaries and (iii) the approval of a complete liquidation or dissolution of us and/or our vessel owning subsidiaries. Additionally, the Management Agreements may be terminated by our Manager with immediate effect if, among other things, (i) we fail to meet our obligations and/or make due payments within ten business days from receipt of invoices, (ii) upon a sale or total loss of a vessel (with respect to that vessel), or (iii) if we file for bankruptcy.

Pursuant to the terms of the Management Agreements, liability of our Manager to us is limited to instances of negligence, gross negligence or willful default on the part of our Manager. Further, we are required to indemnify our Manager for liabilities incurred by our Manager in performance of the Management Agreements, except in instances of negligence, gross negligence or willful default on the part of our Manager.

Additional LNG carriers or other type of vessels that we acquire in the future may be managed by our Manager or other unaffiliated management companies.

Administrative Services Agreement

Under the terms and conditions of our Administrative Services Agreement, we pay our Manager a monthly fee of \$10,000, plus all costs and expenses, in exchange for the provision of certain financial, accounting, reporting, secretarial and information technology services. The agreement is considered to be in effect until terminated (a) by the Board of Directors upon 120 days' written notice for any reason in its sole discretion, or (b) by Dynagas upon 120 days' written notice if: (i) there is a change of control of the Partnership or General Partner; (ii) a receiver is appointed for all or substantially all of the property of the Partnership; (iii) an order is made to wind up the Partnership; (iv) a final judgment, order or decree that materially and adversely affects the ability of the Partnership to perform under this Agreement shall have been obtained or entered against the Partnership, and such judgment, order or decree shall not have been vacated, discharged or stayed; or (v) the Partnership makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or for liquidation, is adjudged insolvent or bankrupt, commences any proceeding for a reorganization or arrangement of debts, dissolution or liquidation under any law or statute or of any jurisdiction applicable thereto or if any such proceeding shall be commenced.

During each of the years ended December 31, 2024, and 2023 we incurred expenses of approximately \$0.1 million relating to the administrative services under the Administrative Services Agreement.

Executive Services Agreement

On March 21, 2014, we entered into an executive services agreement, or the Executive Services Agreement, with our Manager with retroactive effect from the IPO closing date, pursuant to which our Manager provides to us the services of our executive officers, who report directly to our Board of Directors. Under the agreement, our Manager is entitled to an executive services fee of €538,000 per annum, for the initial five-year term, payable in equal monthly installments and automatically renews for successive five-year terms unless terminated earlier. Subsequent to the initial term, the Executive Services Agreement automatically renewed in November 2018 and November 2023.

CONFLICTS OF INTEREST AND FIDUCIARY DUTIES

Conflicts of interest exist and may arise in the future as a result of the relationships between our General Partner and its affiliates, including Dynagas Holding Ltd., on the one hand, and us and our unaffiliated limited partners, on the other hand. Our General Partner has a fiduciary duty to make any decisions relating to our management in a manner beneficial to us and our unitholders. Similarly, our Board of Directors has fiduciary duties to manage us in a manner beneficial to us, our General Partner and our limited partners. Certain of our officers and directors will also be officers of our Sponsor or its affiliates and will have fiduciary duties to our Sponsor or its affiliates that may cause them to pursue business strategies that disproportionately benefit our Sponsor or its affiliates or which otherwise are not in the best interests of us or our unitholders. As a result of these relationships, conflicts of interest may arise between us and our unaffiliated limited partners on the one hand, and our Sponsor and its affiliates, including our General Partner, on the other hand. The resolution of these conflicts may not be in the best interest of us or our unitholders. We, our officers and directors and our General Partner will not owe any fiduciary duties to holders of the Series A Preferred Units and Series B Preferred Units other than a contractual duty of good faith and fair dealing pursuant to the Partnership Agreement. Our partnership affairs are governed by our Partnership Agreement and the Partnership Act. The provisions of the Partnership Act resemble provisions of the limited partnership laws of a number of states in the United States, most notably Delaware. We are not aware of any material difference in unitholder rights between the Partnership Act and the Delaware Revised Uniform Limited Partnership Act. The Partnership Act also provides that it is to be applied and construed to make it uniform with the Delaware Revised Uniform Limited Partnership Act and, so long as it does not conflict with the Partnership Act or decisions of the Marshall Islands courts, interpreted according to the non-statutory law or “case law” of the courts of the State of Delaware. There have been, however, few, if any, court cases in the Marshall Islands interpreting the Partnership Act, in contrast to Delaware, which has a fairly well-developed body of case law interpreting its limited partnership statute. Accordingly, we cannot predict whether Marshall Islands courts would reach the same conclusions as courts in Delaware. For example, the rights of our unitholders and fiduciary responsibilities of our General Partner and its affiliates under Marshall Islands law are not as clearly established as under judicial precedent in existence in Delaware. Due to the less-developed nature of Marshall Islands law, our public unitholders may have more difficulty in protecting their interests or seeking remedies in the face of actions by our General Partner, its affiliates or our controlling unitholders than would unitholders of a limited partnership organized in the United States.

Our Partnership Agreement contains provisions that modify and limit the fiduciary duties of our General Partner and our directors to the unitholders under Marshall Islands law. Our Partnership Agreement also restricts the remedies available to unitholders for actions taken by our General Partner or our directors that, without those limitations, might constitute breaches of fiduciary duty.

Neither our General Partner nor our Board of Directors will be in breach of their obligations under the Partnership Agreement or their duties to us or the unitholders if the resolution of the conflict is:

- approved by our Conflicts Committee, although neither our General Partner nor our Board of Directors are obligated to seek such approval;
- approved by the vote of a majority of the outstanding common units, excluding any common units owned by our General Partner or any of its affiliates, although neither our General Partner nor our Board of Directors is obligated to seek such approval;
- on terms no less favorable to us than those generally being provided to or available from unrelated third-parties, but neither our General Partner nor our Board of Directors is required to obtain confirmation to such effect from an independent third-party; or
- fair and reasonable to us, taking into account the totality of the relationships between the parties involved, including other transactions that may be particularly favorable or advantageous to us.

Our General Partner or our Board of Directors may, but are not required to, seek the approval of such resolution from the Conflicts Committee or from the common unitholders. If neither our General Partner nor our Board of Directors seeks approval from the Conflicts Committee, and our Board of Directors determines that the resolution or course of action taken with respect to the conflict of interest satisfies either of the standards set forth in the third and fourth bullet points above, then it will be presumed that, in making its decision, our Board of Directors, including the board members affected by the conflict, acted in good faith, and in any proceeding brought by or on behalf of any limited partner or the partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. When our Partnership Agreement requires someone to act in good faith, it requires that person to reasonably believe that he is acting in the best interests of the partnership, unless the context otherwise requires. See “Item 6. Directors, Senior Management and Employees—C. Board Practices.” for information about the composition and formation of the Conflicts Committee.

Conflicts of interest could arise in the situations described under the heading “Item 3. Key Information—D. Risk Factors —Risks Relating to Conflicts of Interest,” among others.

Fiduciary Duties

Our General Partner and its affiliates are accountable to us and our unitholders as fiduciaries. Fiduciary duties owed to unitholders by our General Partner and its affiliates are prescribed by law and the Partnership Agreement. The Partnership Act provides that Marshall Islands partnerships may, in their partnership agreements, restrict or expand the fiduciary duties owed by our General Partner and its affiliates to the limited partners and the Partnership. Our directors are subject to the same fiduciary duties as our General Partner, as restricted or expanded by the Partnership Agreement.

Our Partnership Agreement contains various provisions restricting the fiduciary duties that might otherwise be owed by our General Partner or by our directors. We have adopted these provisions to allow our General Partner and our directors to take into account the interests of other parties in addition to our interests when resolving conflicts of interest. We believe this is appropriate and necessary because our officers and directors have fiduciary duties to our Sponsor, as well as to our unitholders. These modifications disadvantage the common unitholders because they restrict the rights and remedies that would otherwise be available to unitholders for actions that, without those limitations, might constitute breaches of fiduciary duty, as described below. The following is a summary of:

- the fiduciary duties imposed on our General Partner and our directors by the Partnership Act;
- material modifications of these duties contained in our Partnership Agreement; and
- certain rights and remedies of unitholders contained in the Partnership Act.

Marshall Islands law fiduciary duty standards

Fiduciary duties are generally considered to include an obligation to act in good faith and with due care and loyalty. The duty of care, in the absence of a provision in a Partnership Agreement providing otherwise, would generally require a General Partner and the directors of a Marshall Islands limited partnership to act for the partnership in the same manner as a prudent person would act on his own behalf. The duty of loyalty, in the absence of a provision in a Partnership Agreement providing otherwise, would generally prohibit a General Partner or the directors of a Marshall Islands limited partnership from taking any action or engaging in any transaction where a conflict of interest is present.

Partnership Agreement modified standards

Our Partnership Agreement contains provisions that waive or consent to conduct by our General Partner and its affiliates and our directors that might otherwise raise issues as to compliance with fiduciary duties under the laws of the Marshall Islands. For example, our Partnership Agreement provides that when our General Partner is acting in its capacity as our General Partner, as opposed to in its individual capacity, it must act in “good faith” and will not be subject to any other standard under the laws of the Marshall Islands. In addition, when our General Partner is acting in its individual capacity, as opposed to in its capacity as our General Partner, it may act without any fiduciary obligation to us or the unitholders whatsoever, unless another express standard is provided for in the Partnership Agreement. These standards reduce the obligations to which our General Partner and our Board of Directors would otherwise be held. Our Partnership Agreement generally provides that affiliated transactions and resolutions of conflicts of interest not involving a vote of unitholders and that are not approved by our Conflicts Committee must be on terms no less favorable to us than those generally being provided to or available from unrelated third-parties.

In addition to the other more specific provisions limiting the obligations of our General Partner and our directors, our Partnership Agreement further provides that our General Partner and our officers and directors, will not be liable for monetary damages to us or our limited partners for errors of judgment or for any acts or omissions unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that our General Partner or our officers or directors engaged in actual fraud or willful misconduct.

Rights and remedies of unitholders

The provisions of the Partnership Act resemble the provisions of the limited partnership act of Delaware. For example, like Delaware, the Partnership Act favors the principles of freedom of contract and enforceability of Partnership Agreements and allows the Partnership Agreement to contain terms governing the rights of the unitholders. The rights of our unitholders, including voting and approval rights and our ability to issue additional units, are governed by the terms of our Partnership Agreement.

As to remedies of unitholders, the Partnership Act permits a limited partner to institute legal action on behalf of the partnership to recover damages from a third-party where a General Partner or a Board of Directors has refused to institute the action or where an effort to cause a General Partner or a Board of Directors to do so is not likely to succeed. These actions include actions against a General Partner for breach of its fiduciary duties or of the Partnership Agreement.

In becoming one of our limited partners, a common unitholder effectively agrees to be bound by the provisions in the Partnership Agreement, including the provisions discussed above. The failure of a limited partner or transferee to sign a Partnership Agreement does not render the Partnership Agreement unenforceable against that person.

Under the Partnership Agreement, we must indemnify our General Partner and our directors and officers to the fullest extent permitted by law, against liabilities, costs and expenses incurred by our General Partner or these other persons. We must provide this indemnification unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that these persons acted in bad faith, engaged in actual fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that applicable conduct was unlawful. We also must provide this indemnification for criminal proceedings when our General Partner or these other persons acted with no reasonable cause to believe that their conduct was unlawful. Thus, our General Partner and our directors and officers could be indemnified for their negligent acts if they met the requirements set forth above. Any indemnification under these provisions will only be out of our assets. Unless it otherwise agrees, our General Partner will not be personally liable for, or have any obligation to contribute or lend funds or assets to us to enable us to effectuate, indemnification. We may purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against liabilities under the Partnership Agreement. To the extent that these provisions purport to include indemnification for liabilities arising under the Securities Act, in the opinion of the SEC, such indemnification is contrary to public policy and therefore unenforceable.

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 for additional information required to be disclosed under this item.

Legal Proceedings

From time to time, we may be subject to legal proceedings and claims in the ordinary course of our business, principally personal injury and property casualty claims. These claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Our Cash Distribution Policy

Rationale for Our Cash Distribution Policy

Our cash distribution policy reflects a judgment that our unitholders will be better served by our distributing our available cash rather than retaining it because, in general, we plan to finance any expansion capital expenditures from external financing sources. Our cash distribution policy is consistent with the terms of our Partnership Agreement, which requires that we distribute all of our available cash quarterly. Available cash is generally defined to mean, for each quarter cash generated from our business less the amount of cash reserves established by our Board of Directors at the date of determination of available cash for the quarter to provide for the proper conduct of our business (including reserves for our future capital expenditures and anticipated future credit needs subsequent to that quarter), comply with applicable law, any of our debt instruments or other agreements; and provide funds for distributions to our unitholders and to our General Partner for any one or more of the next four quarters, plus, if our Board of Directors so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made subsequent to the end of such quarter.

Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy

There is no guarantee that unitholders will receive quarterly distributions from us. Our cash distribution policy is subject to certain restrictions and may be changed or eliminated at any time. Set forth below are certain factors that influence our cash distribution policy:

- The relevant subsidiaries in their capacity as bareboat charterers are subject to a number of restrictions in our 2024 Lease Financing, which include, among others, a restriction from paying distributions to us while a Termination Event is continuing under the 2024 Lease Financing.

- Our unitholders have no contractual or other legal right to receive distributions other than the obligation under our Partnership Agreement to distribute available cash on a quarterly basis, which is subject to the broad discretion of our Board of Directors to establish reserves and other limitations.
- We are and will be subject to restrictions on distributions under our existing financing arrangements as well as under any new financing arrangements or other transactions that we may enter into in the future. Our new and existing financing arrangements may contain financial and other covenants that must be satisfied prior to paying distributions in order to declare and pay such distributions or that may restrict or prohibit the payment of distributions. If we are unable to satisfy the requirements contained in any of our financing arrangements or are otherwise in default under any of those agreements, there could be a material adverse effect on our financial condition and our ability to make cash distributions to our unitholders notwithstanding our cash distribution policy.
- We are required to make substantial capital expenditures to maintain and replace our Fleet. These expenditures may fluctuate significantly over time, particularly as our vessels near the end of their respective useful lives. In order to minimize these fluctuations, our Partnership Agreement requires us to deduct estimated, as opposed to actual, maintenance and replacement capital expenditures from the amount of cash that we would otherwise have available for distribution to our unitholders. In years when estimated maintenance and replacement capital expenditures are higher than actual maintenance and replacement capital expenditures, the amount of cash available for distribution to unitholders will be lower than if actual maintenance and replacement capital expenditures were deducted.
- Although our Partnership Agreement requires us to distribute all of our available cash, our Partnership Agreement, including provisions contained therein requiring us to make cash distributions may be amended, with the approval of a majority of the outstanding common units.
- Even if our cash distribution policy is not modified or revoked, the amount of distributions we pay under our cash distribution policy and the decision to make any distribution is determined by our Board of Directors, taking into consideration the terms of our Partnership Agreement.
- Under Section 57 of the Marshall Islands Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets.
- We may lack sufficient cash to pay distributions to our unitholders due to decreases in total operating revenues, decreases in hire rates, the loss of a vessel or increases in operating or general and administrative expenses, principal and interest payments on outstanding debt, taxes, normal working capital requirements, maintenance and replacement capital expenditures or anticipated cash needs. See “Item 3. Key Information—D. Risk Factors” for a discussion of these factors.
- Our ability to make distributions to our unitholders depends on the performance of our subsidiaries and their ability to distribute cash to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, the provisions of existing and future indebtedness, applicable limited partnership and limited liability company laws in the Marshall Islands and other laws and regulations.

Distributions on our Units

Series A Preferred Unit Distributions

Series A Preferred Unitholders are entitled under our Partnership Agreement to receive cumulative cash distributions when, as and if declared by our Board of Directors, out of legally available funds for such purpose. Distributions on Series A Preferred Units are cumulative and accrue at the distribution rate of 9.0%.

Series B Preferred Unit Distributions

Until November 22, 2023, Series B Preferred Unitholders were entitled under our Partnership Agreement to receive cumulative cash distributions payable on the Series B Preferred Units at a fixed rate equal to 8.75% per annum. Effective as of November 22, 2023, in accordance with the terms of the Series B Preferred Units, the distribution rate for the Series B Preferred Units changed from fixed to floating, and is equal to the Term Secured Overnight Financing Rate for the applicable three-month tenor published by the Chicago Mercantile Exchange plus the credit spread adjustment of 0.26161% (“Credit Adjusted Three-Month CME Term SOFR”) plus a spread of 5.593% (the “Margin”) per annum per \$25.00 stated liquidation preference per unit. The applicable distribution rate for each distribution period is determined every three months by the calculation agent for the Series B Preferred Units.

Minimum Quarterly Distribution

Common unitholders are entitled under our Partnership Agreement to receive a minimum quarterly distribution of \$0.365 per unit, after distributions are made on the Series A Preferred Units and the Series B Preferred Units but, to the extent we have sufficient cash on hand to pay the distribution, after establishment of cash reserves and payment of fees and expenses and if permitted under our existing and future debt agreements. There is no guarantee that we will pay the minimum quarterly distribution to common unitholders, the general partner or to holders of the incentive distribution rights in the future. Please read “Item 5. Operating and Financial Review and Prospects —B. Liquidity and Capital Resources” for a discussion of the restrictions contained in our debt agreements and lease arrangements that may restrict our ability to make distributions.

Subordination Period

General

Prior to the expiration of the subordination period, the common units had the right to receive distributions of available cash from operating surplus in an amount equal to the minimum quarterly distribution of \$0.365 per unit, plus any arrearages in the payment of the minimum quarterly distribution on the common units from prior quarters, before any distributions of available cash from operating surplus may be made on the subordinated units. On January 23, 2017, upon our payment to unitholders of the quarterly distribution in respect of the fourth quarter of 2016, the conditions set forth in the Partnership Agreement for the conversion of the subordinated units were satisfied and the subordination period expired. At the expiration of the subordination period, the 14,985,000 subordinated units owned by the Sponsor converted into common units on a one-for-one basis.

Incentive Distribution Rights

Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Our General Partner currently holds the incentive distribution rights. The incentive distribution rights may be transferred separately from our general partner interest, subject to restrictions in the Partnership Agreement. Subsequent to December 31, 2016, the General Partner or any other holder of incentive distribution rights may transfer any or all of its incentive distribution rights without unitholder approval. Any transfer by our general partner of the incentive distribution rights would not change the percentage allocations of quarterly distributions with respect to such rights.

The following table illustrates the percentage allocations of the additional available cash from operating surplus among the unitholders, our General Partner and the holders of the incentive distribution rights up to the various target distribution levels. The amounts set forth under “Marginal Percentage Interest in Distributions” are the percentage interests of the unitholders, our General Partner and the holders of the incentive distribution rights in any available cash from operating surplus we distribute up to and including the corresponding amount in the column “Total Quarterly Distribution Target Amount,” until available cash from operating surplus we distribute reaches the next target distribution level, if any. The percentage interests shown for the unitholders, our General Partner and the holders of the incentive distribution rights for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests shown for our General Partner include its 0.1% General Partner interest only and assume that our General Partner has contributed any capital necessary to maintain its 0.1% General Partner interest.

	Marginal Percentage Interest in Distributions			
	Total Quarterly Distribution Target Amount	Unitholders	General Partner	Holders of IDRs
Minimum Quarterly Distribution	\$ 0.365	99.9 %	0.1 %	0.0 %
First Target Distribution	up to \$0.420	99.9 %	0.1 %	0.0 %
Second Target Distribution	above \$0.420 up to \$0.456	85.0 %	0.1 %	14.9 %
Third Target Distribution	Above \$0.456 up to \$0.548	75.0 %	0.1 %	24.9 %
Thereafter	above \$0.548	50.0 %	0.1 %	49.9 %

B. SIGNIFICANT CHANGES

Not applicable.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Our common units started trading on NASDAQ under the symbol “DLNG” on November 13, 2013. On December 30, 2014, we voluntarily transferred the listing of our common units to the NYSE. Our common units continue to trade under the ticker symbol “DLNG.”

Our Series A Preferred Units has been trading on the NYSE under the symbol “DLNG PR A” since July 14, 2015.

Our Series B Preferred Units has been trading on the NYSE under the symbol “DLNG PR B” since October 30, 2018.

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

Please see “Item 9. The Offer and Listing—A. Offer and Listing Details.”

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

The information required to be disclosed under Item 10.B. is incorporated by reference to our Registration Statement on Form 8-A filed with the SEC on November 8, 2013 and our Registration Statement on Form 8-A filed with the SEC on July 23, 2015. As of April 8, 2025, we have a total of 36,642,256 common units issued and outstanding and no subordinated units issued or outstanding.

C. MATERIAL CONTRACTS

Attached as exhibits to this annual report are the contracts we consider to be both material and not entered into in the ordinary course of business. Descriptions are included within “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Our Borrowing Activities” with respect to our debt agreements, and “Item 7. Major Unitholders and Related Party Transactions—B. Related Party Transactions” with respect to our related party transactions. Other than these contracts, we have no other 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, including foreign exchange controls, in the Republic of The Marshall Islands that restrict the export or import of capital, or that affect the remittance of dividends or distributions, interest or other payments to non-resident holders of our securities.

We are not aware of any limitations on the right of non-resident or foreign owners to hold or vote our securities imposed by the laws of the Republic of The Marshall Islands or our Partnership Agreement.

E. TAXATION

UNITED STATES TAX CONSIDERATIONS

The following discussion is a summary of the material United States federal income tax considerations relevant to us and to a U.S. Holder and Non-U.S. Holder (each defined below) of our common units, Series A Preferred Units and Series B Preferred Units. This discussion does not purport to deal with the tax consequences of owning units to all categories of investors, some of which (such as dealers in securities or currencies, investors whose functional currency is not the United States dollar, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, insurance companies, persons holding our units as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, persons liable for alternative minimum tax, persons required to recognize income for U.S. federal income tax purposes no later than when such item of income is included on an “applicable financial statement,” persons subject to the “base erosion and anti-avoidance” tax, and persons who are investors in pass-through entities) may be subject to special rules. This discussion only applies to unitholders who (i) own our units as a capital asset and (ii) own less than 10% of our common units and less than 10% of the value of all our units. Unitholders are encouraged to consult their own tax advisors with respect to the specific tax consequences to them of purchasing, holding or disposing of units.

This discussion is based upon provisions of the Code, Treasury Regulations, and current administrative rulings and court decisions, all as in effect or existence on the date of this annual report and all of which are subject to change, possibly with retroactive effect. Changes in these authorities may cause the tax consequences of unit ownership to vary substantially from the consequences described below. Unless the context otherwise requires, references in this section to “we,” “our” or “us” are references to Dynagas LNG Partners LP and its subsidiaries on a consolidated basis.

Election to be Treated as a Corporation

We have elected to be treated as a corporation for United States federal income tax purposes. As a result, we will be subject to United States federal income tax to the extent we earn income from United States sources or income that is treated as effectively connected with the conduct of a trade or business in the United States unless such income is exempt from tax under an applicable tax treaty or Section 883 of the Code. In addition, among other things, U.S. Holders generally will not directly be subject to United States federal income tax on our income, but rather will be subject to United States federal income tax on distributions received from us and on dispositions of units as described below.

United States Federal Income Taxation of Our Partnership

Taxation of Operating Income: In General

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

Shipping income attributable to transportation that both begins and ends in the United States is considered to be 100% from sources within the United States. We are not permitted by law to engage in transportation that produces income which is considered to be 100% from sources within the United States.

Shipping income attributable to transportation exclusively between non-United States ports will be considered to be 100% derived from sources outside the United States. Shipping income derived from sources outside the United States generally will not be subject to any United States federal income tax.

In the absence of exemption from tax under Section 883, our gross U.S.-source shipping income would be subject to a 4% tax imposed without allowance for deductions as described below (or in certain cases, would be subject to net income tax at ordinary corporate rates, plus a possible 30% “branch profits tax,” on certain “effectively connected income,” as discussed below).

Exemption of Operating Income from United States Federal Income Taxation

Under Section 883 of the Code, we will be exempt from United States federal income taxation on our U.S.-source shipping income if:

- we are organized in a foreign country (our “country of organization”) that grants an “equivalent exemption” to corporations organized in the United States; and either
- more than 50% of the value of our units is owned, directly or indirectly, by individuals who are “residents” of our country of organization or of another foreign country that grants an “equivalent exemption” to corporations organized in the United States, which we refer to as the “50% Ownership Test,” or
- our units are “primarily and regularly traded on an established securities market” in our country of organization, in another country that grants an “equivalent exemption” to United States corporations, or in the United States, which we refer to as the “Publicly-Traded Test.”

The Marshall Islands, the jurisdiction where we are incorporated, grants an “equivalent exemption” to United States corporations. Therefore, we will be exempt from United States federal income taxation with respect to our U.S.-source shipping income if we satisfy either the 50% Ownership Test or the Publicly-Traded Test. It may be difficult for us to satisfy the 50% Ownership Test due to the widely-held ownership of our stock. Our ability to satisfy the Publicly-Traded Test is discussed below.

The regulations provide, in pertinent part, that stock of a foreign corporation will be considered to be “primarily traded” on an established securities market 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. For the taxable year ended December 31, 2024, our common units, Series A Preferred Units and Series B Preferred Units were “primarily traded” on the NYSE.

Under the regulations, our units will be considered to be “regularly traded” on an established securities market if one or more classes of our units representing more than 50% or more of our outstanding units, by total combined voting power of all classes of units entitled to vote and total value, is listed on the market which we refer to as the listing threshold. Since our common units, Series A Preferred Units and Series B Preferred Units, which represent 100% of our outstanding equity interests (other than the 0.1% General Partner interest, with respect to which the General Partner has delegated authority to the Board of Directors, the majority of whose members are elected by the common unitholders under the Partnership Agreement, and which interest represents less than 50% of the value of our outstanding equity interests), were listed on the NYSE during 2024, we currently satisfy the listing requirement.

It is further required that with respect to each class of stock relied upon to meet the listing threshold (i) such class of the stock is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year or 1/6 of the days in a short taxable year; and (ii) the aggregate number of shares of such class of stock traded on such market is at least 10% of the average number of shares of such class of stock outstanding during such year or as appropriately adjusted in the case of a short taxable year. We believe we satisfied the trading frequency and trading volume tests for the taxable year ended December 31, 2024. Even if this were not the case, the regulations provide that the trading frequency and trading volume tests will be deemed satisfied by a class of stock if, as we expect to be the case with our common units, Series A Preferred Units and Series B Preferred Units, such class of stock is traded on an established market in the United States and such class of stock is regularly quoted by dealers making a market in such stock (such as the NYSE).

Notwithstanding the foregoing, the regulations provide, in pertinent part, our common units, Series A Preferred Units or Series B Preferred Units, as applicable, will not be considered to be “regularly traded” on an established securities market for any taxable year in which 50% or more of such outstanding units are owned, actually or constructively under specified attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the voting power and value of such units, which we refer to as the “5% Override Rule.”

For purposes of being able to determine the persons who own 5% or more of our common units, or “5% Unitholders,” the regulations permit us to rely on Schedule 13G and Schedule 13D filings with the SEC to identify persons who have a 5% or more beneficial interest in our common units. The regulations further provide that an investment company which is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Unitholder for such purposes. Notwithstanding the foregoing, the 5% Override Rule will not apply if we can establish that among the closely-held group of 5% Unitholders, there are sufficient 5% Unitholders that are qualified shareholders for purposes of Section 883 to preclude non-qualified 5% Unitholders in the closely-held group from owning 50% or more of the relevant units for more than half the number of days during the taxable year. In order to establish this, sufficient 5% Unitholders that are qualified shareholders would have to comply with certain documentation and certification requirements designed to substantiate their identity as qualified shareholders.

For more than half the days of our taxable year ended December 31, 2024, more than 50% of our common units were owned by 5% Unitholders; however, a substantial 5% Unitholder was a qualified shareholder during the 2024 taxable year. Therefore, less than 50% of our common units were owned by non-qualified 5% Unitholders during the 2024 taxable year. Therefore, we believe that we were not subject to the 5% Override Rule for 2024. However, there is no assurance that we will continue to qualify for exemption under Section 883. For example, we could be subject to the 5% Override Rule if our 5% Unitholders were to own 50% or more of the common units. It is noted that holders of our common units are limited to owning 4.9% of the voting power of such common units. Assuming that such limitation is treated as effective for purposes of determining voting power under Section 883, our 5% Unitholders could not own 50% or more of our common units. If contrary to these expectations, our 5% Unitholders were to own 50% or more of the common units, then we would be subject to the 5% Override Rule unless it could establish that, among the common units owned by the 5% Unitholders, sufficient common units were owned by qualified unitholders to preclude non-qualified unitholders from owning 50% or more of our common units for more than half the number of days during the taxable year. These requirements are onerous and there is no assurance that we will be able to satisfy them.

Based on the foregoing, we believe that we satisfied the Publicly Traded Test for our taxable year ended December 31, 2024.

Taxation in Absence of Exemption

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

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

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

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

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

United States Taxation of Gain on Sale of Vessels

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

U.S. Federal Income Taxation of U.S. Holders

In the opinion of Watson Farley & Williams LLP, our U.S. counsel, the following are the material U.S. federal income tax consequences to U.S. Holders, as defined below, of the ownership and disposition of our common units, Series A Preferred Units and Series B Preferred Units.

As used herein, the term “U.S. Holder” means a beneficial owner of our units that owns (actually or constructively) less than 10% of our equity (by vote or value) and that is:

- an individual citizen or resident of the United States (as determined for United States federal income tax purposes),
- a corporation (or other entity that is classified as a corporation for United States federal income tax purposes) organized under the laws of the United States or any of its political subdivisions,
- an estate the income of which is subject to United States federal income taxation regardless of its source, or

- a trust if (i) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect to be treated as a United States person for United States federal income tax purposes.

Distributions

Subject to the discussion below of the rules applicable to PFICs, any distributions to a U.S. Holder made by us with respect to our units generally will constitute distributions, which may be taxable as ordinary income or “qualified dividend income” as described in more detail below, to the extent of our current and accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of our earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder’s tax basis in its units and thereafter as capital gain. U.S. Holders that are corporations generally will not be entitled to claim a dividends received deduction with respect to distributions they receive from us because we are not a United States corporation. Distributions received with respect to our units generally will be treated as “passive category income” for purposes of computing allowable foreign tax credits for United States federal income tax purposes.

Distributions received with respect to our units by a U.S. Holder that is an individual, trust or estate (or a U.S. Individual Holder) generally will be treated as “qualified dividend income” and are taxable to such U.S. Individual Holder at preferential long-term capital gains tax rates provided that: (i) our units are readily tradable on an established securities market in the United States (such as the NYSE on which our units are traded); (ii) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (which we do not believe we are, have been or will be, as discussed below under “—PFIC Status and Significant Tax Consequences”); (iii) the U.S. Individual Holder has owned the units for more than 60 days during the 121-day period beginning 60 days before the date on which the units become ex-dividend (and has not entered into certain risk limiting transactions with respect to such units); and (iv) the U.S. Individual Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. There is no assurance that any distributions paid on our units will be eligible for these preferential rates in the hands of a U.S. Individual Holder, and any distributions paid on our units that are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Individual Holder.

Special rules may apply to any amounts received in respect of our units that are treated as “extraordinary dividends.” In general, an extraordinary dividend is a dividend with respect to a unit that is equal to or in excess of 10% (or 5% in the case of Series A Preferred Units and Series B Preferred Units) of a unitholder’s adjusted tax basis (or fair market value upon the unitholder’s election) in such unit. In addition, extraordinary dividends include dividends received within a one-year period that, in the aggregate, equal or exceed 20% of a unitholder’s adjusted tax basis (or fair market value). If we pay an “extraordinary dividend” on our units that is treated as “qualified dividend income,” then any loss recognized by a U.S. Individual Holder from the sale or exchange of such units will be treated as long-term capital loss to the extent of the amount of such dividend.

Sale, Exchange or Other Disposition of Units

Subject to the discussion of PFIC status below, a U.S. Holder generally will recognize capital gain or loss upon a sale, exchange or other disposition of our units in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder’s adjusted tax basis in such units. The U.S. Holder’s initial tax basis in its units generally will be the U.S. Holder’s purchase price for the units 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 “—Distributions”). Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder’s holding period is greater than one year at the time of the sale, exchange or other disposition. Certain U.S. Holders (including individuals) may be eligible for preferential rates of United States federal income tax in respect of long-term capital gains. A U.S. Holder’s ability to deduct capital losses is subject to limitations. Such capital gain or loss generally will be treated as United States source income or loss, as applicable, for United States foreign tax credit purposes.

PFIC Status and Significant Tax Consequences

Adverse United States federal income tax rules apply to a U.S. Holder that owns an equity interest in a non-United States corporation that is classified as a PFIC for U.S. federal income tax purposes. In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which the holder held our units, either:

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

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

Based on our current and projected methods of operation, we believe that we were not a PFIC in the year ended December 31, 2024 and do not expect to be a PFIC for any future taxable year. For this purpose, we intend to take the position that the income our subsidiaries earned from certain of our time-chartering activities should not constitute passive income for purposes of determining whether we are a PFIC. We believe there is substantial legal authority supporting our position consisting of case law and IRS pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also authority concluding that income derived from time charters should be treated as rental income rather than services income for other tax purposes. Therefore, our position is not free from doubt, and the IRS or a court could disagree with our position. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election to treat us as a "Qualified Electing Fund," which we refer to as a "QEF election." As an alternative to making a QEF election, a U.S. Holder should be able to make a "mark-to-market" election with respect to our units, as discussed below. If we are a PFIC, a U.S. Holder will be subject to the PFIC rules described herein with respect to any of our subsidiaries that are PFICs. However, the mark-to-market election discussed below will likely not be available with respect to shares of such PFIC subsidiaries. In addition, if a U.S. Holder owns our units during any taxable year that we are a PFIC, such U.S. Holder must file IRS Form 8621.

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

If a U.S. Holder makes a timely QEF election (or an Electing Holder), then, for United States federal income tax purposes, that holder must report as income for its taxable year its pro rata share of our ordinary earnings and net capital gain, if any, for our taxable years that end with or within the taxable year for which that holder is reporting, regardless of whether or not the Electing Holder received distributions from us in that year. The Electing Holder's adjusted tax basis in the units will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that were previously taxed will result in a corresponding reduction in the Electing Holder's adjusted tax basis in units and will not be taxed again once distributed. An Electing Holder generally will recognize capital gain or loss on the sale, exchange or other disposition of our units. A U.S. Holder makes a QEF election with respect to any year that we are a PFIC by filing IRS Form 8621 with its United States federal income tax return. If, contrary to our expectations, we determine that we are treated as a PFIC for any taxable year, we will provide each U.S. Holder with the information necessary to make the QEF election described above.

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

If we were to be treated as a PFIC for any taxable year and, as we anticipate, our units were treated as “marketable stock,” then, as an alternative to making a QEF election, a U.S. Holder would be allowed to make a “mark-to-market” election with respect to our units, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the U.S. Holder’s units at the end of the taxable year over the holder’s adjusted tax basis in the units. The U.S. Holder also would be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder’s adjusted tax basis in the units over the fair market value thereof at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder’s tax basis in its units would be adjusted to reflect any such income or loss recognized. Gain recognized on the sale, exchange or other disposition of our units would be treated as ordinary income, and any loss recognized on the sale, exchange or other disposition of the units would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included in income by the U.S. Holder. Because the mark-to-market election only applies to marketable stock, however, it would not apply to a U.S. Holder’s indirect interest in any of our subsidiaries that were determined to be corporations classified for United States federal income tax purposes as PFICs.

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

If we were to be treated as a PFIC for any taxable year, a U.S. Holder that does not make either a QEF election or a “mark-to-market” election for that year (or a Non-Electing Holder) would be subject to special rules resulting in increased tax liability with respect to (1) any excess distribution (i.e., the aggregate portion of any distributions received by the Non-Electing Holder on our units in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder’s holding period for the units), and (2) any gain realized on the sale, exchange or other disposition of the units. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holder’s aggregate holding period for the units;
- the amount allocated to the current taxable year and any taxable year prior to the taxable year we were first treated as a PFIC with respect to the Non-Electing Holder would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayers for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

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 units. 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 above in “—Taxation of U.S. Holders Making a Timely QEF Election.” However, a U.S. Holder may elect to treat inclusions of income and gain from a QEF election as net investment income. Failure to make this election could result in a mismatch between a U.S. Holder’s ordinary income and net investment income.

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

A beneficial owner of our units (other than a partnership or an entity or arrangement treated as a partnership for United States federal income tax purposes) that owns (actually or constructively) less than 10% of our equity (by vote or value) and that is not a U.S. Holder is referred to as a Non-U.S. Holder. If you are a partner in a partnership (or an entity or arrangement treated as a partnership for United States federal income tax purposes) holding our units, you should consult your own tax advisor regarding the tax consequences to you of the partnership’s ownership of our units.

Distributions

Distributions we pay to a Non-U.S. Holder will not be subject to United States federal income tax or withholding tax if the Non-U.S. Holder is not engaged in a United States trade or business. If the Non-U.S. Holder is engaged in a United States trade or business, our distributions will be subject to United States federal income tax in the same manner as distributions to a U.S. Holder to the extent they constitute income effectively connected with the Non-U.S. Holder's United States trade or business, and in the case of a corporation, 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. However, distributions paid to a Non-U.S. Holder that is engaged in a trade or business may be exempt from taxation under an income tax treaty if the income arising from the distribution is not attributable to a United States permanent establishment maintained by the Non-U.S. Holder.

Disposition of Units

In general, a Non-U.S. Holder is not subject to United States federal income tax or withholding tax on any gain resulting from the disposition of our units provided the Non-U.S. Holder is not engaged in a United States trade or business. A Non-U.S. Holder that is engaged in a United States trade or business will be subject to United States federal income tax in the same manner as a U.S. Holder in the event the gain from the disposition of units is effectively connected with the conduct of such United States trade or business (provided, in the case of a Non-U.S. Holder entitled to the benefits of an income tax treaty with the United States, such gain also is attributable to a U.S. permanent establishment), and in the case of a corporation, 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. However, even if not engaged in a United States trade or business, individual Non-U.S. Holders may be subject to tax on gain resulting from the disposition of our units if they are present in the United States for 183 days or more during the taxable year in which those units are disposed and meet certain other requirements.

Backup Withholding and Information Reporting

In general, payments to a non-corporate U.S. Holder of distributions or the proceeds of a disposition of units will be subject to information reporting. These payments to a non-corporate U.S. Holder also may be subject to backup withholding if the non-corporate U.S. Holder:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that it has failed to report all interest or corporate distributions required to be reported on its U.S. federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on an appropriate IRS Form W-8.

Backup withholding is not an additional tax. Rather, a unitholder generally may obtain a credit for any amount withheld against its liability for United States federal income tax (and obtain a refund of any amounts withheld in excess of such liability) by timely filing a United States federal income tax return with 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 United States 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 units, unless the shares are held through an account maintained with a United States 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 United States entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of United States 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.

NON-UNITED STATES TAX CONSIDERATIONS

Marshall Islands Tax Consequences

In the opinion of our Marshall Islands tax counsel, Watson Farley & Williams LLP, the following are the material Marshall Islands tax consequences of the Partnership's activities to the Partnership and of the ownership of Partnership units to its unitholders who are not residents of or domiciled or carrying on any commercial activity in the Marshall Islands. Because we and our subsidiaries do not and do not expect to conduct business or operations in the Republic of the Marshall Islands, under current Marshall Islands law you will not be subject to Marshall Islands taxation or withholding on distributions, including upon distribution treated as a return of capital, we make to you as a unitholder. In addition, you will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of units, and you will not be required by the Republic of the Marshall Islands to file a tax return relating to your ownership of units.

EACH PROSPECTIVE UNITHOLDER IS URGED TO CONSULT THEIR OWN TAX COUNSEL OR OTHER ADVISOR WITH REGARD TO THE LEGAL AND TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THEIR PARTICULAR CIRCUMSTANCES.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENTS BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

Documents concerning us that are referred to herein may be inspected at our principal executive headquarters at Poseidonos Avenue and Foivis 2 Street 166 74 Glyfada, Athens, Greece. Those documents electronically filed via the SEC's Electronic Data Gathering, Analysis, and Retrieval (or EDGAR) system may also be obtained from the SEC's website at www.sec.gov, free of charge.

I. SUBSIDIARY INFORMATION

Not applicable.

J. ANNUAL REPORT TO SECURITY HOLDERS

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks, including foreign currency fluctuations, changes in interest rates and credit risk. Our policy is to hedge our exposure to these risks where possible, within boundaries deemed appropriate by management. We accomplish this by entering into appropriate derivative instruments and contracts to maintain the desired level of risk exposure.

Our activities expose us primarily to the financial risks of changes in foreign currency exchange rates and interest rates as described below.

Interest Rate Risk

The international shipping industry is capital intensive, requiring significant amounts of investment provided in the form of long-term debt. A significant portion of our debt contains floating interest rates that fluctuate with changes in the financial markets and in particular changes in SOFR. Increasing interest rates could increase our interest expenses and adversely impact on our future earnings. In the past we have managed this risk by entering into interest rate swap agreements in which we exchanged fixed and variable interest rates based on agreed upon notional amounts. We have used such derivative financial instruments as risk management tools and not for speculative or trading purposes. In addition, the counterparties to our derivative financial instruments have been major financial institutions, which helped us to manage our exposure to nonperformance of our counterparties under our debt agreements. Specifically, on May 7, 2020 we entered into a floating to fixed interest rate swap transaction with Citibank N.A. effective from June 29, 2020. It provided a fixed 3-month LIBOR rate of 0.41% based on notional values that reflected the amortization schedule of 100% of our debt outstanding under the \$675 Million Credit Facility, until the \$675 Million Credit Facility matured in September 2024. We have not entered into any derivative instruments such as interest rate swaps, since the expiration of the above-mentioned swap transaction in September 2024. As of December 31, 2024, our net effective exposure to floating interest rate fluctuations on our outstanding long-term debt and other financial liabilities was \$322.9 million.

Our interest expense is affected by changes in the general level of interest rates, particularly SOFR. As an indication of the extent of our sensitivity to interest rate changes, an increase in SOFR of 1% would have decreased our net income during the year ended December 31, 2024 by approximately \$3.8 million based upon our floating interest bearing long-term debt and other financial liabilities during 2024. We expect our sensitivity to interest rate changes to increase in the future if we enter into additional debt agreements in connection with our potential acquisition of vessels from affiliated or unaffiliated third-parties.

For further information on the risks associated with our business, please see “Item 3. Key Information—D. Risk Factors—Risks Relating to our Partnership—Volatility of SOFR and potential changes of the use of SOFR as a benchmark could affect our profitability, earnings, and cash flow” for a discussion on the risks associated with SOFR, among others.

Inflation and Cost Increases

Although inflation has had a moderate impact on operating expenses, interest costs, dry-docking expenses and overhead, we do not expect inflation to have a significant impact on direct costs in the current and foreseeable economic environment other than potentially in relation to insurance costs and crew costs. LNG transportation is a specialized area and the number of vessels has increased rapidly. Therefore, there has been an increased demand for qualified crews, which has, and may continue to, put inflationary pressure on crew costs.

Foreign Currency Exchange Risk

We generate all of our revenue in U.S. dollars, and the majority of our expenses are denominated in U.S. dollars. However, a portion of our vessel operating, voyage and the majority of our dry-docking related expenses, primarily vessel repairs and spares, consumable stores, port expenses and the majority of our administrative expenses, are denominated in currencies other than the U.S. dollar. For the year ended December 31, 2024, we incurred approximately 30% of our operating expenses (including class survey costs) and 41% of our general and administrative expenses in currencies other than the U.S. dollar compared to 51% of our operating expenses (including class survey costs) and 40% of our general and administrative expenses for the year ended December 31, 2023. For accounting purposes, expenses incurred in currencies other than the U.S. dollar are converted into U.S. dollars at the exchange rate prevailing on the date of each transaction. Because a significant portion of our expenses are incurred in currencies other than the U.S. dollar, our expenses may from time to time increase relative to our revenues as a result of fluctuations in exchange rates, which could affect the amount of net income that we report in future periods. As of December 31, 2024 and 2023, the net effect of a 1% adverse movement in U.S. dollar exchange rates would not have a material effect on our net income.

We do not currently hedge fluctuations in currency exchange rates, but our management monitors exchange rate fluctuations on a continuous basis. We may seek to hedge this currency fluctuation risk in the future.

Concentration of Credit Risk

The market for our services is the seaborne transportation of LNG, and the charterers consist primarily of major gas companies, oil and gas traders and gas producers. For the years ended December 31, 2024, 2023 and 2022, three, three, and four charterers, respectively, individually accounted for all of our revenues:

Charterer	2024	2023	2022
SEFE (formerly Gazprom)	39 %	41 %	43 %
Yamal	34 %	43 %	41 %
Equinor	27 %	16 %	16 %
Total	100 %	100 %	100 %

Ongoing credit evaluations of our charterers are performed and we generally do not require collateral in our business agreements. Typically, under our time charters, the customer pays for the month's charter on the first day of each month, which reduces our level of credit risk. Provisions for potential credit losses are maintained as necessary.

In addition, we have bank deposits that expose us to credit risk arising from possible default by the bank counterparties. There is a concentration of credit risk with respect to cash and cash equivalents and restricted cash to the extent that substantially all of such amounts are held with three banks. However, we believe this risk is remote, they are an established and reputable financial institutions with no prior history of default. For further information on the risks associated with our business, please see "Item 3. Key Information—D. Risk Factors" for a discussion on our credit risks, among others.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

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

None.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Management assessed the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) of the Exchange Act as of the end of the period covered by this annual report on Form 20-F, which we refer to as the evaluation date. Disclosure controls and procedures are defined under SEC rules as controls and other procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within required time periods. Disclosure controls and procedures include controls and procedures designed to ensure that information is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based upon that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Partnership's disclosure controls and procedures are effective as of the evaluation date.

B. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) promulgated under the Exchange Act.

Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the Partnership's principal executive and principal financial officer and effected by the Partnership's 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:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Partnership;
- 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 Partnership's management and 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 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 or compliance with the policies or procedures may deteriorate.

Management conducted the evaluation of the effectiveness of the internal controls over financial reporting using the control criteria framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, published in its report entitled Internal Control-Integrated Framework (2013).

Our management with the participation of our Principal Executive Officer and Principal Financial Officer assessed the effectiveness of the design and operation of the Partnership's internal controls over financial reporting pursuant to Rule 13a-15 of the Exchange Act as of December 31, 2024. Based upon that evaluation, management, including the Principal Executive Officer and Principal Financial Officer, concluded that the Partnership's internal controls over financial reporting are effective as of December 31, 2024.

C. 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 Ernst & Young (Hellas) Certified Auditors Accountants S.A., an independent registered public accounting firm, as stated in their attestation report which appears herein.

D. Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, the Partnership's internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Alexios Rodopoulos qualifies as an audit committee financial expert and is independent under applicable NYSE and SEC standards.

ITEM 16B. CODE OF ETHICS

We have adopted the Dynagas LNG Partners LP Corporate Code of Business Ethics and Conduct that applies to all of our employees and our officers and directors. This document is available under the "Corporate Governance" tab in the "Company" section of our website (www.dynagaspartners.com). We intend to disclose, under the aforementioned tab of our website, any waivers to or amendments of the Dynagas LNG Partners LP Corporate Code of Business Ethics and Conduct for the benefit of any of our directors and executive officers. The information contained on our website does not form a part of and is not incorporated into this annual report.

Unitholders may also request a copy of our Corporate Code of Business Ethics and Conduct at no cost by writing or telephoning us at: Poseidonos Avenue and Foivis 2 Street 166 74 Glyfada, Athens, Greece, Tel: +302108917960.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our principal accountant for the years ended December 31, 2024 and 2023 was Ernst & Young (Hellas) Certified Auditors Accountants S.A. (PCAOB ID: 1457).

Fees Incurred by the Partnership for Ernst & Young (Hellas) Certified Auditors Accountants S.A.'s Services

In 2024 and 2023, the fees rendered by the auditors were as follows:

	2024	2023
Audit Fees	€ 201,600	€ 136,500
Total	€ 201,600	€ 136,500

Audit Fees

Audit fees for 2024 and 2023 include fees related to (i) the integrated and the non-integrated audit of the consolidated financial statements of the Partnership, respectively, (ii) the review of the quarterly financial information, (iii) the audit of the financial statements of certain subsidiaries of the Partnership, and (iv) services in connection with the registration statements and related consents and comfort letters and any other audit services required for SEC or other regulatory filings by the Partnership or its subsidiaries.

Audit-Related Fees

None.

The audit committee has the authority to pre-approve permissible 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 separately pre-approved all engagements and fees paid to our principal accountant in 2024.

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

Not applicable.

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

On November 21, 2024, our Board of Directors authorized the Common Unit Repurchase Program, which authorizes the repurchase of up to an aggregate of \$10 million of our outstanding common units over 12 months. Repurchases of common units under the Common Unit Repurchase Program may be made, from time to time, in privately negotiated transactions, in open market transactions, or by other means, including through trading plans intended to qualify under Rule 10b-18 and/or Rule 10b5-1 of the Exchange Act. The amount and timing of any repurchases made under the Common Unit Repurchase Program will be in our management team's sole discretion, and will depend on a variety of factors, including legal requirements, market conditions, other investment opportunities, available liquidity, and the prevailing market price of the common units. The Common Unit Repurchase Program does not obligate us to repurchase any dollar amount or number of common units, and the Common Unit Repurchase Program may be suspended or discontinued at any time at our discretion. During the year ended December 31, 2024, we re-purchased 55,118 common units for a total amount of \$247,000.

Month	Total Number of Units Purchased	Average Gross Price Paid per Unit	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Units that May Yet Be Purchased Under the Plans or Programs
December 2024	55,118 common units	\$ 4.45	55,118 common units	\$ 9.8 million

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Pursuant to an exception under the NYSE listing standards available to foreign private issuers, we are not required to comply with all of the corporate governance practices followed by U.S. companies under the NYSE listing standards, which are available at www.nyse.com. Pursuant to Section 303.A.11 of the NYSE Listed Company Manual, we are required to list the significant differences between our corporate governance practices and the NYSE standards applicable to listed U.S. companies. Set forth below is a list of those differences:

- *Executive Sessions.* The NYSE requires that non-management directors meet regularly in executive sessions without management. The NYSE also requires that all independent directors meet in an executive session at least once a year. As permitted under Marshall Islands law and our Partnership Agreement, our non-management directors do not regularly hold executive sessions without management and we do not expect them to do so in the future.
- *Nominating/Corporate Governance Committee.* The NYSE requires that a listed U.S. company have a nominating/corporate governance committee of independent directors and a committee charter specifying the purpose, duties and evaluation procedures of the committee. As permitted under Marshall Islands law and our Partnership Agreement, we do not currently have a nominating or corporate governance committee.
- *Audit Committee.* The NYSE requires, among other things, that a listed U.S. company have an audit committee with a minimum of three members, all of whom are independent. As permitted by Rule 10A-3 under the Exchange Act, our audit committee consists of two independent members of our Board, Alexios Rodopoulos and Evangelos Vlahoulis.
- *Corporate Governance Guidelines.* The NYSE requires that a listed U.S. Company adopt and disclose corporate governance guidelines. The guidelines must address, among other things: director qualification standards, director responsibilities, director access to management and independent advisers, director compensation, director orientation and continuing education, management succession and an annual performance evaluation. We are not required to adopt such guidelines under Marshall Islands law or our Partnership Agreement and we have not adopted such guidelines.
- *Unitholder Approval of the Issuance of Certain Securities, including Equity Compensation Plans.* The NYSE requires that unitholders be given the opportunity to vote on certain security issuances, including security issuances above certain thresholds and all equity-compensation plans and material revisions thereto, with limited exemptions for employment inducement awards, certain grants, plans and amendments in the context of mergers and acquisitions, and certain specific types of plans. As permitted under Marshall Islands law and our Partnership Agreement, we do not require unitholder approval on security issuances, including security issuances that are senior to our common units, and equity-compensation plans and any material revisions thereto.
- *Proxies.* As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to the NYSE pursuant to the NYSE corporate governance rules or Marshall Islands law. Consistent with Marshall Islands law and as provided in our Partnership Agreement, we will notify our unitholders of meetings between 10 and 60 days before the meeting. This notification will contain, among other things, information regarding business to be transacted at the meeting. In addition, our Partnership Agreement provides that any unitholder or group of unitholders that beneficially own 15% or more of our outstanding common units are entitled to nominate directors for election at an annual meeting if written notice is given to the Board of Directors not more than 120 days and not less than 90 days prior to the date of the annual meeting.

Other than as noted above, we are in compliance with all NYSE corporate governance standards applicable to U.S. domestic issuers. We believe that our established corporate governance practices satisfy the NYSE's listing standards.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our Board of Directors has adopted 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. 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—Risks Relating to our Industry—A cyber-attack could materially disrupt our business.”

PART III

ITEM 17. FINANCIAL STATEMENTS

See “Item 18. Financial Statements.”

ITEM 18. FINANCIAL STATEMENTS

The following financial statements, together with the related report of Ernst & Young (Hellas) Certified Auditors Accountants S.A., Independent Registered Public Accounting Firm thereon, are filed as part of this annual report appearing on pages F-1 through F-35.

ITEM 19. EXHIBITS

The following exhibits are filed as part of this annual report:

Exhibit Number	Description
1.1	Certificate of Limited Partnership of Dynagas LNG Partners LP⁽¹⁾
1.2	Fourth Amended and Restated Agreement of Limited Partnership of Dynagas LNG Partners LP⁽²⁾
1.3	Certificate of Formation of Dynagas GP LLC⁽¹⁾
1.4	Limited Liability Company Agreement of Dynagas GP LLC⁽¹⁾
1.5	Certificate of Limited Partnership of Dynagas Operating LP⁽¹⁾
1.6	Limited Partnership Agreement of Dynagas Operating LP⁽¹⁾
1.7	Certificate of Formation of Dynagas Operating GP LLC⁽¹⁾
1.8	Limited Liability Company Agreement of Dynagas Operating GP LLC⁽¹⁾
2.1	Description of Securities⁽²⁾
4.1	Master Agreement⁽⁸⁾
4.2	First Amended and Restated Omnibus Agreement, dated April 12, 2016⁽²⁾
4.3	Executive Services Agreement⁽²⁾
4.4	Administrative Services Agreement⁽⁴⁾
4.5	Sale and Leaseback Agreement, dated June 19, 2024, with respect to the <i>Arctic Aurora</i>
4.6	Sale and Leaseback Agreement, dated June 19, 2024, with respect to the <i>Clean Energy</i>
4.7	Sale and Leaseback Agreement, dated June 19, 2024, with respect to the <i>OB River</i>
4.8	Sale and Leaseback Agreement, dated June 19, 2024, with respect to the <i>Amur River</i>
8.1	Subsidiaries of Dynagas LNG Partners LP
11.1	Policies and Procedures to Detect and Prevent Insider Trading
12.1	Rule 13a-14(a)/15d-14(a) Certification of Dynagas LNG Partners LP Principal Executive Officer
12.2	Rule 13a-14(a)/15d-14(a) Certification of Dynagas LNG Partners LP Principal Financial and Accounting Officer
13.1	Certification under Section 906 of the Sarbanes-Oxley Act of 2002 of the Principal Executive Officer
13.2	Certification under Section 906 of the Sarbanes-Oxley Act of 2002 of the Principal Financial and Accounting Officer
15.1	Consent of Independent Registered Public Accounting Firm
15.2	Consent of Drewry Shipping Consultants, Ltd.
15.3	Consent of Watson Farley & Williams LLP
97.1	Policy for the Recovery of Erroneously Awarded Incentive Compensation⁽⁹⁾
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

- (1) Incorporated by reference to the Partnership's Registration Statement on Form F-1, as amended, which was declared effective by the Securities and Exchange Commission on November 12, 2013 (Registration No. 333-191653).
- (2) Incorporated by reference to the Partnership's Annual Report on Form 20-F, which was filed with the Securities and Exchange Commission on March 25, 2014.
- (3) Incorporated by reference to the Partnership's Current Report on Form 6-K, which was filed with the Securities and Exchange Commission on October 23, 2018.
- (4) Incorporated by reference to the Partnership's Annual Report on Form 20-F, which was filed with the Securities and Exchange Commission on March 10, 2015.
- (5) Incorporated by reference to the Partnership's Annual Report on Form 20-F, which was filed with the Securities and Exchange Commission on April 18, 2016.
- (6) Incorporated by reference to Exhibit 1.1 of the Partnership's Current Report on Form 6-K, which was filed with the Securities and Exchange Commission on August 19, 2020.
- (7) Incorporated by reference to the Partnership's Annual Report on Form 20-F, which was filed with the Securities and Exchange Commission on April 16, 2020.
- (8) Incorporated by reference to the Partnership's Annual Report on Form 20-F, which was filed with the Securities and Exchange Commission on April 29, 2021.
- (9) Incorporated by reference to the Partnership's Annual Report on Form 20-F, which was filed with the Securities and Exchange Commission on April 26, 2024.

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.

DYNAGAS LNG PARTNERS LP

By: /s/ Michael Gregos

Name: Michael Gregos

Title: Chief Financial Officer (Principal Financial Officer)

Date: April 10, 2025

DYNAGAS LNG PARTNERS LP
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

DYNAGAS LNG PARTNERS LP
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Reports of Independent Registered Public Accounting Firm (PCAOB ID: 1457)	F-3
Consolidated Balance Sheets as of December 31, 2024 and 2023	F-7
Consolidated Statements of Income for the years ended December 31, 2024, 2023 and 2022	F-8
Consolidated Statements of Partners' Equity for the years ended December 31, 2024, 2023 and 2022	F-9
Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022	F-10
Notes to the Consolidated Financial Statements	F-11

Report of Independent Registered Public Accounting Firm

To the Partners and the Board of Directors of Dynagas LNG Partners LP

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Dynagas LNG Partners LP (the “Partnership”) as of December 31, 2024 and 2023, the related consolidated statements of income, partners’ equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership at 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 U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 10, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Partnership’s management. Our responsibility is to express an opinion on the Partnership’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter 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 indicators for long-lived assets

Description of the matter The Partnership's long-lived assets consist of the net carrying value of vessels. As of December 31, 2024, the carrying value of the Partnership's vessels was \$765,212 thousand. As discussed in Note 2(k) to the consolidated financial statements, the Partnership evaluates its vessels for impairment whenever events or changes in circumstances indicate that the carrying value of its vessels might not be recoverable, in accordance with the guidance in ASC 360 – Property, Plant and Equipment ("ASC 360").

Auditing the Partnership's impairment indicators assessment was complex due to the judgement and estimation uncertainty required to evaluate events or changes in circumstances affecting the market and economic conditions.

How we addressed the matter in our audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Partnership's impairment indicator assessment process. For example, we tested controls over management's review of the identification of impairment indicators.

We analyzed management's assessment of vessel impairment indicators against the accounting guidance in ASC 360. To test management's assessment of the developments in market conditions, our procedures included, among others, performing an independent analysis over the vessel market charter rates, market prices and changes in vessels fair values using market information derived from external information sources for the industry. We considered whether the information used by management was consistent with evidence obtained in other areas of the audit. Further, we assessed the adequacy of the Partnership's disclosures in Note 2(k) to the consolidated financial statements.

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

We have served as the Partnership's auditor since 2011.

Athens, Greece
April 10, 2025

Report of Independent Registered Public Accounting Firm

To the Partners and the Board of Directors of Dynagas LNG Partners LP

Opinion on Internal Control Over Financial Reporting

We have audited Dynagas LNG Partners LP's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Dynagas LNG Partners LP (the Partnership) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Partnership as of December 31, 2024 and 2023, the related consolidated statements of income, partners' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and our report dated April 10, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A Partnership'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 Partnership's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Partnership; (2) 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 Partnership are being made only in accordance with authorizations of management and directors of the Partnership; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Partnership'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.

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

Athens, Greece

April 10, 2025

DYNAGAS LNG PARTNERS LP
Consolidated Balance Sheets as of December 31, 2024 and 2023
(Expressed in thousands of U.S. Dollars — except for unit data)

		December 31, 2024	December 31, 2023
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	2(e)	\$ 68,156	\$ 73,752
Trade accounts receivable		1,201	709
Prepayments and other assets		3,802	8,117
Inventories		894	751
Accrued charter revenue, current portion	2(o)	2,704	6,080
Deferred Charges, current portion		216	217
Derivative financial instrument, current portion	6,11	—	15,631
Due from related party, current		1,189	—
Total current assets		78,162	105,257
FIXED ASSETS, NET:			
Vessels, net	4	765,212	797,363
Total fixed assets, net		765,212	797,363
OTHER NON-CURRENT ASSETS:			
Due from related party	3, 6	1,350	1,350
Accrued charter revenue	2(o)	—	2,298
Deferred charges		640	856
Other receivables, non- current	5	1,789	1,789
Total assets		\$ 847,153	\$ 908,913
LIABILITIES AND PARTNERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt, net of unamortized deferred financing fees of \$523 and \$1,058, respectively	5	\$ 43,644	\$ 419,584
Trade payables		13,181	13,815
Due to related party	3	699	1,555
Accrued liabilities		5,587	3,291
Deferred Revenue - Current	2(o)	667	497
Unearned revenue	2(o)	20,118	20,019
Total current liabilities		83,896	458,761
NON-CURRENT LIABILITIES:			
Deferred revenue	2(o)	1,383	1,912
Long-term debt, net of current portion and unamortized deferred financing fees of \$1,651 and nil, respectively	5	277,073	—
Total non-current liabilities		278,456	1,912
Commitments and contingencies	7	—	—
PARTNERS' EQUITY:			
Common unitholders (unlimited authorized; 36,747,129 units and 36,802,247 units issued and outstanding as at December 31, 2024 and December 31, 2023, respectively)	8	357,949	321,424
Series A Preferred unitholders (3,450,000 authorized; 3,000,000 Series A Preferred Units issued and outstanding as at December 31, 2024 and December 31, 2023)	8	73,216	73,216
Series B Preferred unitholders: (2,530,000 authorized; 2,200,000 Series B Preferred Units issued and outstanding as at December 31, 2024 and December 31, 2023)	8	53,498	53,498
General Partner (35,526 units issued and outstanding as at December 31, 2024 and December 31, 2023)	8	138	102
Total partners' equity		484,801	448,240
Total liabilities and partners' equity		\$ 847,153	\$ 908,913

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

DYNAGAS LNG PARTNERS LP
Consolidated Statements of Income
For the years ended December 31, 2024, 2023 and 2022
(Expressed in thousands of U.S. Dollars—except for unit and per unit data)

		2024	2023	2022
REVENUES:				
Voyage revenues		\$ 156,403	\$ 148,878	\$ 131,657
Revenues from contracts with customers	2(o)	—	11,602	—
EXPENSES:				
Voyage expenses		(4,465)	(1,478)	(1,328)
Voyage expenses-related party	3	(1,983)	(1,860)	(1,632)
Vessel operating expenses		(31,643)	(34,412)	(29,773)
Dry-docking and special survey costs		—	(17,650)	(12,791)
General and administrative expenses		(1,440)	(1,331)	(2,099)
General and administrative expenses- related party	3	(703)	(701)	(688)
Management fees-related party	3	(6,599)	(6,389)	(6,203)
Depreciation	4	(32,151)	(31,946)	(31,806)
Operating income		\$ 77,419	\$ 64,713	\$ 45,337
OTHER INCOME/(EXPENSES):				
Interest and finance costs	5,10	(31,176)	(39,210)	(27,911)
Interest income		2,547	2,593	829
Gain on derivative financial instrument	11	1,755	5,267	33,655
Gain/ (Loss) on Debt extinguishment	5	(331)	(154)	2,072
Other Income		1,492	2,881	—
Other, net		(115)	(218)	28
Total other income/ (expenses), net		(25,828)	(28,841)	8,673
Partnership's Net Income		\$ 51,591	\$ 35,872	\$ 54,010
Common unitholders' interest in Net Income		\$ 38,575	\$ 24,285	\$ 42,405
Series A Preferred unitholders' interest in Net Income		\$ 6,750	\$ 6,750	\$ 6,750
Series B Preferred unitholders' interest in Net Income		\$ 6,228	\$ 4,813	\$ 4,813
General Partner's interest in Net Income		\$ 38	\$ 24	\$ 42
Earnings per unit, basic and diluted:				
Common unit (basic and diluted)	9	\$ 1.05	\$ 0.66	\$ 1.15
Weighted average number of units outstanding, basic and diluted:				
Common units	9	36,799,490	36,802,247	36,802,247

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

DYNAGAS LNG PARTNERS LP
Consolidated Statements of Partners' Equity
For the years ended December 31, 2024, 2023 and 2022
(Expressed in thousands of U.S. Dollars—except for unit data)

	Series A Preferred (units)	Series B Preferred (units)	Common (units)	General Partner (units)	Series A Preferred	Series B Preferred	Common	General Partner	Total
BALANCE, December 31, 2021	<u>3,000,000</u>	<u>2,200,000</u>	<u>36,802,247</u>	<u>35,526</u>	<u>\$ 73,216</u>	<u>\$ 53,498</u>	<u>\$ 254,734</u>	<u>\$ 36</u>	<u>\$ 381,484</u>
—Net income	—	—	—	—	6,750	4,813	42,405	42	54,010
—Distributions declared and paid (preferred units) (Note 8)	—	—	—	—	(6,750)	(4,813)	—	—	(11,563)
BALANCE, December 31, 2022	<u>3,000,000</u>	<u>2,200,000</u>	<u>36,802,247</u>	<u>35,526</u>	<u>\$ 73,216</u>	<u>\$ 53,498</u>	<u>\$ 297,139</u>	<u>\$ 78</u>	<u>\$ 423,931</u>
—Net income	—	—	—	—	6,750	4,813	24,285	24	35,872
—Distributions declared and paid (preferred units) (Note 8)	—	—	—	—	(6,750)	(4,813)	—	—	(11,563)
BALANCE, December 31, 2023	<u>3,000,000</u>	<u>2,200,000</u>	<u>36,802,247</u>	<u>35,526</u>	<u>\$ 73,216</u>	<u>\$ 53,498</u>	<u>\$ 321,424</u>	<u>\$ 102</u>	<u>\$ 448,240</u>
—Net income	—	—	—	—	6,750	6,228	38,575	38	51,591
—Repurchase of common units (Note 8)	—	—	(55,118)	—	—	—	(247)	—	(247)
—Distributions declared and paid (preferred units) (Note 8)	—	—	—	—	(6,750)	(6,228)	—	—	(12,978)
—Distributions declared and paid (common units) (Note 8)	—	—	—	—	—	—	(1,803)	—	(1,803)
—Distributions declared not paid (General Partner units) (Note 8)	—	—	—	—	—	—	—	(2)	(2)
BALANCE, December 31, 2024	<u>3,000,000</u>	<u>2,200,000</u>	<u>36,747,129</u>	<u>35,526</u>	<u>\$ 73,216</u>	<u>\$ 53,498</u>	<u>\$ 357,949</u>	<u>\$ 138</u>	<u>\$ 484,801</u>

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

DYNAGAS LNG PARTNERS LP
Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022
(Expressed in thousands of U.S. Dollars)

		2024	2023	2022
Cash flows from Operating Activities:				
Net income:		\$ 51,591	\$ 35,872	\$ 54,010
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	4	32,151	31,946	31,806
Amortization and write-off of deferred financing fees	10	1,022	1,667	2,032
Deferred revenue amortization		5,316	(8,343)	(675)
Amortization of deferred charges		217	216	216
Dry-docking and special survey costs		—	17,650	12,791
Gain on derivative financial instruments	11	(1,755)	(5,267)	(33,655)
(Gain)/ Loss on Debt extinguishment	5	331	154	(2,072)
Changes in operating assets and liabilities:				
Trade accounts receivable		(492)	(642)	23
Prepayments and other assets		4,181	(6,040)	(1,284)
Inventories		(143)	134	24
Due from/to related parties		(2,045)	83	2,369
Trade accounts payable		(636)	(5,276)	(9,526)
Accrued liabilities		2,321	(5,928)	1,070
Unearned revenue		99	8,165	195
Net cash provided by Operating Activities		\$ 92,158	\$ 64,391	\$ 57,324
Cash flows from Investing Activities:				
Ballast water treatment system installation	4	(27)	(4,238)	(3,635)
Net cash used in Investing Activities		\$ (27)	\$ (4,238)	\$ (3,635)
Cash flows from Financing Activities:				
Net payments for repurchase of common units	8	(247)	—	—
Distributions declared and paid	8	(14,781)	(11,563)	(11,563)
Proceeds from long term debt and other financial liabilities	5	344,975	—	—
Repayment of long-term debt	5	(442,726)	(79,270)	(64,893)
Other payments	5	—	—	(1,789)
Receipt of derivative instruments	11	17,521	24,564	7,409
Payment of deferred finance fees		(2,469)	—	—
Net cash used in Financing Activities		\$ (97,727)	\$ (66,269)	\$ (70,836)
Net decrease in cash and cash equivalents and restricted cash		(5,596)	(6,116)	(17,147)
Cash and cash equivalents and restricted cash at beginning of the year		73,752	79,868	97,015
Cash and cash equivalents and restricted cash at end of the year		\$ 68,156	\$ 73,752	\$ 79,868
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH				
CASH				
Cash and cash equivalents		68,156	73,752	48,598
Restricted cash		—	—	31,270
Cash and cash equivalents and restricted cash		\$ 68,156	\$ 73,752	\$ 79,868
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash paid during the year for:				
Interest		\$ 30,242	\$ 37,303	\$ 25,397

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

DYNAGAS LNG PARTNERS LP

Notes to the Consolidated Financial Statements December 31, 2024

(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

1. Basis of Presentation and General Information:

Dynagas LNG Partners LP (“Dynagas Partners” or the “Partnership”) was incorporated as a limited partnership on May 30, 2013, under the laws of the Republic of the Marshall Islands. On November 18, 2013, the Partnership successfully completed its initial public offering (the “IPO”), pursuant to which, the Partnership offered and sold 8,250,000 common units to the public at \$18.00 per common unit, and in connection with the closing of the IPO, the Partnership’s Sponsor, Dynagas Holding Ltd., a company beneficially wholly owned by Mr. George Prokopiou, the Partnership’s Chairman and major unitholder and certain of his close family members, offered and sold 4,250,000 common units to the public at \$18.00 per common unit. In connection with the IPO, the Partnership entered into certain agreements including: (i) an omnibus agreement with the Sponsor, as amended (Note 3(c)), (the “Omnibus Agreement”) and, (ii) a \$30 million interest free revolving credit facility with its Sponsor (the “\$30 million Sponsor Facility”) (Note 3(b)), which was extended on November 14, 2018 until November 2023, to be used for general Partnership purposes.

The Partnership earned in the year ended as of December 31, 2024, 34% (2023: 43%) of its revenues from Yamal Trade Pte. Ltd. (“Yamal”), which traded primarily from Russian LNG ports. Due to the recent Russian conflicts with Ukraine, the United States (“U.S.”), European Union (“E.U.”), Canada and other Western countries and organizations announced and enacted from February 2022 to date, numerous sanctions against Russia which have not expressly prohibited LNG shipping in the main trading routes of the Partnership’s vessels. The Partnership’s time charter contracts have therefore currently not been affected by the sanctions imposed to date due to the events in Russia and Ukraine.

As there is currently uncertainty regarding the global impact of the conflict, which is ongoing, it is possible that further developments in sanctions or escalation of the conflict will affect the Partnership’s ability to continue to employ two out of its six vessels to the current charterers and the suspension, termination, or cancellation of such charter parties, could thus adversely affect the Partnership’s results of operation, cash flows and financial condition. The Partnership believes that despite the continuing uncertainty, in the event of suspension, termination, cancellation of any of these charters, it will be able to enter into replacement time charters acceptable to the counterparty of each sale and leaseback agreement.

As of December 31, 2024, the Partnership reported cash and cash equivalents of \$68.2 million and had a working capital deficit of \$5.7 million, which is mainly due to the current portion of its long-term debt and other financial liabilities. The Partnership believes that current sources of funds and those that the Partnership anticipates to internally generate for a period of at least the next twelve months, will be sufficient to fund the operations of its Fleet, and to meet the Partnership’s normal working capital requirements, service principal and interest of debt and other financial liabilities, and make at least the required distributions on Series A Preferred Units and Series B Preferred Units in accordance with the Partnership’s Agreement. Accordingly, the Partnership continues to adopt the going concern basis in preparing its financial statements.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

1. Basis of Presentation and General Information (continued):

The Partnership is engaged in the seaborne transportation industry through the ownership and operation of high specification LNG vessels and is the sole owner (directly or indirectly) of all outstanding shares or units of the following subsidiaries as of December 31, 2024:

Vessel Owning Subsidiaries:

Company Name	Country of incorporation/ formation	Vessel Name	Delivery date from shipyard	Delivery date to Partnership	Cbm Capacity
Pegasus Shipholding S.A. (“Pegasus”)	Marshall Islands	Clean Energy (1)	March 2007	October 2013	149,700
Lance Shipping S.A. (“Lance”)	Marshall Islands	Ob River (1)	July 2007	October 2013	149,700
Seacrown Maritime Ltd. (“Seacrown”)	Marshall Islands	Amur River (1)	January 2008	October 2013	149,700
Noteworthy Shipping Limited (“Noteworthy”), (formerly known as Fareastern Shipping Limited)	Malta	Arctic Aurora (1)	July 2013	June 2014	155,000
Navajo Marine Limited (“Navajo”)	Marshall Islands	Yenisei River	July 2013	September 2014	155,000
Solana Holding Ltd. (“Solana”)	Marshall Islands	Lena River	October 2013	December 2015	155,000

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

Non-Vessel Owning Subsidiaries:

Company Name	Country of incorporation/formation	Purpose of incorporation
Dynagas Equity Holding Limited (“Dynagas Equity”)	Marshall Islands	Holding company that owns all of the outstanding shares of Dynagas LNG Carriers Ltd. (“Dynagas LNG”).
Dynagas Operating GP LLC (“Dynagas Operating GP”)	Marshall Islands	Limited liability company in which the Partnership holds a 100% membership interest and which has 100% of the Non-Economic General Partner Interest in Dynagas Operating LP.
Dynagas Operating LP (“Dynagas Operating”)	Marshall Islands	Limited partnership in which the Partnership holds a 100% limited partnership interest and which owns 100% of the issued and outstanding shares of Dynagas Equity.
Dynagas Finance Inc.	Marshall Islands	Wholly owned subsidiary of the Partnership whose activities were limited to the co-issuance of the 2019 Notes discussed under Note 5 of the consolidated financial statements for the year to December 31, 2020 and engaging in other activities incidental thereto.
Dynagas LNG Carriers Ltd. (“Dynagas LNG”) (formerly known as Arctic LNG Carriers Ltd.)	Marshall Islands	Wholly owned subsidiary of the Partnership which is directly wholly owned by Dynagas Equity and which owns all of the issued and outstanding shares of Pegasus, Lance, Seacrown, Noteworthy, Navajo, Solana and Dynagas Finance LLC.
Dynagas Finance LLC	Delaware	Wholly owned subsidiary of Dynagas LNG and co-borrower of the Partnership’s Term Loan B discussed under Note 5 of the consolidated financial statements for the year to December 31, 2020.

Since the Partnership’s inception, the technical, administrative and commercial management of the Partnership’s fleet is performed by Dynagas Ltd. (“Dynagas” or the “Manager”), a related company, wholly owned by the Partnership’s Chairman (Note 3(a)).

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements:

As of December 31, 2024, the Partnership's Sponsor owned 42.4% of the outstanding equity interests in the Partnership (excluding the Series A Preferred Units and the Series B Preferred Units, both of which, generally, have no voting rights), including the 0.1% general partner interest retained by it, as the General Partner, through Dynagas GP LLC, which is owned and controlled by the Sponsor.

(a) Principles of Consolidation: The accompanying consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of Dynagas Partners and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. Dynagas Partners, as the holding company, determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity. Under Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 810 "Consolidation", a voting interest entity is an entity in which the total equity investment at risk is deemed sufficient to absorb the expected losses of the entity, the equity holders have all the characteristics of a controlling financial interest and the legal entity is structured with substantive voting rights.

The holding company consolidates voting interest entities in which it owns all, or at least a majority (generally, greater than 50%) of the voting interest. Variable interest entities ("VIE") are entities, as defined under ASC 810, that in general either have equity investors with non-substantive voting rights or that have equity investors that do not provide sufficient financial resources for the entity to support its activities. The holding company has a controlling financial interest in a VIE and is, therefore, the primary beneficiary of a VIE if it has the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. A VIE should have only one primary beneficiary which is required to consolidate the VIE. A VIE may not have a primary beneficiary if no party meets the criteria described above. The Partnership evaluates all arrangements that may include a variable interest in an entity to determine if it is the primary beneficiary, and would therefore be required to include assets, liabilities and operations of a VIE in its consolidated financial statements. As of the years ended December 31, 2024, 2023 and 2022, no such interests existed.

(b) 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. On an on-going basis, management evaluates the estimates and judgments, including those related to expected future cash flows from long-lived assets to support impairment tests. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

(c) Other Comprehensive Income: The Partnership follows the provisions of ASC 220, "Comprehensive Income", which requires separate presentation of certain transactions which are recorded directly as components of equity. The Partnership has no such transactions which affect other comprehensive income and accordingly, for the years ended December 31, 2024, 2023 and 2022, comprehensive income equaled net income.

(d) Foreign Currency Translation: The functional currency of the Partnership is the U.S. Dollar because the Partnership's vessels operate in international shipping markets and therefore, the Partnership primarily transacts business in U.S. Dollars. The Partnership's books of accounts are maintained in U.S. Dollars. Transactions involving other currencies during the year are converted into U.S. Dollars using the exchange rates in effect at the time of such transactions. At the balance sheet date, monetary assets and liabilities, which are denominated in other currencies, are translated into U.S. Dollars using the balance sheet date exchange rates. Resulting gains or losses are included in "Other, net" in the accompanying consolidated statements of income.

(e) Cash and Cash Equivalents: The Partnership considers highly liquid investments, such as time deposits with an original maturity of three months or less, to be cash equivalents.

DYNAGAS LNG PARTNERS LP

Notes to the Consolidated Financial Statements December 31, 2024

(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

- (f) **Restricted cash:** Restricted cash may comprise of (i) minimum liquidity collateral requirements or minimum required cash deposits that are required to be maintained under the Partnership's financing arrangements, (ii) cash deposits in so-called "retention accounts" which may only be used as per the Partnership's borrowing arrangements for the purpose of serving the loan installments coming due or, (iii) other cash deposits required to be retained until other specified conditions prescribed in the Partnership's debt agreements are met. In the event that the obligation to maintain such deposits is expected to elapse within the next operating cycle, these deposits are classified as current assets. Otherwise, they are classified as non-current assets.
- (g) **Trade Accounts Receivable:** The amount shown as trade accounts receivable at each balance sheet date, mainly includes receivables from charterers for hire from lease agreements, net of any provision for doubtful accounts, if any. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts primarily based on the aging of such balances and any amounts in dispute. Operating lease receivables under ASC 842 are not in scope of ASC 326 for assessment of credit loss. ASC 842 requires lessors to evaluate the collectability of all lease payments. If collection of all operating lease payments, plus any amount necessary to satisfy a residual value guarantee, is not probable (either at lease commencement or after the commencement date), lease income is constrained to the lesser of cash collected or lease income reflected on a straight-line or another systematic basis, plus variable rent when it becomes accruable. Provision for doubtful accounts as of December 31, 2024 and 2023, was nil.
- (h) **Inventories:** Inventories consist of lubricants which are stated at the lower of cost or net realizable value. Cost is determined by the first in, first out method. Inventories may also consist of bunkers during periods when vessels are unemployed or under voyage charters and spares in warehouses, in which case, they are also stated at the lower of cost or net realizable value and cost is still determined by the first in, first out method. Net realizable value is defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in earnings in the period in which it occurs.
- (i) **Insurance Claims:** The Partnership records insurance claim recoveries for insured losses incurred on damage to fixed assets, loss of hire and for insured crew medical expenses. Insurance claim recoveries are recorded, net of any deductible amounts, at the time when (i) the Partnership's vessels suffer insured damages or at the time when crew medical expenses are incurred, (ii) recovery is probable under the related insurance policies, (iii) the Partnership can estimate the amount of such recovery following submission of the insurance claim and (iv) provided that the claim is not subject to litigation. The Partnership assesses its insurance claim balances for credit losses in accordance with ASC 326. No allowance was recorded on insurance claims as of December 31, 2024 and 2023.
- (j) **Vessels, Net:** Vessels are stated at cost, which consists of the contract price and any material expenses incurred upon delivery (initial repairs, improvements and delivery expenses, capitalized interest and on-site supervision costs incurred during the construction periods). Subsequent expenditures for conversions and major improvements are also capitalized when such expenditures appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels; otherwise these amounts are charged to expense as incurred. The cost of each of the Partnership's vessels is depreciated beginning from the time when the vessel is ready for her intended use, on a straight-line basis, to the time that the vessel reaches the end of its economic useful life, after considering the estimated residual value of the vessel which is based on its lightweight tonnage times an estimated scrap rate. The Partnership currently uses a scrap rate estimate of \$0.500 per lightweight ton per LNG carrier. Management estimates that the useful life of each of the Partnership's vessels to be 35 years from the date of initial delivery from the shipyard. Secondhand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. When regulations place limitations on the ability of a vessel to trade on a worldwide basis, such vessel's remaining useful life is adjusted as of the date such regulations are adopted.

DYNAGAS LNG PARTNERS LP**Notes to the Consolidated Financial Statements December 31, 2024****(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)****2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):**

(k) Impairment of Long-Lived Assets: The Partnership follows ASC 360-10-40 “Impairment or Disposals of Long-Lived Assets”, which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. The standard requires that long-lived assets held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. When the estimate of undiscounted projected operating cash flows, excluding interest charges, expected to be generated by the use of the asset is less than its carrying amount, the asset is evaluated for an impairment loss. Measurement of the impairment loss is based on the fair value of the asset. The Partnership reviews its long-lived assets for impairment whenever events or changes in circumstances, such as business plans to dispose a vessel earlier than the end of its useful life and prevailing market conditions, indicate that the carrying amount of the assets may not be recoverable. When such indications are present, the Partnership determines undiscounted projected net operating cash flows for each vessel and compares the result to the vessel’s carrying value. The fair values of the assets are determined through Level 2 inputs of the fair value hierarchy as defined in ASC 820, “Fair value measurements and disclosures” based on management’s estimates, assumptions, use of available market data, use of third party valuations and other market observable data. In developing estimates of future cash flows, the Partnership must make assumptions about future charter rates, vessel operating expenses, fleet utilization and the estimated remaining useful life of the vessels. These assumptions are based on historical trends as well as future expectations.

The projected net operating cash flows are determined by considering the charter revenues from existing time charters for the fixed fleet days and by estimating charter rates for the unfixed days. Expected outflows for scheduled vessel maintenance and vessel operating expenses are based on the Partnership’s budget by using historical data, which is adjusted annually with the assumption of the average annual inflation rate prevailing at the time of the impairment test. In developing the estimate for the effective fleet utilization, the Partnership takes into account the period(s) each vessel is expected to undergo her scheduled maintenance (dry-docking and special surveys) and each vessel’s loss of hire resulting from repositioning or other conditions.

In developing estimates for the remaining estimated useful lives of the current fleet and scrap values, the Partnership utilizes methods, which are identical to those employed as part of the Partnership’s depreciation policy. As and for each of the years ended December 31, 2024, 2023 and 2022, the Partnership incurred no impairment loss.

(l) Accounting for Special Survey and Dry-Docking Costs: The Partnership follows the direct expense method of accounting for dry-docking and special survey costs, in which case, such costs are expensed in the period incurred. The vessels undergo dry-dock or special survey approximately every five years during the first fifteen years of their life. For vessels that are fifteen years or older, dry - docking takes place every three years as required by classification societies, or, subject to special considerations, an “in water survey in lieu of dry - dock” can take place between the two special surveys. Costs relating to routine repairs and maintenance are also expensed in the period they are incurred.

(m) Financing Costs: “Interest – Imputation of Interest”, costs associated with long-term debt, including but not limited to, fees paid to lenders, fees required to be paid to third parties on the lender’s behalf in connection with debt financing or refinancing, or any unamortized portion thereof, are presented by the Partnership as a reduction of long-term debt. Such fees are deferred and amortized to interest and finance costs during the life of the related debt instrument using the effective interest method. Unamortized fees relating to loans repaid or refinanced as debt extinguishments are expensed as interest and finance costs in the period the repayment or extinguishment is made and included in the determination of gain or loss on debt extinguishment. Loan commitment fees are expensed as incurred.

(n) Concentration of Credit Risk: Financial instruments, which may potentially subject the Partnership to significant concentrations of credit risk, consist principally of cash and cash equivalents and trade accounts receivable. The maximum exposure to loss due to credit risk is the book value at the balance sheet date. The Partnership places its cash and cash equivalents, consisting mostly of deposits, with high credit qualified financial institutions. The Partnership performs periodic evaluations of the relative credit standing of those financial institutions. The Partnership limits its credit risk with trade accounts receivable by performing ongoing credit evaluations of each of its charterer’s financial condition and generally does not require collateral for its trade accounts receivable. The Partnership is exposed to credit risk in the event of non-performance by the counterparty to the derivative instrument; however, the Partnership limits its exposure by entering into transactions with counterparties with high credit ratings.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

During the years ended December 31, 2024, 2023 and 2022, charterers that individually accounted for more than 10% of the Partnership's revenues were as follows:

Charterer	2024	2023	2022
A	39 %	41 %	43 %
B	34 %	43 %	41 %
C	27 %	16 %	16 %
Total	100 %	100 %	100 %

The maximum aggregate amount of loss due to credit risk, that the Partnership would have incurred if the aforementioned charterers failed completely to perform according to the terms of their respective charter parties, amounted to \$1,201 and \$709 as of December 31, 2024 and 2023, respectively.

- (o) **Accounting for Revenues and Related Expenses:** The Partnership generates its revenues from charterers under time charter agreements, which contain a lease as they meet the criteria of a lease under ASC 842. The Partnership's vessels are each employed under a time charter agreement, where a contract is entered into with a charterer for the charterer's use of a vessel for a specific period of time and at a specified daily charter hire rate. If a time charter agreement exists and collection of the related revenue is reasonably assured, revenue is recognized, as it is earned ratably over the duration of the period of the time charter. Revenues from time chartering of vessels are accounted for as operating leases. The Partnership has determined that the non-lease components in its time charter contracts relate to services for the operation of the vessel, which include crew, technical, safety, commercial services, among others. The Partnership has elected to account for the lease and non-lease component of time charter agreements as a combined component in its consolidated financial statements, having taken into account that the non-lease components would be accounted for ratably on a straight-line basis over the duration of the time charter and that the lease component is considered as the predominant component. The Partnership qualitatively assessed that more value is ascribed to the vessel rather than to the services provided under the time charter agreements. Such revenues are recognized on a straight line basis at the average minimum lease revenue over the rental periods of such charter agreements, as service is performed.

In case that a change in the terms and conditions of a time charter agreement results in a change in the scope of or the consideration for a lease (for example, a change to the terms and conditions of the contract that adds or terminates the right to use one or more vessels or extends or shortens the contractual lease term), the lease is considered modified. The Partnership assesses whether the lease modification should be accounted as a separate contract or not based as per ASC 842-10-25-8. Specifically, the Partnership accounts for a modification to a lease as a separate contract when both of the following conditions are present:

- a. The modification grants the charterer an additional right of use not included in the original lease (for example, the right to use an additional asset);
- b. The lease payments increase commensurate with the standalone price for the additional right of use, adjusted for the circumstances of the particular time charter agreement.

In case any of the above conditions are not met, the Partnership does not account for the modified lease as a separate contract. Specifically, if the original lease and the modified lease are both classified as operating leases (i.e., no change to lease classification), the Partnership recognizes lease payments to be made under the modified lease, adjusted for any prepaid or accrued hire from the original lease, generally on a straight-line basis over the new lease term (i.e., the remaining lease term from the original lease at the date of modification, adjusted for the additional or terminated periods). Any initial direct costs incurred in connection with the modification are recognized as an expense over the new lease term.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Revenue generated from variable lease payments is recognized in the period when changes in facts and circumstances on which the variable lease payments are based occur. The residual or excess amounts from actually collected hire based on the time charter agreement for each period, if any, is classified as deferred or accrued charter revenue in the accompanying consolidated balance sheets.

All voyage expenses are expensed as incurred, except for commissions. Commissions paid to brokers are deferred and amortized over the related charter period to the extent revenue has been deferred since commissions are earned as the Partnership's revenues are earned.

Unearned revenue includes cash received prior to the balance sheet date for which all criteria to recognize as revenue have not yet been met as at the balance sheet date and, accordingly, is related to revenue earned after such date. Apart from the agreed hire rate, the owner may be entitled to an additional income, such as ballast bonus, which is considered as reimbursement of owner's expenses and is recognized together with the lease component over the duration of the charter. During all years ended December 31, 2024, 2023 and 2022, the amortization of the ballast bonus was \$0.2 million. As of December 31, 2024 and 2023 the total unamortized balance of such ballast bonus was \$234 and \$421, respectively, and is presented in Deferred revenue current and non - current in the Consolidated Balance Sheets.

The Partnership has made an accounting policy election to recognize the related ballast costs, mainly consisting of bunkers, incurred over the period between the charter party date or the prior redelivery date (whichever is latest) and the delivery date to the charterer, as contract fulfilment costs in accordance with ASC 340-40 and amortized over the charter period. During all years ended December 31, 2024, 2023 and 2022, the amortization of the contract fulfilment costs was \$0.2 million. As of December 31, 2024 and 2023 the total unamortized balance of such contract fulfilment costs was \$856 and \$1,073, respectively, and is presented in Deferred charges current and non - current in the Consolidated Balance Sheets. Voyage expenses, primarily consist of commissions, which are paid by the Partnership as well as port, canal and bunker expenses that are unique to a particular charter and which are paid by the charterer under the time charter arrangements or by the Partnership during periods of off-hire.

Revenues from contracts with customers include compensation from the charterer for services regarding the special survey of the vessels, as per the terms of the charter party agreement and are recognized in accordance with ASC 606, as the performance obligation is satisfied. During the years ended December 31, 2024, 2023 and 2022, revenues from contracts with customers were nil, \$11,602 and nil, respectively.

- (p) **Repairs and Maintenance:** All repair and maintenance expenses including underwater inspection costs are expensed in the period incurred. Such costs are included in vessel operating expenses in the accompanying consolidated statements of income.
- (q) **Earnings Per Unit:** As of December 31, 2024, the Partnership's capital structure consisted of common units, two separate classes of preferred units and a general partner interest. The incentive distribution rights are a separate class of non-voting interests that are currently held by the Partnership's General Partner but, subject to certain restrictions, may be transferred or sold apart from the General Partner's interest. The Partnership calculates basic earnings/ (loss) per each class of units by allocating period distributed and undistributed earnings/ (losses) to the General Partner, limited partners and incentive distribution rights holders using the two-class method and in accordance with the Partnership's Fourth Amended and Restated Limited Partnership Agreement dated October 23, 2018 (the "Limited Partnership Agreement"). Basic earnings/ (losses) per common unit are computed by allocating distributed and undistributed net income/ (losses) available to common unitholders, after subtracting the interest on the Partnership's net income/ (loss) of all classes of preferred unitholders, and the General Partner by the weighted average number of common units outstanding during the year. Any undistributed earnings for the period are allocated to the various unitholders based on the distribution waterfall for cash available for distribution specified in the Limited Partnership Agreement. Where distributions relating to the period are in excess of earnings, the surplus is also allocated according to the cash distribution model. Diluted earnings per common unit reflect the potential dilution that could occur if securities or other contracts to issue units were exercised, if any. The Partnership had no dilutive securities outstanding during the three-year period ended December 31, 2024.

DYNAGAS LNG PARTNERS LP

Notes to the Consolidated Financial Statements December 31, 2024

(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

- (r) **Segment Reporting:** The Partnership's vessel operations segment derives revenues from charterers under time charter agreements of its LNG vessels. The accounting policies of the vessel operations segment are the same as the Partnership's accounting policies. The Partnership's chief operating decision maker, or CODM, is the Chief Executive Officer. Although separate vessel financial information is available, the CODM internally evaluates the performance of the Partnership as a whole and not on the basis of each vessel or charters. In addition, Partnership's vessels regularly move between countries in international waters over many trade routes, it is neither practical nor meaningful to assign revenues or earnings from the transportation of international LNG by geographic area. As a result, the Partnership has determined that it has a single reportable segment.

The CODM measures performance based on the Partnership's overall return to the unitholders based on consolidated net income. The measure of segment assets is reported on the balance sheet as total consolidated assets. The CODM uses net income to evaluate segment assets in deciding whether to reinvest profits into the vessel operations segment or into other strategic activities, such as for acquisitions or to pay dividends.

Consolidated expense information presented within the Consolidated Statements of Income are considered to be significant expenses as they are important to our segment and regularly reported to the CODM.

For the year ended December 31, 2024, we derived our operating revenues from three charterers, each of whom, accounted for 39%, 34%, and 27% of our total revenues. For the year ended December 31, 2023, we derived our operating revenues from three charterers, each of whom, accounted for 41%, 43%, and 16% of our total revenues.

- (s) **Fair Value Measurements:** The Partnership follows ASC 820, "Fair Value Measurements and Disclosures", which defines and provides guidance for the measurement of fair value. This guidance creates a fair value hierarchy of measurement and indicates that, when possible, fair value is the price that would be received in the sale of an asset or the price that would be paid in the transfer of a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable data that are not corroborated by market data (Level 3). For example, the reporting entity's own data has a Level 3 priority because it is not or not yet observable or corroborated by market data. Observable market based inputs or unobservable inputs that are corroborated by market data are classified under Level 2 of the fair value hierarchy. Under the standard, fair value measurements would be separately disclosed by level within the fair value hierarchy. ASC 820 applies when assets or liabilities in the consolidated financial statements are to be measured at fair value, but does not require additional use of fair value beyond the requirements in other accounting principles.
- (t) **Commitments and Contingencies:** Commitments are recognized when the Partnership has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will likely be required to satisfy such obligation and a reliable estimate of the amount of such obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless there is a remote possibility of an outflow of resources embodying economic benefits. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable (Note 7).

DYNAGAS LNG PARTNERS LP**Notes to the Consolidated Financial Statements December 31, 2024****(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)****2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):**

- (u) **Accounting for Financial Instruments:** The principal financial assets of the Partnership consist of cash and cash equivalents, restricted cash, amounts due from related parties, other receivable, non-current, trade accounts receivable and a derivative financial instrument (interest rate swap). The principal financial liabilities of the Partnership consist of trade and other accounts payable, accrued liabilities, long-term debt, and amounts due to related parties. The Partnership may also consider, from time to time, entering into interest rate swap agreements to manage its exposure to fluctuations of interest rate risk associated with its borrowings. Derivative financial instruments are generally used to manage risk related to fluctuations of interest rates. ASC 815, “Derivatives and Hedging”, requires all derivative contracts to be recorded at fair value, as determined in accordance with ASC 820, Fair Value Measurements and Disclosures (Note 6). The changes in fair value of a derivative contract are recognized in earnings unless specific hedging criteria are met. At the inception of a hedge relationship, the Partnership formally designates and documents the hedge relationship with respect to hedge accounting, the risk management objective and the strategy undertaken for the hedge. The documentation includes identification of the hedging instrument, hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument’s effectiveness in offsetting exposure to changes in the hedged item’s cash flows attributable to the hedged risk. A cash flow hedge is the mitigation of risk exposure resulting from variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction that could affect profit or loss. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine whether they actually have been highly effective throughout the financial reporting periods for which they were designated. All derivatives are recorded on the balance sheet as assets or liabilities and measured at fair value. For derivatives designated as cash flow hedges, the effective portion of the changes in fair value of the derivatives is recorded in “Accumulated Other Comprehensive Income/ (Loss)” and subsequently recognized in earnings when the hedged items impact earnings.
- (v) **Derivative Financial Instruments:** The Partnership entered into an interest rate swap contract to manage its exposure to fluctuations of interest rate risks associated with its loan facility. The interest rate swap did not meet the applicable criteria for hedge accounting under ASC 815, including the criteria specific to a cash flow hedge, therefore the interest rate swap represents an economic hedge. As a result, interest paid or received under the respective undesignated swap agreement is recognized in Gain on derivative financial instrument (Note 11). The undesignated interest rate swap is recognized in the consolidated financial statements at its fair value, and the gain or loss from changes in the fair value are reported in earnings in the period in which those fair value changes occur in Gain on derivative financial instrument and any related cash settlements are classified under financing activities in the statement of cash flows.
- (w) **Going concern:** The Partnership’s policy is in accordance with ASC 205-40, “Presentation of Financial Statements-Going Concern”. ASC 205-40 provides U.S. GAAP guidance on management’s responsibility in evaluating whether there is substantial doubt about an entity’s ability to continue as a going concern and on related required footnote disclosures. For each reporting period, management is required to evaluate whether there are conditions or events that raise substantial doubt about a company’s ability to continue as a going concern within one year from the date the consolidated financial statements are issued.
- (x) **Sale and Leaseback Transactions:** In accordance with ASC 842, the Partnership, as seller-lessee, determines whether the transfer of an asset should be accounted for as a sale in accordance with ASC 606. The existence of an option for the seller-lessee to repurchase the asset precludes the accounting for the transfer of the asset as a sale unless both of the following criteria are met: (1) the exercise price of the option is the fair value of the asset at the time the option is exercised and (2) there are alternative assets, substantially the same as the transferred asset, readily available in the marketplace; and the classification of the leaseback as a finance lease or a sales-type lease, precludes the buyer-lessor from obtaining control of the asset. If the transfer of the asset meets the criteria of sale, the Partnership, as seller-lessee recognizes the transaction price for the sale when the buyer-lessor obtains control of the asset, derecognizes the carrying amount of the underlying asset and accounts for the lease in accordance with ASC 842. If the transfer does not meet the criteria of sale, the Partnership does not derecognize the transferred asset, accounts for any amounts received as a financing arrangement and recognizes the difference between the amount of consideration received and the amount of consideration to be paid as interest.

DYNAGAS LNG PARTNERS LP

Notes to the Consolidated Financial Statements December 31, 2024

(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

- (y) **European Union's Emissions Trading System:** Commencing January 1, 2024, the European Union's Emissions Trading System ("EU ETS") was extended to cover Carbon dioxide ("CO₂") emissions from ships over 5,000 gross tons entering EU ports. The EU ETS covers (a) 50% of emissions from voyages either starting in or ending in an EU port, and (b) 100% of emissions from voyages between two EU ports or emissions generated while a ship is within an EU port. Shipping companies will have to surrender EU ETS emissions allowances ("EUA") for each ton of reported CO₂ emissions in the scope of the EU ETS. There is a phase-in period for the regulations, as allowances will have to be submitted for 40% of 2024 emissions, 70% of 2025 emissions and 100% of emissions for 2026 and subsequent years. Beginning in 2026, the scope of the EU ETS will also be expanded to include Methane ("CH₄") and Nitrus oxide ("N₂O").

The value of the EUAs to be provided to the Partnership under the terms of its agreements with the charterers of its vessels is included in Voyage revenues in the Consolidated Statements of Income. The value of the EUA obligations incurred by the Partnership under the EU ETS is included in Voyage expenses in the Consolidated Statements of Income. The EUAs and corresponding obligations are measured at the estimated cost of purchasing the credits from the EUA market, based on the date of completing a voyage. Unfunded EUAs obligations are revalued based upon a market approach utilizing prices published on an EUA market index. For the year ended December 31, 2024, the Partnership recorded EUAs amounting to \$3,071 under Voyage revenues, and an equal amount under Voyage expenses.

EUAs held by the Partnership and receivable from the charterers are intended to be used to settle its EUA obligations and are accounted within Prepayments and other assets. EUAs relating to 2024 emissions are required to be surrendered to the EU authorities in September 2025. This obligation is presented within Accrued liabilities and other payables if settlement to the EU is due within twelve months of the reporting date, and within Other non-current liabilities if settlement is due after twelve months of the reporting date.

- (z) **Re-purchase and Retirement of Partnership's Common Units:** All Partnership's common shares re-purchased are immediately cancelled and retired, and the Partnership's share capital is accordingly reduced. The excess of the cost of the common shares over their par value is allocated in additional paid-in capital.

Recent Accounting Pronouncements Adopted

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The guidance expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly reviewed by the CODM and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. The guidance also allows, in addition to the measure that is most consistent with U.S. GAAP, the disclosure of additional measures of segment profit or loss that are used by the CODM in assessing segment performance and deciding how to allocate resources. The adoption of ASU 2023-07 had no material impact on the Partnership's consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

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 require more detailed disclosure about specified categories of expenses (including employee compensation, depreciation, and amortization) included in certain expense captions presented on the face of the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Partnership is currently assessing the impact this standard will have on its consolidated financial statements.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

3. Transactions with related parties:

During the years ended December 31, 2024, 2023 and 2022, the Partnership incurred the following charges in connection with related party transactions, which are included in the accompanying consolidated statements of income:

	Years ended December 31,		
	2024	2023	2022
Included in voyage expenses – related party			
Charter hire commissions (a)	\$ 1,983	\$ 1,860	\$ 1,632
Included in general and administrative expenses – related party			
Executive services fee (d)	\$ 583	\$ 581	\$ 568
Administrative services fee (e)	\$ 120	\$ 120	\$ 120
Management fees-related party			
Management fees (a)	\$ 6,599	\$ 6,389	\$ 6,203

As of December 31, 2024, and December 2023, balances with related parties consisted of the following:

	Year ended December 31,	
	2024	2023
Assets:		
Working capital advances granted to the Manager (a)	\$ 1,189	\$ —
Security deposits to Manager (a)	\$ 1,350	\$ 1,350
Total assets due from related party	\$ 2,539	\$ 1,350
Liabilities included in Due to related party:		
Working capital due to Manager (a)	\$ —	\$ 615
Executive service charges due to Manager (d)	\$ —	\$ 143
Administrative service charges due to Manager (e)	\$ 30	\$ 30
Other Partnership expenses due to Manager	\$ 669	\$ 767
Total liabilities due to related party, current	\$ 699	\$ 1,555

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

3. Transactions with related parties (continued):

a) Dynagas Ltd.

The Partnership's vessels originally entered into vessel management agreements with Dynagas Ltd., the Partnership's Manager (the "Management Agreements"), which terminated on December 31, 2020. Pursuant to the terms of these Management Agreements, the Manager provides each vessel-owning entity or each entity of the Partnership that controls LNG carriers purchased or chartered in with management services, including, but not limited to, commercial, technical, crew, accounting and vessel administrative services in exchange for an initial fixed daily management fee of \$2.5 per vessel, for a period beginning upon the vessel's delivery until the termination of the Management Agreement. Beginning on the first calendar year after the commencement of each vessel's Management Agreement and each calendar year thereafter, these fees are adjusted upwards by 3% until expiration of each Management Agreement.

On March 3, 2021, the Partnership entered into a new master management agreement (the "Master Agreement") with Dynagas Ltd. (the "Manager"), which amends and supersedes the previous Management Agreements and reduces the technical management fees payable from \$3,167 per day per vessel to \$2,750 per day per vessel commencing on January 1, 2021. Beginning on the first calendar year after the commencement of Master Agreement and each calendar year thereafter, these fees are adjusted upwards by 3%, subject to further annual increases to reflect material unforeseen costs of providing the management services. The amount of such further-increase is to be agreed between the Partnership and the Manager, which amount will be reviewed and approved by the Partnership's Conflicts Committee. Under the terms of the Master Agreement, the Manager charges the Partnership for any additional capital expenditures, financial costs, operating expenses and general and administrative expenses that are not covered by the management fees.

The Master Agreement initially terminates on December 31, 2030 and upon expiration, automatically extends in additional five-year increments if notice of termination is not previously provided by the Partnership's vessel-owning subsidiaries. In the event the Master Agreement is terminated for any reason other than default by the Manager, the applicable management fee under the Master Agreement shall continue to be payable for a further period of six months as from the effective date of such termination.

The Manager may also terminate the Master Agreement in the event that the Partnership undergoes a change of control, in which case, subject to and pursuant to the terms of the Master Agreement, the Partnership would be required to pay to the Manager an amount equal to the net present value calculated at a discount rate of 5% per annum of the total aggregate management fees payable from the date of such termination to June 30th in the tenth year following the date of termination based on the number of Vessels managed at the date of termination (as contemplated under the Master Agreement).

During the years ended December 31, 2024, 2023 and 2022, each vessel was charged a daily management fee of \$3.0, \$2.9 and \$2.8, respectively. During the years ended December 31, 2024, 2023 and 2022, management fees under the Master Agreement and the previous vessel Management Agreements amounted to \$6,599, \$6,389 and \$6,203 respectively, and are separately reflected in the accompanying consolidated statements of income.

The Master Agreement and the previous Management Agreements also provide for a commission of 1.25% over charter-hire agreements arranged by the Manager. During the years ended December 31, 2024, 2023 and 2022, charter hire commissions under the Management Agreements amounted to \$1,983, \$1,860 and \$1,632, respectively, and are included in Voyage expenses-related party in the accompanying consolidated statements of income.

The Master Agreement and the previous Management Agreements also provide for an advance equal to three months daily management fee. In the case of termination of the Master Agreement prior to its ten year term, by any reason other than Manager's default, the advance is not refundable. Such advances as of December 31, 2024 and 2023, amounted to \$1,350, and are separately reflected in Non-Current Assets as Due from related party in the accompanying consolidated balance sheets.

In addition, the Manager makes payments for operating expenses with funds provided by the Partnership. As of December 31, 2024 and 2023, an amount of \$1,189 was due from the Manager and an amount of \$615 was due to the Manager in relation to these operating expenses respectively.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

3. Transactions with related parties (continued):

(b) Loan from related party

On November 18, 2013, upon the completion of its IPO, the Partnership entered into the \$30 million Sponsor Facility with an original term of five years from the closing date, to be used for general Partnership purposes, including working capital.

The \$30 million Sponsor Facility was extended on November 14, 2018, for an additional term of five years on terms and conditions identical to the initial credit facility (the “\$30 million Extended Sponsor Facility”). The \$30 million Extended Sponsor Facility could be drawn and be prepaid in whole or in part at any time during the life of the facility, which ended in November 2023. No amounts had been drawn under the respective facility as of December 31, 2024 and 2023.

(c) Optional Vessel acquisitions from Sponsor/ Omnibus Agreement

At the IPO date, the Partnership and its Sponsor entered into the Omnibus Agreement, as amended and as currently in effect. The amended Omnibus Agreement sets out (i) the terms and the extent the Partnership and the Sponsor may compete with each other, (ii) the procedures to be followed for the exercise of the Partnership’s option to acquire the Optional Vessels (as defined in the Omnibus Agreement), (iii) certain rights of first offer to the Sponsor for the acquisition of LNG carriers from the Partnership, and (iv) the Sponsor’s provisions of certain indemnities in favor of the Partnership. The purchase option periods with regards to the Optional Vessels that were not exercised, have expired unexercised.

(d) Executive Services Agreement

On March 21, 2014, the Partnership entered into an executive services agreement (the “Executive Services Agreement”) with its Manager with retroactive effect from the IPO closing date, pursuant to which the Manager provides the Partnership the certain services of its executive officers, who report directly to the Board of Directors. Under the Executive Services Agreement, the Manager is entitled to an executive services fee of €538,000 per annum (or \$583 on the basis of an annual average Euro/US Dollar exchange rate of €1.0000/\$1.0840 as of December 31, 2024), payable in equal monthly installments. The Executive Services Agreement had an initial term of five years and, on November 18, 2018, was automatically renewed for successive five year terms, unless terminated earlier. During the years ended December 31, 2024, 2023 and 2022, executive service fees amounted to \$583, \$581 and \$568, respectively, and are included in general and administrative expenses in the accompanying consolidated statements of income.

(e) Administrative Services Agreement

On December 30, 2014 and with effect from the IPO closing date, the Partnership entered into an administrative services agreement (the “Administrative Services Agreement”) with its Manager, according to which the Partnership is provided with certain financial, accounting, reporting, secretarial and information technology services, for a monthly fee of \$10, plus expenses, payable in quarterly installments. The Administrative Services Agreement can be terminated upon 120 days’ notice granted either by the Partnership’s Board of Directors or by its Manager. During the years ended December 31, 2024, 2023 and 2022, administrative service fees amounted to \$120 for each year and are included in general and administrative expenses – related party in the accompanying consolidated statements of income.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

4. Vessels, net:

The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	Vessel Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2021	\$ 1,167,909	\$ (314,719)	\$ 853,190
Additions	3,721	—	3,721
Depreciation	—	(31,806)	(31,806)
Balance December 31, 2022	\$ 1,171,630	\$ (346,525)	\$ 825,105
Additions	4,204	—	4,204
Depreciation	—	(31,946)	(31,946)
Balance December 31, 2023	\$ 1,175,834	\$ (378,471)	\$ 797,363
Depreciation	—	(32,151)	(32,151)
Balance December 31, 2024	\$ 1,175,834	\$ (410,622)	\$ 765,212

During the year ended December 31, 2023, the Partnership installed a ballast water treatment system (“BWTS”), on three of its vessels. The cost of the BWTS in the year ended December 31, 2023, amounted to \$4,204. The cost of the BWTS was accounted as major improvement and was capitalized to vessels’ cost and will be depreciated over the remaining useful life of each vessel. Amounts paid for the additions are included in “Ballast water treatment system installation” under “Cash flows used in investing activities” in the consolidated statements of cash flows.

5. Long-Term Debt and Other Financial Liabilities:

The amounts shown in the accompanying consolidated balance sheets are analyzed as follows:

	Year Ended December 31,	
Debt instruments	2024	2023
Long-term debt and other financial liabilities	322,891	420,642
Total debt	\$ 322,891	\$ 420,642
Less deferred financing fees	(2,174)	(1,058)
Total debt, net of deferred finance costs	\$ 320,717	\$ 419,584
Less current portion, net of deferred financing fees	\$ (43,644)	\$ (419,584)
Long-term debt, net of current portion and deferred financing fees	\$ 277,073	\$ —

\$675 Million Senior Secured Term Loan Facility (\$675 Million Credit Facility)

On September 18, 2019, Fareastern Shipping Limited, Pegasus Shipholding S.A., Lance Shipping S.A., Seacrown Maritime Ltd., Navajo Marine Limited and Solana Holding Ltd., wholly owned by the Partnership, as co-borrowers, entered into a syndicated \$675.0 million senior secured term loan, the \$675 Million Credit Facility, with leading international banks. On September 25, 2019, the amount of \$675.0 million was drawn under the \$675 Million Credit Facility and the Partnership repaid in full the indebtedness outstanding under the \$480 Million Senior Secured Term Loan Facility of \$470.4 million. On October 30, 2019, the remaining amount of \$204.6 million plus cash on hand was used to repay the \$250 Million Senior Unsecured Notes due in 2019.

On April 6, 2022, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) designated Amsterdam Trade Bank NV (“ATB”) as a Specially Designated National (“SDN”) pursuant to Executive Order 14024. ATB was among several lenders to the Partnerships’ \$675 Million Credit Facility. On April 22, 2022, ATB was declared bankrupt by the District Court of Amsterdam whereby the court appointed certain bankruptcy trustees (“Bankruptcy Trustees”). On July 12, 2022 the Department of the Treasury (Washington, D.C. 20220) issued License No. RUSSIA-EO14024-2022-921484-1 to the Bankruptcy Trustees which authorized the Bankruptcy Trustees to engage in all transactions ordinarily incident and necessary to the wind down of transactions with ATB. (“Specific License”).

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

5. Long-Term Debt and Other Financial Liabilities (continued):

On October 11, 2022, and pursuant to the Specific License, the Partnership and all Lenders of the \$675 Million Credit Facility (including the Bankruptcy Trustees on behalf of ATB) entered into a Supplemental Agreement to the \$675 Million Credit Facility and a Deed of Retirement. Pursuant to their terms, among other things:

- (i) the Partnership made a voluntary prepayment of \$18,730, which was effected on October 12, 2022 and applied in prepayment of the entire participation of ATB to the \$675 Million Credit Facility, including all principal, interest, and costs owing by the Partnership as borrower to ATB;
- (ii) the principal amount of \$2,195 due to ATB that was not paid, was waived and forgiven;
- (iii) ATB was retired as Arranger and as Lender under the \$675 Million Credit Facility;
- (iv) an amount equal to the prepayment amount was released from the Cash Collateral Account in order to make the prepayment to ATB referred to above; and
- (v) the Agent will apply to the relevant Sanctions Authority in the United States for the return to the Partnership of the amount which was paid by the Partnership to the Agent between March 2022 and September 2022 in relation to the principal and interest repayments for ATB and which are currently blocked by the Agent due to the application of Sanctions.

On the date of repayment, the Partnership recognized a gain on debt extinguishment of \$2,072 in the Consolidated Statements of Income according to the debt extinguishment guidance of ASC 470-50 “Debt Modifications and Extinguishments.” The gain on debt extinguishment of \$2,072 resulted from: a) the gain in relation to the principal amount of \$2,195 which was waived and forgiven further to the Deed of Retirement, as mentioned above, and b) the write-off of the amount of \$123 of unamortized debt discounts attributable to the debt of ATB.

The amount of \$1,789 which was paid by the Partnership to the Agent between March 2022 and September 2022 in relation to the principal and interest repayments for ATB (“Blocked Funds”) and which is currently blocked by the Agent due to the application of Sanctions, is included in Other receivables, non- current in the Consolidated Balance Sheets. The Partnership considers the Blocked Funds to be recoverable following the issuance of the license by OFAC for the release of the Blocked Funds by the Agent.

On March 27, 2023, the Partnership obtained approval from all Lenders of the \$675 Million Credit Facility for the following:

- (i) to make a voluntary prepayment of \$31.3 million, which was effected on March 27, 2023, following the release of the funds standing to the credit of the Cash Collateral Account, which was presented as Non- current Restricted Cash in the Consolidated Balance Sheet as of December 31, 2022. This amount was applied in inverse order of maturity of the \$675 Million Credit Facility by reducing the balloon payment; and
- (ii) the removal of the requirement for the maintenance of \$31.3 million in the Cash Collateral Account.

On the date of prepayment of the \$31.3 million, the Partnership recognized a loss on debt extinguishment of \$154 in the Consolidated Statements of Income according to the debt extinguishment guidance of ASC 470-50 “Debt Modifications and Extinguishments”. The loss on debt extinguishment of \$154 resulted from: the write-off of the unamortized debt discounts attributable to the portion of the \$675 Million Credit Facility that was extinguished.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

5. Long-Term Debt and Other Financial Liabilities (continued):

On June 26, 2023, the Partnership and all Lenders of the \$675 Million Credit Facility entered into a Supplemental Agreement to the \$675 Million Credit Facility (“the Second supplemental agreement”). Pursuant to its’ terms, among other things:

- (i) the abovementioned prepayment was incorporated in the security documents; and
- (ii) the rate of interest was amended in order to reflect the transition to a risk-free rate.

Other Financial Liabilities - Sale and Leaseback Transactions

CDBL Sale and Leaseback (Failed Sale)

On June 19, 2024, the Partnership entered into sale and leaseback agreements with China Development Bank Financial Leasing Co. Ltd. (“CDBL”) for four of its vessels, the *OB River*, the *Clean Energy*, the *Amur River*, and the *Arctic Aurora* (“the *Four Vessels*”) for the amounts of \$71,175, \$53,625, \$73,125 and \$147,050, respectively (the “Lease Financing”). On June 27, 2024, the Partnership utilized the proceeds from the Lease Financing, together with \$63,667 of its own funds, to fully repay its \$675 Million Credit Facility. The Partnership sold and chartered back on a bareboat basis from CDBL, the *OB River*, the *Clean Energy* and the *Amur River* for a period of five years, and the *Arctic Aurora* for a period of ten years. The applicable interest rate is 3-month term SOFR plus a margin. Following the first anniversary of the bareboat charter, the Partnership has the option at any time to repurchase each vessel at predetermined prices as set forth in each respective agreement. At the end of the bareboat period, the Partnership has the obligation to repurchase the vessels at a price equal to the 20% of the financing amount for the *OB River*, the *Clean Energy* and the *Amur River* and the 15% of the financing amount for the *Arctic Aurora*.

Under ASC 842-40, the transaction was accounted for as a financial liability, as control remains with the Partnership and the Four Vessels will continue to be recorded as assets on the Partnership’s balance sheet. The Partnership is required to maintain at all times a value maintenance ratio of at least 120% of the charterhire principal. The charterhire principal amortizes in 20 consecutive quarterly installments paid in arrears for the *OB River*, the *Clean Energy* and the *Amur River* and 40 consecutive quarterly installments paid in arrears for the *Arctic Aurora*. The total charterhire principal as of December 31, 2024 was \$322,891.

As of December 31, 2024, the Partnership was in compliance with all financial covenants and non-financial covenants prescribed in CDBL Sale and Leaseback agreements.

The annual principal payments for the Partnership’s outstanding Lease Financing as at December 31, 2024, required to be made after the balance sheet date were as follows:

Year ending December 31,	Amount
2025	\$ 44,167
2026	44,167
2027	44,167
2028	44,167
Thereafter	146,223
Total long-term debt and other financial liabilities	\$ 322,891

The weighted average interest rate on the Partnership’s long-term debt and other financial liabilities for the years ended December 31, 2024, 2023 and 2022, was 7.86%, 8.07% and 4.65%, respectively.

Total interest incurred on long-term debt and other financial liabilities for the years ended December 31, 2024, 2023 and 2022, amounted to \$30,040, \$37,387 and \$25,661, respectively, and is included in Interest and finance costs (Note 10) in the accompanying consolidated statements of income.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

6. Fair Value Measurements:

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

- **Cash and cash equivalents, trade accounts receivable, amounts due from/to related parties and trade accounts payable:** The carrying values reported in the accompanying consolidated balance sheets for those financial instruments (except for the fair value of non-current portion of amounts due from related party) are considered Level 1 items as they represent liquid assets and liabilities with short-term maturities and are reasonable estimates of their fair values. The carrying value of these instruments is separately reflected in the accompanying consolidated balance sheets. The fair value of the non-current portion of the amounts due from related parties and other receivables, non-current, determined through Level 3 inputs of the fair value hierarchy by discounting future cash flows using the Partnership's estimated cost of capital of 6.121%, is \$945 as of December 31, 2024, compared to their carrying value of \$1,350 as of the same date.
- **Long-term debt:** The CDBL Sale and Leaseback discussed in Note 5 has an approximate recorded value due to the variable interest rate payable and is thus considered a Level 2 item in accordance with the fair value hierarchy as SOFR rates are observable at commonly quoted intervals for the full terms of the loans. The fair value of the CDBL Sale and Leaseback approximates its recorded value, due to its variable interest rates.
- **Derivative financial instrument:** Derivative instruments are recorded at their fair value on a recurring basis. These fair values are determined through Level 2 inputs of the fair value hierarchy, which are derived principally from interest rates, yield curves and other items that allow values to be determined.

A fair value hierarchy that prioritizes the inputs used to measure fair value has been established by Generally Accepted Accounting Principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data; and
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the determination of the fair value of the assets or liabilities.

The following table summarizes the hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique on a recurring basis as of the valuation date.

Recurring measurements:	Significant Other Observable Inputs (Level 2)	
	December 31, 2024	December 31, 2023
Interest rate swaps	—	\$ 15,631

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

7. Commitments and Contingencies:

(a) Long-term leases:

The Partnership employs its vessels under time charter contracts. Certain of its time charters provide for variable lease payments, escalating lease payments, charterers' options to extend the lease terms, termination clauses and charterers' options to purchase the underlying assets. The Partnership, in order to calculate future minimum contracted lease payments, has assessed all the relevant factors that create an economic incentive for the lessee to be reasonably certain to exercise lease renewal, termination or purchase options.

As at December 31, 2024, two of the Partnership's time charters contain escalating lease payments and two of its time charters contain both fixed lease and variable lease payments. The variable lease payments relate to services and executory costs (the "Opex Lease Element"). The Opex Lease Element is determined on a cost pass through basis on the vessel's actual operating expenses for each applicable year. Under time charters, the vessels are employed for a specific period of time in accordance with the terms of each agreement. Normally, the charterer has the option to redeliver the vessel to the owner in a period that varies a few days more or less from the contractual termination date. For certain of its time charters, the Partnership has provided to its charterers, the option to extend the lease term for additional periods under the same or different terms. The options are exercised close to the original termination dates.

Specifically, as at December 31, 2024 under two of its time charters, the charterer has the option to extend the original lease term by three consecutive periods of five years, the first declared at the original termination date and each of the two remaining at or close to the termination of each option period. Certain time charters are subject to the satisfaction of important conditions, which, if not satisfied, or waived by the charterer, may result in their cancellation or amendment and in such case the Partnership may not receive the contracted revenues thereunder.

The Partnership assessed the respective termination clauses and concluded that the lease term is not affected. In addition, under certain time charters and, upon certain circumstances triggering a sanctions event, as defined therein, the charterers have the option to purchase the vessels unless the Partnership can remediate such event.

The Partnership's maturity analysis of future minimum contracted lease payments (excluding variable lease payments) under its non-cancelable long-term time charter contracts, as of December 31, 2024, gross of brokerage commissions, without taking into consideration any assumed off-hire days (including those arising out of periodical class survey requirements), is as analyzed below:

<u>Year ending December 31,</u>	<u>Amount</u>
2025	142,128
2026	145,268
2027	144,252
2028	93,247
2029 and thereafter	357,380
Total	\$ 882,275

(b) Legal Proceedings:

Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Partnership's vessels.

Currently, management is not aware of any such claims not covered by insurance or contingent liabilities which should be disclosed (other than that referred below) or for which a provision should be established in the accompanying consolidated financial statements. The Partnership accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is then able to reasonably estimate the probable exposure. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements. The Partnership is covered in the event of any liabilities associated with the individual vessels' actions up to the maximum limits as provided for by the Protection and Indemnity (P&I) Clubs, members of the International Group of P&I Clubs.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

7. Commitments and Contingencies (continued):

(c) Technical and Commercial Management Agreement:

As further disclosed in Note 3, the Partnership has contracted with Dynagas Ltd. for the provision of commercial, administrative and technical management of its vessels pursuant to the Master Agreement.

- a) For the commercial services provided under the Master Agreement, the Partnership pays a commission of 1.25% over the charter-hire revenues arranged by the Manager, which will survive the termination of the agreement until the termination of each charter party in force at such time. The estimated commission payable to the Manager over the minimum contractual charter revenues, discussed under (a) above, is \$11,028.
- b) Management fees for the period from January 1, 2025 to the date of the expiration of the agreements on December 31, 2030, adjusted for the 3% annual inflation in accordance with the terms of the Management Agreements, are estimated to amount to \$43,866.

8. Partners' Equity:

Series A Preferred Units:

On July 20, 2015, the Partnership concluded an underwritten public offering of 3,000,000 9% Series A Preferred Units, representing limited partner interests in the Partnership, at a liquidation preference of \$25.00 per unit. The Partnership received \$72.3 million of proceeds from this offering, net of the \$2.4 million underwriting discount of and incurred offering expenses of \$0.3 million.

Series B Preferred Units:

On October 23, 2018, the Partnership concluded the underwritten public offering of 2,200,000 Series B Preferred Units, representing limited partner interests in the Partnership, at a liquidation preference of \$25.00 per unit. The Partnership received net proceeds of \$53.0 million from this offering, after deducting underwriters' discounts and commissions and offering expenses, which amounted to \$2.0 million.

Concurrently with the conclusion of the Series B Preferred Units Public Offering, the Partnership entered into the Limited Partnership Agreement in order to, among others, conform its provisions to the terms and provisions related to the issuance of the Series B Preferred Units and to remove references to subordinated units and subordinated period that are no longer in effect.

As of December 31, 2024, the Partnership had 36,747,129 common units, 15,595,000 of which are owned by the Sponsor, 3,000,000 Series A Preferred Units, 2,200,000 Series B Preferred Units and 35,526 general partner units issued and outstanding.

Common and General Partner unit distribution provisions:

The Partnership pays distributions in the following manner:

- *first*, 100% to the holders of common units and to the General Partner in accordance with their relative percentage interests, until the distributed amount in respect of each common unit equals the minimum quarterly distribution; and
- *second*, 100% to the holders of common units and to the General Partner in accordance with their relative percentage interests, until each unit has received an aggregate distribution of a specified dollar amount.

DYNAGAS LNG PARTNERS LP

Notes to the Consolidated Financial Statements December 31, 2024

(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

8. Partners' Equity (continued):

The percentage allocations of available cash from operating surplus among the common unitholders, the General Partner and the holders of the incentive distribution rights up to the various target distribution levels are illustrated below. The percentage interests shown for the common unitholders, the General Partner and the holders of the incentive distribution rights for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests shown for our General Partner include its 0.1% General Partner interest only and assumes that our General Partner has contributed any capital necessary to maintain its 0.1% General Partner interest. Under the Limited Partnership Agreement, the holder of the incentive distribution rights in the Partnership, which is currently the General Partner, has the right to receive an increasing percentage of cash distributions after the first target distribution level.

	Total Quarterly Distribution Target Amount	Unitholders	General Partner	Holders of IDRs
Minimum Quarterly Distribution	\$0.365	99.9 %	0.1 %	0.0 %
First Target Distribution	up to \$0.420	99.9 %	0.1 %	0.0 %
Second Target Distribution	above \$0.420 up to \$0.456	85.0 %	0.1 %	14.9 %
Third Target Distribution	Above \$0.456 up to \$0.548	75.0 %	0.1 %	24.9 %
Thereafter	above \$0.548	50.0 %	0.1 %	49.9 %

Preferred Units distribution and redemption provisions:

Distributions on the Series A Preferred Units are cumulative from the date of original issue and are payable quarterly on February 12, May 12, August 12 and November 12, of each year, when, as and if declared by the Partnership's Board of Directors out of amounts legally available for such purpose. Distributions are payable at a distribution rate of 9.00% per annum of the stated liquidation preference.

Any time on or after August 12, 2020, the Series A Preferred Units may be redeemed, in whole or in part, at the Partnership's option, out of amounts legally available for such purpose, at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption, whether or not declared. No Series A Preferred Units were redeemed as of December 31, 2024 and 2023.

Distributions on the Series B Preferred Units are cumulative from the date of original issue and are payable quarterly on February 22, May 22, August 22 and November 22, of each year, when, as and if declared by the Partnership's Board of Directors out of amounts legally available for such purpose. Furthermore, distributions on the Series B Preferred Units are payable (i) from and including the original issue date to, but excluding, November 22, 2023 at a fixed rate equal to 8.75% per annum of the stated liquidation preference per unit and (ii) from and including November 22, 2023 at a floating rate equal to the Term Secured Overnight Financing Rate for the applicable three month tenor published by the Chicago Mercantile Exchange plus the Credit Adjusted Three-Month CME Term SOFR plus a spread of 5.593% per annum of the stated liquidation preference per unit.

At any time on or after November 22, 2023, the Series B Preferred Units may be redeemed, in whole or in part, at the Partnership's option, out of amounts available for such purpose, at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption, whether or not declared.

DYNAGAS LNG PARTNERS LP

Notes to the Consolidated Financial Statements December 31, 2024

(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

8. Partners' Equity (continued):

The Series A Preferred Units and the Series B Preferred Units represent perpetual equity interests in the Partnership, unlike the Partnership's indebtedness, do not give rise to a claim for payment of a principal amount at a particular date. The Series A Preferred Units rank pari passu with the Series B Preferred Units. Both the Series A Preferred Units and the Senior B Preferred Units rank senior to the Partnership's common units and to each other class or series of limited partner interests or other equity established after the original issue date of the Series A Preferred Units and the Series B Preferred Units that is not expressly made senior to or on a parity with the Series A Preferred Units and the Series B Preferred Units as to payment of distributions. The Series A Preferred Units and the Series B Preferred Units are rank junior to all of the Partnership's existing and future indebtedness. The interests of the holders of Series A Preferred Units or Series B Preferred Units could be diluted by the issuance of additional preferred units, including additional Series A Preferred units or Series B Preferred Units, and by other transactions.

Common unit distributions:

On November 21, 2024, the Board of Directors approved a quarterly cash distribution, for the quarter ended September 30, 2024, of \$0.049 per common unit, which was paid on December 12, 2024, to all unitholders of record as of December 9, 2024. No quarterly cash distributions to Common unitholders were made with respect to the year ended December 31, 2023.

Series A Preferred unit distributions:

On January 19, 2024, the Partnership's Board of Directors declared a cash distribution of \$0.5625 per unit on its Series A Preferred Units for the period from November 12, 2023 to February 11, 2024. The cash distribution was paid on February 12, 2024, to all Series A preferred unitholders of record as of February 5, 2024.

On April 19, 2024, the Partnership's Board of Directors declared a cash distribution of \$0.5625 per unit on its Series A Preferred Units for the period from February 12, 2024 to May 11, 2024. The cash distribution was paid on May 13, 2024, to all Series A preferred unitholders of record as of May 6, 2024.

On July 19, 2024, the Partnership's Board of Directors declared a cash distribution of \$0.5625 per unit on its Series A Preferred Units for the period from May 12, 2024 to August 11, 2024. The cash distribution was paid on August 12, 2024, to all Series A preferred unitholders of record as of August 5, 2024.

On October 21, 2024, the Partnership's Board of Directors declared a cash distribution of \$0.5625 per unit on its Series A Preferred Units for the period from August 12, 2024 to November 11, 2024. The cash distribution was paid on November 12, 2024, to all Series A preferred unitholders of record as of November 5, 2024.

Series B Preferred unit distributions:

On January 31, 2024, the Partnership's Board of Directors declared a cash distribution of \$0.71764025 per unit on its Series B Preferred Units for the period from November 22, 2023 to February 21, 2024. The cash distribution was paid on February 22, 2024, to all Series B preferred unitholders of record as of February 14, 2024.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

8. Partners' Equity (continued):

Series B Preferred unit distributions: (continued)

On April 29, 2024, the Partnership's Board of Directors declared a cash distribution of \$0.698533750 per unit on its Series B Preferred Units for the period from February 22, 2024 to May 21, 2024. The cash distribution was paid on May 22, 2024, to all Series B preferred unitholders of record as of May 15, 2024.

On July 26, 2024, the Partnership's Board of Directors declared a cash distribution of \$0.714537806 per unit on its Series B Preferred Units for the period from May 22, 2024 to August 21, 2024. The cash distribution was paid on August 22, 2024, to all Series B preferred unitholders of record as of August 15, 2024.

On October 31, 2024, the Partnership's Board of Directors declared a cash distribution of \$0.69999031 per unit on its Series B Preferred Units for the period from August 22, 2024 to November 21, 2024. The cash distribution was paid on November 22, 2024, to all Series B preferred unitholders of record as of November 15, 2024.

General Partner Distributions:

During the years ended December 31, 2024 and 2023, the Board of Directors approved a quarterly cash distribution to its General Partner and holder of the incentive distribution rights in the Partnership, of an amount of \$2 and nil, respectively.

Common units repurchase program:

On November 21, 2024, the Partnership's Board of Directors authorized the repurchase of up to an aggregate of \$10 million of the Partnership's outstanding common units over the next 12 months (the "Common Unit Repurchase Program"). Repurchases of common units under the Common Unit Repurchase Program may be made, from time to time, in privately negotiated transactions, in open market transactions, or by other means, including through trading plans intended to qualify under Rule 10b - 18 and/or Rule 10b5 - 1 of the U.S. Securities Exchange Act of 1934, as amended. The amount and timing of any repurchases made under the Common Unit Repurchase Program will be in the sole discretion of the Partnership's management team, and will depend on a variety of factors, including legal requirements, market conditions, other investment opportunities, available liquidity, and the prevailing market price of the common units. The Program does not obligate the Partnership to repurchase any dollar amount or number of common units, and the Common Unit Repurchase Program may be suspended or discontinued at any time at the Partnership's discretion. During the year ended December 31, 2024, the Partnership repurchased 55,118 common units for a total amount of \$247.

9. Earnings per Unit:

The Partnership calculates earnings per unit by allocating distributed and undistributed net income for each period to common and general partner units, after adjusting for the effect of preferred distributions, only to the extent that they are earned.

Any undistributed earnings for the period are allocated to the various unitholders based on the distribution waterfall for cash available for distribution specified in the Limited Partnership Agreement, as generally described in Note 8 above. Where distributions relating to the period are in excess of earnings, the deficit is also allocated according to the cash distribution model. The sum of the distributed amounts and the allocation of the undistributed earnings or deficit to each class of unitholders is divided by the weighted average number of units outstanding during the period. Diluted earnings per unit, if applicable, reflects the potential dilution that could occur if potentially dilutive instruments were exercised, resulting in the issuance of additional units that would then share in the Partnership's net earnings. The Partnership had no dilutive instruments in the years ended December 31, 2024, 2023 and 2022.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

9. Earnings per Unit (continued):

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

	Year ended December 31,		
	2024	2023	2022
Partnership's Net income	\$ 51,591	\$ 35,872	\$ 54,010
Less:			
Net Income attributable to preferred unitholders	12,978	11,563	11,563
General Partner's interest in Net Income	38	24	42
Net income attributable to common unitholders	\$ 38,575	\$ 24,285	\$ 42,405
Weighted average number of common units outstanding, basic and diluted	36,799,490	36,802,247	36,802,247
Earnings per common unit, basic and diluted	\$ 1.05	\$ 0.66	\$ 1.15

10. Interest and Finance Costs:

The amounts in the accompanying consolidated statements of income are analyzed as follows:

	Year ended December 31,		
	2024	2023	2022
Interest expense (Note 5)	\$ 30,040	\$ 37,387	\$ 25,661
Amortization of deferred financing fees	1,022	1,667	2,032
Other	114	156	218
Total	\$ 31,176	\$ 39,210	\$ 27,911

11. Derivative financial instrument:

On May 7, 2020, the Partnership entered into a floating to fixed interest rate swap transaction for the purpose of managing its exposure to LIBOR variability that the Partnership has under the \$675 Million Credit Facility. The swap transaction, which is effective from June 29, 2020, provides for a fixed 3-month LIBOR rate of 0.41% based on notional values that reflect the amortization schedule of 100% of the Partnership's debt outstanding under its \$675 Million Credit Facility, until the \$675 Million Credit Facility matures in September 2024. The swap agreement did not meet hedge accounting criteria and, therefore, changes in its fair value are reflected in earnings. On June 21, 2023 the Partnership signed an agreement with its counterparty for the replacement of the abovementioned fixed 3-month LIBOR rate with the fixed 3-month SOFR rate due to the discontinuation of the LIBOR.

The swap agreement expired in September 2024. As of December 31, 2024, and 2023, the outstanding notional amount of Partnership's interest rate swap was nil and \$471.0 million, respectively. The fair value of this interest rate swap outstanding on December 31, 2024 and 2023 amounted to nil and an asset of \$15,631 (Note 6), respectively, and is included in Derivative financial instrument in accompanying consolidated balance sheet as presented in the table below.

For the years ended December 31, 2024, 2023 and 2022, the Partnership recognized a gain on derivative financial instrument of \$1.8 million, \$5.3 million and \$33.7 million respectively, which is included in Gain on derivative financial instrument in the accompanying consolidated statements of income as presented in the table below.

DYNAGAS LNG PARTNERS LP
Notes to the Consolidated Financial Statements December 31, 2024
(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

11. Derivative financial instrument (continued):

The realized gain on non-hedging interest rate swaps included in Gain on derivative financial instrument which is presented in the Consolidated Statements of Income, amounted to a gain of \$17.5 million, \$24.6 million and \$7.4 million for the year ended December 31, 2024, 2023 and 2022, respectively.

Tabular Disclosure of Derivatives Location

Derivatives are recorded in the balance sheet on a net basis by counterparty when a legal right of setoff exists. The following tables present information with respect to the fair values of the derivative instrument reflected in the balance sheet on a gross basis by transaction. The tables also present information with respect to gains on derivative positions reflected in the Statement of Comprehensive Income.

Derivative Instruments not designated as hedging instruments – Balance Sheet Location

Derivative	Balance Sheet Location	2024		2023	
		Assets	Liabilities	Assets	Liabilities
Interest rate swap	Derivative financial Instruments, Current	—	—	\$ 15,631	—
Total		<u>—</u>	<u>—</u>	<u>\$ 15,631</u>	<u>—</u>

Derivatives Instruments not designated as Hedging Instruments – Net effect on the Consolidated Statements of Comprehensive Income

Derivative	Net Realized and Unrealized Gain Recognized on Statement of Comprehensive Income Location	Amount		
		2024	2023	2022
Interest rate swap	Gain on derivative instruments	\$ 1,755	\$ 5,267	\$ 33,655
Total		<u>\$ 1,755</u>	<u>\$ 5,267</u>	<u>\$ 33,655</u>

12. Taxes:

Under the laws of the countries of the Partnership and its subsidiaries' incorporation and / or vessels' registration, the Partnership and its subsidiaries are not subject to tax on international shipping income; however, they are subject to registration and tonnage taxes, which are included in Vessel operating expenses in the accompanying consolidated statements of income. In addition, effective January 1, 2013, each foreign flagged vessel managed in Greece by Greek or foreign ship management companies is subject to Greek tonnage tax, under the laws of the Hellenic Republic. The technical manager of the Partnership's vessels, Dynagas Ltd., an affiliate (Note 3(a)) which is established in Greece under Greek Law 89/67 is responsible for the filing and payment of the respective tonnage tax on behalf of the Partnership. These tonnage taxes for the years ended December 31, 2024, 2023 and 2022, amounted \$366, \$432 and \$338, respectively and are included in Vessel operating expenses in the accompanying consolidated statements of income.

DYNAGAS LNG PARTNERS LP

Notes to the Consolidated Financial Statements December 31, 2024

(Expressed in thousands of U.S. Dollars—except for unit and per unit data, unless otherwise stated)

12. Taxes (continued):

Pursuant to the Internal Revenue Code of the United States (the “Code”), U.S. source income from the international operations of ships is generally exempt from U.S. tax if the Partnership operating the ships meets both of the following requirements: (a) the Partnership is organized in a foreign country that grants an equivalent exception to corporations organized in the United States and exempts the type of income earned by the vessel owning Partnership and (b) either (i) more than 50% of the value of the Partnership’s stock is owned, directly or indirectly, by individuals who are “residents” of the Partnership’s country of organization or of another foreign country that grants an “equivalent exemption” to corporations organized in the United States (50% Ownership Test) or (ii) the Partnership’s stock is “primarily and regularly traded on an established securities market” in its country of organization, in another country that grants an “equivalent exemption” to United States corporations, or in the United States (Publicly-Traded Test). Additionally, the Partnership must meet all of the documentation requirements as outlined in the regulations.

The Partnership and each of its subsidiaries expects to qualify for this statutory tax exemption for the 2024, 2023 and 2022 taxable years, and the Partnership takes this position for United States federal income tax return reporting purposes. In the absence of an exemption under Section 883, based on its U.S. source shipping income, for 2024, 2023 and 2022, the Partnership would be subject to U.S. federal income tax of approximately \$258, \$10 and 3, respectively.

13. Subsequent Events:

- (a) **Quarterly Series A Preferred unit cash distribution:** On January 21, 2025, the Partnership’s Board of Directors declared a cash distribution of \$0.5625 per unit on its Series A Preferred Units for the period from November 12, 2024 to February 11, 2025. The cash distribution was paid on February 12, 2025, to all Series A preferred unitholders of record as of February 5, 2025.
- (b) **Quarterly Series B Preferred unit cash distribution:** On February 4, 2025, the Partnership’s Board of Directors declared a cash distribution of \$0.677286319 per unit on its Series B Preferred Units for the period from November 22, 2024 to February 23, 2025. The cash distribution was paid on February 24, 2025, to all Series B preferred unitholders of record as of February 14, 2025.
- (c) **Quarterly Common unit cash distribution:** On February 6, 2025, the Board of Directors approved a quarterly cash distribution, for the quarter ended December 31, 2024, of \$0.049 per common unit, which was paid on February 27, 2025, to all unitholders of record as of February 24, 2025.
- (d) **Common units repurchase program:** Following December 31, 2024 and up to April 8, 2025, the Partnership re-purchased 104,873 common units for a total amount of \$398, pursuant to the Common Unit Repurchase Program (as defined above).

Contract number: CDBLV-2024-BC-0601

BARECON 2001**STANDARD BAREBOAT CHARTER****PART 1**

1. Shipbroker N/A		2. Place and date 19 June 2024	
3. Owners/Place of business (Cl. 1) Tianjin Color-IV Leasing Limited, a company incorporated under the laws of the People's Republic of China (with unified social credit code 91120118MADHEDA1X8) Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China		4. Bareboat Charterers/Place of business (Cl. 1) Fareastern Shipping Limited 147/1, St. Lucia Street, Valletta, Malta	
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: m.v. Arctic Aurora Call Sign: 9HA3589 Flag: The Republic of Malta			
6. Type of Vessel LNG carrier		7. GT/NT 100,236/33,759	
8. When/Where built 2013 Hyundai Heavy Industries Co., Ltd.		9. Total DWT (abt.) in metric tons on summer freeboard 84,604	
10. Classification Society (Cl. 3) Lloyd's Register		11. Date of last special survey by the Vessel's classification society N/A	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) N/A			
13. Port or Place of delivery (Cl. 3) As per MOA (as defined in Additional Clause 32 (Definitions))	14. Time for delivery (Cl. 4) See Additional Clause 35 (Delivery)	15. Cancelling date (Cl. 5) N/A	
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) N/A	

18. Running days' notice if other than stated in Cl. 4 N/A	19. Frequency of dry-docking (Cl. 10(g)) In accordance with Classification Society or flag state requirements
20. Trading limits (Cl. 6) Trading worldwide always within International Navigating Limits	
21. Charter period (Cl. 2) Charter Period (as defined in Additional Clause 32 (Definitions))	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)) See Additional Clause 39(c) (Structural changes and alterations)	
24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV See Additional Clause 40 (Hire)	25. Currency and method of payment (Cl. 11) US Dollars (See also Additional Clause 40 (Hire))
26. Place of payment; also state beneficiary and bank account (Cl. 11) See Additional Clause 40 (Hire)	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) N/A
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) Clause 12(b) applies; form of Financial Instrument and name of mortgagee to be determined, subject to Additional Clause 44	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)) See Additional Clause 41 (Insurance)	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)	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) N/A	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) choose an item Clause 30(a) applies
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) No; Part III does not apply	38. Name and place of Builders (only to be filled in if PART III applies) N/A
39. Vessel's Yard Building No. (only to be filled in if PART III applies) N/A	40. Date of Building Contract (only to be filled in if PART III applies) N/A

41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) (a) N/A (b) N/A (c) N/A	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) No; Part IV does not apply	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) No; Part V does not apply
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) N/A	45. Country of the Underlying Registry (only to be filled in if PART V applies) N/A
46. Number of additional clauses covering special provisions, if agreed Clause 32 (Definitions) to Clause 74 (FATCA)	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)	Signature (Charterers)
-------------------------------	-----------------------------------

PART II

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

"The Owners" shall mean the party identified in Box 3;

"The Charterers" shall mean the party identified in Box 4;

"The Vessel" shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument ~~as in respect of the Vessel and granted by the Owners in accordance with Additional Clause 44, 7 annexed to this Charter and stated in Box 28.~~

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 ~~("The Charter Period").~~

3. Delivery - See Additional Clause 35 (Delivery)

(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 6 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 cost 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 (Delivery)

(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 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 or the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

~~(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours or the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

PART II

~~(e) 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 ~~(unless such additional insurances as may be reasonably acceptable to the Owners in relation to the trading of the Vessel outside such limits have been obtained and all other insurances in respect of the Vessel remain in full force and effect).~~

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~~ Insurances (as defined in Additional Clause 32 (Definitions)) (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 in accordance with applicable laws or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery

~~(not applicable when Part III applies, as indicated in Box 37)~~

~~The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.~~

8. Inspection - See paragraph (gg) (Inspection of Vessel) of Additional Clause 47 (Charterers' undertakings)

~~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 log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.~~

9. Inventories, Oil and Stores

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, subject to Additional Clause 43. Without limiting the foregoing, the Charterers shall also provide and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for with a complete inventory of 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

PART II

94 ~~ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the~~
95 ~~inventory and used during the Charter Period are replaced at their expense prior to on~~ redelivery of the Vessel. [See also Additional Clause 37 \(Bunkers and luboils\).](#)

96 10. Maintenance and Operation

97 (a) (i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the
98 absolute disposal for all purposes of the Charterers and under their complete control in every respect. The
99 Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of
100 repair, in efficient operating condition and in accordance with good commercial maintenance practice and,
101 except as provided for in Clause 14(l), if applicable, at their own expense they shall at all times keep the Vessel's
102 Class fully up to date with the Classification on Society indicated in Box 10 and maintain all other necessary
103 certificates in force at all times.

104 ~~(ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new~~
105 ~~equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements~~
106 ~~or by compulsory legislation costing (excluding the Charterers' loss of me) more than the percentage stated in~~
107 ~~Box 23, or if Box 23 is blank, 5 per cent of the Vessel's insurance value as stated in Box 20, then the extent, if~~
108 ~~any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between~~
109 ~~the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the~~
110 ~~Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence~~
111 ~~of agreement, be referred to the dispute resolution method agreed in Clause 30.~~

112 (iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party
113 liabilities as required by any government, including federal, state or municipal or other division or authority
114 thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place,
115 territorial or contiguous waters of any country, state or municipality in performance of this Charter without any
116 delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such
117 government or division or authority thereof.

118 The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy
119 such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all
120 consequences whatsoever (including loss of me) for any failure or inability to do so.

121 (b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, virtual,
122 navigate, operate, supply, fuel and, whenever required, repair the Vessel during the [Charter Period Agreement Term](#) and they
123 shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and opera on of
124 the Vessel under this Charter, including annual flag state fees and any foreign general municipality and/or state
125 taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes
126 whatsoever, even if for any reason appointed by the Owners.

127 Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's
128 flag or any other applicable law.

129 (c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-
130 docking and major repairs of the Vessel, as reasonably required. [See also Additional Clause 56 \(Operational notifiable events\).](#)

131 (d) Flag and Name of Vessel - During the Charter Period, the Charterers shall have the liberty to paint the Vessel in
132 their own colours, install and display their funnel insignia and fly their own house flag. [For so long as a Sub-Charter is in existence,](#)
[the word "their" whenever used in the preceding sentence shall be construed as a reference to the Sub-Charterer.](#) The Charterers
shall also

133 ~~have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to (i) change the flag and/or~~
134 ~~the name of the Vessel to any Pre-Approved Flag or any other flag approved by the Owners (such approval not to be unreasonably~~
[withheld\) during the Charter Period and \(ii\) with the Owners' prior consent \(which consent shall not be unreasonably withheld\) to change](#)
[the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment,](#)
135 [registration and re-registration, if required by the Owners, shall be at the Charterers' expense and me.](#)

136 (e) Changes to the Vessel - [See Additional Clause 39 \(Structural changes and alterations\)](#) ~~Subject to Clause 10(a)(ii), the Charterers~~
~~shall make no structural changes in the Vessel~~
137 ~~or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing~~
138 ~~the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the~~
139 ~~Vessel to its former condition before the termina on of this Charter.~~

140 (f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment,
141 and appliances on board the Vessel at the me of delivery, provided the same or their substantial equivalent
142 shall be returned to the Owners on redelivery [\(in the event that redelivery is required in accordance with this Charter\)](#) in the same
good order and condition as when received, ordinary

PART II

- 143 wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of
144 equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs
145 to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards
146 workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right
147 to fit additional equipment at their expense and risk but title to such additional equipment shall, unless agreed between the Owners
and the Charterers, be deemed to have passed to the Owners immediately upon such fitting, and the Charterers shall, at the
Charterers' costs, remove such equipment and make good any damage caused by the fitting or removal of such additional
equipment at the end
148 of the period if requested by the Owners (acting reasonably), unless the title to the Vessel is transferred to the Charterers pursuant
to this Charter. Any equipment including radio equipment on hire on the Vessel at
149 me of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations
150 and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners
151 for all expenses incurred in connection therewith, also for any new equipment required in order to comply with
152 radio regulations.
- 153 (g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts
154 whenever the same may be necessary, but not less than once during the period stated in Box 19 or, if Box 19 has
155 been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the
156 Classification Society or flag state.
- 157 **11. Hire - See Additional Clause 40 (Hire)**
- 158 ~~(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect~~
159 ~~of which time shall be of the essence.~~
- 160 ~~(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22~~
161 ~~which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable~~
162 ~~on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the~~
163 ~~Charter Period.~~
- 164 ~~(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25~~
165 ~~and at the place mentioned in Box 26.~~
- 166 ~~(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally~~
167 ~~according to the number of days and hours remaining before redelivery and advance payment to be effected~~
168 ~~accordingly.~~
- 169 ~~(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of.~~
170 ~~The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last~~
171 ~~reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to~~
172 ~~be adjusted accordingly.~~
- 173 ~~(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If~~
174 ~~Box 24 has not been filled in, the three months Interbank offered rate in London (LIBOR or its successor) for the~~
175 ~~currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due,~~
176 ~~increased by 2 per cent, shall apply.~~
- 177 ~~(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the~~
178 ~~Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire~~
179 ~~payment date.~~
- 180 **12. Mortgage - See Additional Clause 44 (Owners' mortgage) and paragraph (p) (Further assurance) of Additional Clause 47**
(Charterers' undertakings).
- 181 ~~(only to apply if Box 28 has been appropriately filled in)~~
- 182 ~~(a)* The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any~~
183 ~~mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- 184 (b)* The Vessel chartered under this Charter is may be financed by a mortgage according to the Financial Instrument.
185 The Charterers undertake to comply, and provide such information and documents to enable the Owners to
186 comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and
187 maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from me to me
188 during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The
189 Charterers confirm that, for this purpose, they will, once such Financial Instrument is available, have acquainted themselves with
all relevant terms, conditions

PART II

and provisions of the Financial Instrument and agree to acknowledge this such Financial Instrument in writing in any form that may be reasonably required by the mortgagee(s), provided that the Owners will ensure that such Financial Instrument will only impose obligations on the Charterers in line with the provisions contained in this Charter, and, for the avoidance of doubt, shall not result in additional obligations on the part of the Charterers. The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.

*(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).

13. Insurance and Repairs - See Additional Clause 41 (Insurance)

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All m/c used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(e) above, including any deviation, shall be for the Charterers' account.

(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

(d) Subject to the provisions of the Financial Instrument, if any, 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 the 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

(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.

PART II

- 239 (b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection
240 and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel;
241 including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall
242 in writing approve which approval shall not be unreasonably withheld.
- 243 (c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the
244 Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which
245 would otherwise have been covered by such insurance.
- 246 (d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs,
247 and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as
248 well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for
249 under the provisions of sub-clause 14(a):
- 250 The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon
251 presentation of accounts.
- 252 (e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred
253 thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible
254 franchise(s) or deductibles provided for in the insurances.
- 255 (f) All moneys used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects
256 according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of
257 the Charter Period.
- 258 The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for
259 such moneys as may be required to make such repairs.
- 260 (g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall
261 be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers
262 as the case may be shall immediately furnish the other party with particulars of any additional insurance effected,
263 including copies of any cover notes or policies and the written consent of the insurers of any such required
264 insurance in any case where the consent of such insurers is necessary.
- 265 (h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances
266 required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall
267 distribute the moneys between themselves and the Charterers according to their respective interests.
- 268 (i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged
269 by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.
- 270 (j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to
271 enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.
- 272 (k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-
273 clause 14(a), the value of the Vessel is the sum indicated in Box 29.
- 274 (l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if
275 applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in
276 Box 10 and maintain all other necessary certificates in force at all times.
- 277 **15. Redelivery - See Additional Clauses 42 (Redelivery) and 43 (Redelivery conditions).**
- 278 At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe
279 and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The
280 Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range
281 of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice
282 of expected date and port or place of redelivery.
- 283 Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.
- 284 The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding
285 ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel
286 within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within
287 the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per
288 cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is
289 exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.
- 290 Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good

PART II

291 structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class
292 excepted.

293 The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at
294 least the number of months agreed in Box 17.

295 **16. Non-Lien - See also paragraph (z), (Negative pledge) of Additional Clause 47 (Charterers' undertakings)**

296 The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their
297 agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further
298 agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the [Charter Period Agreement Term](#) a notice
299 reading as follows:

300 "This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of
301 the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or
302 permit to be imposed on the Vessel any lien whatsoever."

303 **17. Indemnity**

304 (a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising
305 out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature
306 arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by
307 reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their
308 own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including
309 the provision of bail.

310 Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all
311 consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

312 (b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners
313 shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released,
314 including the provision of bail.

315 In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred
316 by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.

317 **18. Lien**

318 The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any
319 sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on
320 the Vessel for all moneys paid in advance and not earned.

321 **19. Salvage**

322 All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing
323 damage occasioned thereby shall be borne by the Charterers.

324 **20. Wreck Removal**

325 In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the
326 Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence
327 of the Vessel becoming a wreck or obstruction to navigation.

328 **21. General Average**

329 The Owners shall not contribute to General Average.

330 **22. Assignment, Sub-Charter and Sale - See Additional Clause 51 (Sub-chartering and assignment)**

331 (a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior
332 consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and
333 conditions as the Owners shall approve.

334 (b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of
335 the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of
336 this Charter.

337 **23. Contracts of Carriage**

338 (a)* The Charterers are to procure that all documents issued during the [Charter Period Agreement Term](#) evidencing the terms and
339 conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation

PART II

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 Hague Rules (or any successor thereto, including the Rotterdam Rules) or the Hamburg 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

(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 Agreement Term 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 Agreement Term, 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, in the absence of a Termination Event, 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

(a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.

(b) The Vessel, ~~unless the written consent of the Owners be first obtained~~, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks provided that if the Charterers have (at their costs) placed and will maintain the necessary Insurances against the relevant War Risks in accordance with Additional Clause 41 (Insurance) and evidence of such insurance cover (or a written confirmation from the relevant insurers and/or brokers that such insurance has or will, prior to the commencement of the relevant voyage, become effective) has been provided to the Owners then such voyage shall be permitted hereunder. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area.

(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

PART II

389 (d) If the insurers of the war risks insurance, ~~when Clause 14 is applicable,~~ should require payment of premiums
390 and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within,
391 any area or areas which are specified by such insurers as being subject to additional premiums because of War
392 Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as
393 the next payment of hire is due.

394 (e) The Charterers shall have the liberty:

395 (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in
396 convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which
397 are given by the Government of the Na on under whose flag the Vessel sails, or any other Government, body or
398 group whatsoever ac ng with the power to compel compliance with their orders or directions;

399 (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the
400 authority to give the same under the terms of the war risks insurance;

401 (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of
402 the European Community, the effective orders of any other Supranational body which has the right to issue and
403 give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey
404 the orders and directions of those who are charged with their enforcement.

405 (f) ~~In the event of outbreak of war (whether there be a declaration of war or not)~~

406 ~~(i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom;~~
407 ~~France; and the People's Republic of China;~~

408 ~~(ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have~~
409 ~~the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance~~
410 ~~with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this~~
411 ~~Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has~~
412 ~~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~~
413 ~~the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all~~
414 ~~other provisions of this Charter shall apply un l redelivery.~~

415 27. Commission

416 ~~The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid~~
417 ~~under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the~~
418 ~~actual expenses of the Brokers and a reasonable fee for their work.~~

419 ~~If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall~~
420 ~~indemnify the Brokers against their loss of commission.~~

421 ~~Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of~~
422 ~~commission but in such case the commission shall not exceed the brokerage on one year's hire.~~

423 28. Termination - See Additional Clauses 50 (Termination Events) and 53 (Total Loss)

424 (a) Charterers' Default

425 ~~The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter~~
426 ~~with immediate effect by written notice to the Charterers if:~~

427 ~~(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual~~
428 ~~payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers,~~
429 ~~the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as~~
430 ~~recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such~~
431 ~~number of days following the Owners' notice, the payment shall stand as regular and punctual.~~

432 ~~Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners'~~
433 ~~notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and~~
434 ~~terminate the Charter without further notice;~~

435 ~~(ii) the Charterers fail to comply with the requirements of:~~

436 ~~(1) Clause 6 (Trading Restrictions)~~

437 ~~(2) Clause 13(a) (Insurance and Repairs)~~

438 ~~provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a~~

PART II

439 specified number of days grace within which to rectify the failure without prejudice to the Owners' right to
440 withdraw and terminate under this Clause if the Charterers fail to comply with such notice;
441 (iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance
442 and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any
443 event so that the Vessel's insurance cover is not prejudiced.

444 (b) Owners' Default

445 If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that
446 the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14)
447 running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall
448 be entitled to terminate this Charter with immediate effect by written notice to the Owners.

449 (c) Loss of Vessel

450 This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive
451 or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be
452 lost unless she has either become an actual total loss or agreement has been reached with her underwriters in
453 respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is
454 not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

455 (d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party
456 in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or
457 bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver
458 is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or
459 composition with its creditors.

460 (e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to
461 the date of termination and to any claim that either party might have.

462 29. Repossession

463 In the event of the termination of this Charter in accordance with the applicable provisions of ~~Clause 28~~ this Charter, the
464 Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at
465 a port or place convenient to them without hindrance or interference by the Charterers, courts or local
466 authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall
467 hold the Vessel as gratuitous bailee only to the Owners and the Charterers shall procure that the master and crew follow the
orders and directions of the Owners. The Owners shall arrange for an authorised
468 representative to board the Vessel as soon as reasonably practicable following the termination of the Charter.
469 The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the
470 Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages,
471 disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of
472 the Charterers.

473 30. Dispute Resolution

474 (a) *This Contract and any non-contractual obligations arising from or in connection with it shall in all respects be governed by
and ~~construed~~ interpreted in accordance with English law and any dispute arising out of

475 or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration
476 Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the
477 provisions of this Clause.

478 The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA)
479 Terms current at the time when the arbitration proceedings are commenced.

480 The reference shall be to three arbitrators. The arbitration proceedings shall be conducted in English. A party wishing to refer a
dispute to arbitration shall appoint its
481 arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint
482 its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole
483 arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14
484 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within
485 the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further
486 prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly.
487 The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

488 Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the
489 appointment of a sole arbitrator.

PART II

490 In cases where neither the claim nor any counterclaim exceeds the sum of US\$5100,000 (or such other sum as the
491 parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure
492 current at the time when the arbitration proceedings are commenced.

493 ~~(b)* This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the~~
494 ~~Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be~~
495 ~~referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the~~
496 ~~two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any~~
497 ~~award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be~~
498 ~~conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

499 ~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the~~
500 ~~parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure~~
501 ~~of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

502 ~~(c)* This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by~~
503 ~~the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a~~
504 ~~mutually agreed place, subject to the procedures applicable there.~~

505 ~~(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference~~
506 ~~and/or dispute arising out of or in connection with this Contract.~~

507 ~~In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the~~
508 ~~following shall apply:~~

509 ~~(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation~~
510 ~~by service on the other party of a written notice (the "Media on Notice") calling on the other party to agree to~~
511 ~~mediation.~~

512 ~~(ii) The other party shall thereupon within 14 calendar days of receipt of the Media on Notice confirm that they~~
513 ~~agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days,~~
514 ~~failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal~~
515 ~~("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted~~
516 ~~in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event~~
517 ~~of disagreement, as may be set by the mediator.~~

518 ~~(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and~~
519 ~~may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.~~

520 ~~(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers~~
521 ~~necessary to protect its interest.~~

522 ~~(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall~~
523 ~~continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account~~
524 ~~when setting the timetable for steps in the arbitration.~~

525 ~~(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in~~
526 ~~the mediation and the parties shall share equally the mediator's costs and expenses.~~

527 ~~(vii) The mediation process shall be without prejudice and confidential and no information or documents~~
528 ~~disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law~~
529 ~~and procedure governing the arbitration.~~

530 ~~(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)~~

531 ~~(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~~
532 ~~apply in all cases.~~

533 ~~*Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.~~

534 **31. Notices - See Additional Clause 67 (Notices)**

535 ~~(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex,~~
536 ~~registered or recorded mail or by personal service.~~

537 ~~(b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.~~

PART III

1.—Specifications and Building Contract

- (a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter-signed as approved by the Charterers.
- (b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.
- (c) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.
- (d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.
- Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies.
- However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.
- Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties.
- The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2. Time and Place of Delivery

- (a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.
- (b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.
- (c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon
- (i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or
- (ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the

PART III

54 ~~Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and~~
55 ~~deliver her to the Charterers;~~

56 ~~(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to~~
57 ~~reject the Vessel from the Builders;~~

58 ~~(iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be~~
59 ~~liable to the Charterers for any claim under or arising out of this Charter or its termina on.~~

60 ~~(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a~~
61 ~~claim therefor shall accrue to the account of the party stated in Box 41(e) or if not filled in shall be shared~~
62 ~~equally between the parties.~~

63 **3. Guarantee Works**

64 ~~If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be~~
65 ~~performed in accordance with the building contract terms, and hire to continue during the period of guarantee~~
66 ~~works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.~~

67 **4. Name of Vessel**

68 ~~The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be~~
69 ~~painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.~~

70 **5. Survey on Redelivery**

71 ~~The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing~~
72 ~~the condition of the Vessel at the time of redelivery.~~

73 ~~Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any,~~
74 ~~including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall~~
75 ~~also bear all loss of me spent in connection with any docking and undocking as well as repairs, which shall be~~
76 ~~paid at the rate of hire per day or pro rata.~~

PART IV

1 On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and
2 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
3 Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.

4 In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

5 The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

6 The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens
7 or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing
8 mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to
9 the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all
10 consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any
11 taxes, notarial, consular and other charges and expenses connected with the purchase and registration under
12 Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with
13 closing of the Sellers' register, shall be for Sellers' account.

14 In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale
15 duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On
16 delivery of the Vessel the Sellers shall provide for dele-on of the Vessel from the Ship's Register and deliver a
17 certificate of dele-on to the Buyers.

18 The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors,
19 chains, etc.), as well as all plans which may be in Sellers' possession.

20 The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra
21 payment.

22 The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the
23 Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be
24 delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for
25 possible faults or deficiencies of any description.

26 The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the
27 Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent
28 cost for their journey to any other place.

PART V

1. 1. Definitions

2 For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

3 "The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which
4 the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

5 "The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered
6 as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat
7 Charter Registration.

8 2. Mortgage

9 The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II)
10 shall apply.

11 3. Termination of Charter by Default

12 If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if
13 the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the
14 Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying
15 Registry as shown in Box 45.

16 In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default
17 by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to
18 terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners
19 under this Charter.

Execution version

Contract number: CDBLV-2024-BC-0601

CONTENTS

	Page
32. Definitions	3
33. Interpretations	20
34. MOA, Quiet Enjoyment Agreement	22
35. Delivery	22
36. Conditions precedent	24
37. Bunkers and luboils	26
38. Further maintenance and operation	26
39. Structural changes and alterations	27
40. Hire	28
41. Insurance	35
42. Redelivery	41
43. Redelivery conditions	41
44. Owners' mortgage	43
45. Diver's inspection at redelivery	43
46. Charterers' representations and warranties	44
47. Charterers' undertakings	48
48. Earnings Account	55
49. Value maintenance	55
50. Termination Events	57
51. Sub-chartering and assignment	62
52. Purchase Option, Purchase Obligation and transfer of title	63
53. Total Loss	66
54. Fees and expenses	67
55. Stamp duties, Taxes	67
56. Operational notifiable events	68
57. Further indemnities	68
58. Set-off	70
59. Further assurances and undertakings	70
60. Cumulative rights	70
61. Day count convention	70
62. No waiver	70
63. Entire agreement	71
64. Invalidity	71
65. English language	71
66. No partnership	71

67.	Notices	71
68.	Conflicts	72
69.	Survival of Charterers' obligations	72
70.	Counterparts	72
71.	Confidentiality	72
72.	Third Parties Act	73
73.	Waiver of immunity	73
74.	FATCA	73
	SCHEDULE 1 RELATED VESSELS AND RELEVANT INFORMATION	76
	SCHEDULE 2 FORM OF PROTOCOL OF DELIVERY AND ACCEPTANCE	77
	SCHEDULE 3 FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE	78
	SCHEDULE 4 PERCENTAGE FOR CALCULATING PURCHASE OPTION FEE AND PREPAYMENT FEE	79
	SIGNATURE PAGE	80

ADDITIONAL CLAUSES
TO BAREBOAT CHARTER FOR
THE LNG CARRIER
NAMED "ARCTIC AURORA"

32. Definitions

In this Charter:

"2018 Withdrawal Act" means the European Union (Withdrawal) Act 2018.

"2020 Withdrawal Act" means the European Union (Withdrawal Agreement) Act 2020.

"Account Bank" means UBS AG (or such other bank or financial institution as the Owners may approve);

"Account Charge" means the account charge over the Earnings Account and all amounts from time to time standing to the credit to the Earnings Account from the Charterers in favour of the Security Trustee.

"Actual Delivery Date" means the date of delivery of the Vessel by the Owners to the Charterers under this Charter.

"Actual Owners' Costs" means the Purchase Price (as defined in the MOA).

"Affiliate" means, in relation to any entity, a Subsidiary of that entity, a Holding Company of that entity or any other Subsidiary of that Holding Company.

"Agreed Charter Period" means the period of one hundred and twenty (120) months commencing from the Actual Delivery Date.

"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 Obligors 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 Obligors of any nature to the Owners or otherwise in connection with the Transaction Documents or with the Vessel remain unperformed or undischarged excluding, for the avoidance of doubt, any obligations included in the definition of "Indebtedness" in any Transaction Document expressed to be owed in respect of the Related Vessels rather than the Vessel.

"Applicable Rate" means, subject to Clause 40(o) (*Cost of funds*), for any Hire Period, the Reference Rate applicable to that Hire Period.

"Approved Manager" in relation to the Vessel, means the Dynagas Manager or any other internationally recognised and reputable management company with the prior written consent of the Owners (acting reasonably) and appointed by the Charterers.

"Approved Valuer" means each of Clarkson Platou, Fearnleys LNG, Braemar, Nordic Shipping, Poten & Partners and Associated Shipbrokers Monaco.

"Arrangement Fee" has the meaning given to such term in paragraph (a) (*Arrangement fee*) of Clause 54 (*fees and expenses*).

"Assigned Documents" means together, Initial Time Charter, the Next Decade Time Charter and the Replacement Time Charter, and **"Assigned Document"** means either one (1) of them.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Balloon" has the meaning given to such term in paragraph (a) of the definition of **"Purchase Obligation Price"** as set out below.

"Break Costs" means all costs, losses, premiums or penalties (excluding the Margin) incurred by the Owners (including any hedging or swap-related costs) as a result of the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the original due date for payment of the sum in question, or as a result of the Termination Sum or the Purchase Option Price being paid, or as a result of the relevant payment made by the Charterers under Clause 49(c)(ii)(B), or as a result of the relevant payment made by the Charterers under Clause 40(p).

"Breakfunding Gain" means all additional amounts received by the Owners as a result of the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the original due date for payment of the sum in question, or as a result of the Termination Sum or the Purchase Option Price being paid, or as a result of the relevant payment made by the Charterers under Clause 49(c)(ii)(B), or as a result of the relevant payment made by the Charterers under Clause 40(p).

"Business Day" means:

- (a) (in relation to the determination of the Actual Delivery Date) a day (other than a Saturday or Sunday) on which banks are open for general business in Malta; and
- (b) in any other cases, a day (other than a Saturday or Sunday) on which banks are open for general business in Athens, Hong Kong, New York and Shanghai.

"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 any relevant person or entity or to any jurisdiction where activities of such relevant person or entity are performed and which shall include: (i) the United Kingdom Bribery Act 2010, (ii) the United States Foreign Corrupt Practices Act 1977 and (iii) any United States, United Nations or European Union sanctions.

"Change of Control" occurs at any time if:

- (a) the Charterers cease to be a direct wholly-owned Subsidiary of the Shareholder; and/or
- (b) the Charter Guarantor (i) ceases to own (legally and/or beneficially, directly and/or indirectly) 100% of total share capital, total common partnership interest or units or the total limited liability company interest (as the case may be) in the Shareholder or the Charterers; and/or (ii) ceases to have the ability to control, either directly or indirectly, the affairs or composition of the majority of the board of directors or board of managers or single manager or sole member (as the case may be) of the Shareholder or the Charterers; and/or
- (c) any person (i) owns (legally and/or beneficially, directly and/or indirectly) a higher percentage of the total common partnership interest or units in the Charter Guarantor than Dynagas Holding Ltd; and/or (ii) has the ability to control, either

directly or indirectly, the affairs or composition of the majority of the board of directors or the board of managers of the Charter Guarantor; and/or

- (d) No Permitted Holder is a member of the board of managers and/or the Chairman of the board of managers of the Charter Guarantor; and/or
- (e) Dynagas GP LLC ceases to be the general partner of the Charter Guarantor; and/or
- (f) Permitted Holders (i) cease to control, directly or indirectly, the affairs or the composition of the board of directors or board of managers (or equivalent, as applicable) of Dynagas GP LLC or Dynagas Holding Ltd or the Dynagas Manager; and/or (ii) cease to own (legally and/or beneficially, directly and/or indirectly) 100% of the total limited liability company interest of Dynagas GP LLC.

"Charter Guarantee" means the guarantee and indemnity made or to be made by the Charter Guarantor in favour of the Owners in respect of the Charterers' obligations under the Transaction Documents.

"Charter Guarantor" means Dynagas LNG Partners LP, a limited partnership formed under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"Charter Period" means, subject to paragraph (i) (*Illegality*) of Clause 40 (*Hire*), Clause 50 (*Termination Events*), paragraph (a) Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) and Clause 53 (*Total Loss*), the Agreed Charter Period.

"Charterers Group" means, collectively, the Charterers and the Charter Guarantor.

"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 relation to certain of the Charterers' rights and interest in and to (amongst other things) (a) the Earnings, (b) the Insurances, (c) the Requisition Compensation and (d) the Assigned Documents.

"Classification Society" means the vessel classification society referred to in Box 10 (*Classification Society*) of this Charter, or such other reputable classification society which the Owners may approve from time to time.

"Core Obligors" means the Charterers, the Charter Guarantor and (during the Pre-Delivery Period) the Sellers, and **"Core Obligor"** means any one of them.

"Cost Balance" means, at any relevant time during the Agreement Term, an amount equal to the aggregate of the Actual Owners' Costs as may be reduced by payment, prepayment, or deemed payment of Fixed Hire or Cost Balance pursuant to paragraph (a) of Clause 40 (*Hire*), Clause 40(p) or Clause 49(c)(ii)(B).

"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 the Charterers to the Owners under all or any of the Transaction Documents.

"Default Termination" means a Termination pursuant to the provisions of Clause 50 (*Termination Events*).

"Dynagas Manager" means Dynagas Ltd., a company incorporated under the laws of The Republic of Liberia whose registered office is at 80 Broad Street, Monrovia, Liberia.

"Earnings" means:

- (a) all hires, freights and other sums payable to or for the account of the Charterers in

respect of the Vessel including (without limitation) all earnings received or to be received from any Sub-Charter, 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; and

- (b) whenever the Vessel is employed on terms whereby any moneys falling within (i) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangements which is attributable to the Vessel.

"Earnings Account" means the US Dollar account in the name of the Charterers (with account number 73120794902000 opened with the Account Bank, 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.

"Emissions Legislation" means:

- (a) the EU-ETS Regulations; and
- (b) any other laws, directives or regulations to which the Owners or the Charterers are subject in respect of greenhouse gas emissions (including any related emissions trading schemes),

as amended from time to time and in each case as applicable to the Owners or the Charterers.

"Encumbrance" means a mortgage, charge, assignment, pledge, lien, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Environmental Approvals" means any present or future permit, licence, approval, ruling, variance, exemption or other Authorisation required under the applicable Environmental Law.

"Environmental Claim" means any claim, proceeding or investigation by any person in respect of any Environmental Law.

"Environmental Incident" means:

- (a) any release, emission, spill or discharge from the Vessel or into or upon the air, sea, land or soils (including the seabed) or surface water of Environmentally Sensitive Material within or from the Vessel in connection with which the Vessel is actually or reasonably likely to be potentially liable to be arrested, attached, detained or enjoined and/or the Vessel and/or the Charterers and/or the Approved Manager is at fault or allegedly at fault or otherwise reasonably likely to be liable to any legal or administrative action; or
- (b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water from a vessel other than the Vessel and which involves a collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, in connection with which the Vessel is actually arrested, attached, detained or enjoined and/or the Vessel and/or the Charterers and/or any Approved Manager of the Vessel is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or

- (c) any other incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water otherwise than from the Vessel and in connection with which the Vessel is actually arrested and/or the Charterers and/or any Approved Manager 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 applicable law and regulation in any applicable jurisdiction in which the Charterers and/or Approved Manager conducts business which relates to the pollution or protection of the environment (to the extent relating to exposure to Environmentally Sensitive Material) or harm to or the protection of human health or the health of animals or plants (to the extent relating to exposure to Environmentally Sensitive Material).

"Environmentally Sensitive Material" means (i) oil and oil products and (ii) any other waste, pollutant, contaminant or other toxic substance (including any chemical, gas or hazardous or noxious substance) that is harmful to human health or other life or the environment.

"EU ETS Mandate Letter" means the mandate letter in respect of the Vessel addressed to the relevant entities charged with administering compliance with Emissions Legislation and duly executed by the Owners and the Dynagas Manager, mandating the Dynagas Manager as the party required to comply with and be responsible for compliance with the Emissions Legislation 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 (the **"Implementing Regulation"**) 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.

"EUR", **"€"** and **"euro"** denote the single currency of the Participating Member States.

"Fair Market Value" means the fair market value of the Vessel ascertained in accordance with paragraph (b) (*Valuations*) of Clause 49 (*Value maintenance*).

"FATCA Deduction" has the meaning given to such term in Clause 74 (*FATCA*).

"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 financing or refinancing all or any part of the Actual Owners' Costs and/or any "Actual Owners' Costs" under any Related Charter.

"Finance Party" means any bank or financial institution which is or will be party to a Finance Document (other than the Owners, the Related 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.

"Finance Party Quiet Enjoyment Agreement" means, in relation to the Vessel, either:

- (a) an agreement which the Finance Parties and the Owners (or, if any, their authorised agent on their behalf) shall execute in favour of the Charterers (or, as the context may require, a Sub-Charterer), such agreement to be in a form reasonably acceptable to the Charterers (or, as the context may require, the relevant Sub-Charterer) and the Finance Parties, or
- (b) the relevant Quiet Enjoyment Agreement as acceded to by the Finance Parties.

"Financial Half-Year" means, in respect of the Charterers and the Charter Guarantor, their interim semi-annual accounting period ending on 30 June in any calendar year that falls within the Agreement Term.

"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 obligations under any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including any actual amount is due as a result of the termination or close-out of that derivative transaction);
- (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 Year" means, in respect of the Charterers and the Charter Guarantor, their annual accounting period ending on 31 December in each calendar year during the Agreement Term.

"Fifth Anniversary Date" means the date falling 60 months after the Actual Delivery Date.

"First Anniversary Date" means the date falling 12 months after the Actual Delivery Date.

"Fixed Hire" has the meaning given to such term under paragraph (a)(i) of Clause 40 (*Hire*).

"GAAP" means generally accepted accounting principles in the United States of America or

IFRS.

"Hire" means each or any combination or aggregate of (a) Fixed Hire and (b) Variable Hire.

"Hire Payment Date" means the last day of each and any Hire Period.

"Hire Period" means each and every three (3)-month period during the Charter Period, the first Hire Period to commence on the Actual Delivery Date and each successive Hire Period to commence on the last day of the immediately previous Hire Period **provided that** if a Hire Period would otherwise extend beyond the last day of the Charter Period, then such Hire Period shall end on the last day of the Charter Period, and, in relation to an Unpaid Sum, each period determined in accordance with Clause 40(g) (*Default interest*).

"Holding Company" means, in relation to any entity, any other entity in respect of which it is a Subsidiary.

"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).

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

"Indemnitee" has the meaning given to such term in Clause 57 (*Further indemnities*).

"Initial Charter Quiet Enjoyment Agreement" means in relation to the Initial Time Charter, the quiet enjoyment deed made or to be made between (a) the Owners (as lessor),

(b) the Charterers (as lessee), and (c) the Initial Time Charterer, in such form as agreed between the parties thereto.

"Initial Time Charter" means the time charter dated 20 December 2017 and made between the Charterers (as owner) and the Initial Time Charterer (as charterer) in respect of the chartering of the Vessel, as amended, supplemented and extended pursuant to addendum no. 1 dated 15 March 2022 and addendum no. 2 dated 23 December 2022 and as may be amended, supplemented, extended, novated and/or replaced from time to time.

"Initial Time Charterer" means Equinor ASA (formerly known as "Statoil ASA") of Forusbeen 50, 4035 Stavanger, Norway.

"Innocent Owners' Interest Insurances" means all policies and contracts of innocent owners' interest insurance and innocent owners' additional perils (oil pollution) 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.

"Interpolated Term SOFR" means, in relation to a Hire Period, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(a) either

(A) the applicable Term SOFR (as of the relevant Specified Time) for the longest period (for which Term SOFR is available) which is less than three (3) months; or

- (B) if no such Term SOFR is available for a period which is less than three (3) months, Overnight SOFR for the day which is two (2) US Government Securities Business Days before the relevant Variable Hire Determination Date; and
- (b) the applicable Term SOFR (as of the relevant Specified Time) 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).

"ISM Company" means, at any given time, the company responsible for the Vessel's compliance with the ISM Code under paragraph 1.1.2 of 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).

"ISPS Company" means, at any given time, the company responsible for the Vessel's compliance with the ISPS Code.

"ISSC" means a valid international ship security certificate for the Vessel 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 Act 1980 and the Foreign Limitation Periods Act 1984;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and;
- (d) any reservations as to matters of law (but excluding at all times any reservations or qualifications as to matters of fact) referred to in the legal opinions delivered to the Owners under Clause 36 (*Conditions precedent*) of this Charter.

"Long Stop Date" has the meaning given to such term in the MOA.

"Major Casualty Amount" means three million US Dollars (US\$3,000,000) or the equivalent in any other currency or currencies.

"Management Agreement" means, in relation to the Vessel and if applicable, the technical and/or commercial ship management agreement executed or to be executed (as the case may be) between the Approved Manager and the Charterers.

"Manager's Undertaking" means, in relation to the Vessel, the deed of undertaking executed or to be executed by the Approved Manager in favour of the Owners and the Security Trustee.

"Margin" means two point three per cent. (2.3%) per annum.

"Market Disruption Rate" means the percentage rate per annum which is the Reference Rate.

"MARPOL" means the International Convention for the Prevention of Pollution from Ships adopted by the International Maritime Organisation (as the same may be amended, supplemented or superseded from time to time).

"Material Adverse Effect" means a material adverse change in, or a material adverse effect on:

- (a) the business, financial condition or operations of the Obligors; or
- (b) the validity, legality or enforceability of the Transaction Documents; or
- (c) the ability of any Obligor to perform its obligations under any Transaction Document,

which adversely affects the ability of each of the Obligors to perform its respective obligations under the Transaction Documents to which it is a party.

"MOA" has the meaning given to such term in Clause 34 (*MOA, Quiet Enjoyment Agreement*).

"Mortgagees' Interest Insurances" means all policies and contracts of mortgagees' interest insurance and mortgagees' additional perils (oil pollution) insurance from time to time taken out by the Finance Parties in relation to the Vessel.

"Necessary Authorisations" means all Authorisations of any person including any government or other regulatory authority required by applicable law to enable it to:

- (a) lawfully enter into and perform its obligations under the Transaction Documents to which it is party;
- (b) ensure the legality, validity, enforceability or admissibility in evidence in England and, if different, its jurisdiction of incorporation, of such Transaction Documents to which it is party; and
- (c) carry on its business from time to time.

"Negative Share Pledge" means the negative pledge over all issued shares of the Charterers executed or (as the case may be) to be executed by the Shareholder in favour of the Owners.

"Net Sale Proceeds" means the proceeds of a sale of the Vessel received, net of any reasonable and documented fees, commissions, costs, disbursements or other expenses incurred by the Owners as a result of the Owners arranging the proposed sale.

"Next Decade Time Charter" means the time charter dated 31 January 2023 and made between the Charterers (as owner) and the Next Decade Time Charterer (as charterer) in respect of the chartering of the Vessel, as may be amended, supplemented, extended, novated and/or replaced from time to time.

"Next Decade Time Charterer" means Rio Grande LNG, LLC, a limited liability company organized under the laws of the state of Texas with its principal executive offices at 1000 Louisiana St., Suite 3900, Houston, TX 77002.

"Obligors" means, together:

- (a) (during the Pre-Delivery Period) the Sellers;
- (b) the Charterers;
- (c) the Dynagas Manager;
- (d) the Shareholder;
- (e) the Charter Guarantor; and
- (f) and any person designated as such by the Owners and the Charterers from time to time),

and in each case an **"Obligor"**.

"Owners' Account" has the meaning given to such term in paragraph (d) (*Payment account information*) of Clause 40 (*Hire*).

"Overnight SOFR" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"Party" means a party to this Charter.

"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 Protocol of Delivery and Acceptance*) hereto.

"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.

"Permitted Holder" means Mr. George Prokopiou (being the Chairman of the board of managers of the Charter Guarantor as at the date of this Charter) and any of his direct lineal descendants.

"Permitted Encumbrance" means:

- (a) any Encumbrance created or to be created in accordance with the Security Documents;
- (b) liens for unpaid master's and crew's wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime practice;
- (c) liens for salvage;
- (d) liens for master's disbursements incurred in the ordinary course of trading;
- (e) any other liens securing obligations incurred in the ordinary course of trading and/or operating the Vessel and not more than sixty (60) days overdue;
- (f) any Encumbrance created or to be created by the Owners in favour of the Finance Parties in accordance with the relevant Finance Documents (but subject to any Finance Party Quiet Enjoyment Agreement);

- (g) other liens arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Vessel where the Charterers are contesting the claim giving rise to such lien in good faith by appropriate steps and for the payment of which adequate reserves have been made in case the Charterers finally have to pay such claim so long as any such proceedings shall not, and may reasonably be considered unlikely to lead to the arrest, sale, forfeiture or loss of the Vessel, or any interest in the Vessel;
- (h) Encumbrances arising by operation of law in respect of Taxes which are not overdue for payment or Taxes which are overdue for payment but which are being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made so long as any such proceedings or the continued existence of such Encumbrance shall not and may reasonably be considered unlikely to lead to the arrest, sale, forfeiture or loss of the Vessel, or any interest in the Vessel; and
- (i) any Encumbrance which has the prior written approval of the Owners.

"Potential Termination Event " means an event or circumstance which, with the expiry of any permitted grace period, the giving of any notice, the lapse of time or any combination of the foregoing is a Termination Event.

"Pre-Approved Flag" means Malta.

"Pre-Delivery Period" has the meaning given to such term in the MOA.

"Prepaid Amount" has the meaning given to such term in Clause 40(p).

"Prepayment Fee" means an amount that is calculated by multiplying (x) the Prepaid Amount by (y) the percentage applicable to the relevant period in which the Purchase Option Date falls, as set out in Schedule 4 (*Percentage for calculating Purchase Option Fee and Prepayment Fee*).

"Purchase Obligation" means the Charterers' obligation to purchase the Vessel at the applicable Purchase Obligation Price in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Obligation Price" means the amount due and payable by the Charterers to the Owners pursuant to paragraph (c) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*), being the aggregate of:

- (a) an amount (the "**Balloon**") which is fifteen per cent (15%) of the Actual Owners' Costs;
- (b) any difference by which the then current Cost Balance exceeds the Balloon;
- (c) any Variable Hire accrued and remains unpaid, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (d) Break Costs (if any) net of Breakfunding Gain (if any);
- (e) any costs and expenses (including legal fees) reasonably incurred or suffered by the Owners as a result of the implementation of the Purchase Obligation;
- (f) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and

- (g) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Purchase Option" means the option to purchase the Vessel at the applicable Purchase Option Price which the Charterers may exercise in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Date" has the meaning given to such term in paragraph (a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Fee" means an amount that is calculated by multiplying (x) the then current Cost Balance by (y) the percentage applicable to the relevant period in which the Purchase Option Date falls, as set out in Schedule 4 (*Percentage for calculating Purchase Option Fee and Prepayment Fee*).

"Purchase Option Notice" has the meaning given to such term in paragraph (a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Price" means the aggregate of:

- (A) (where the Purchase Option is exercised other than pursuant to Clause 44(iv) or Clause 52(h)), the applicable Purchase Option Fee;
- (B) the then current Cost Balance;
- (C) any Variable Hire accrued and remains unpaid, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (D) (if the Purchase Option Date does not fall on a Hire Payment Date) Break Costs (if any) net of Breakfunding Gain (if any);
- (E) any reasonable and documented costs and expenses (including legal fees) incurred or suffered by the Owners as a result of the implementation of the Purchase Option (excluding any costs and expenses (including legal fees) incurred or suffered by the Owners under the Finance Documents as a result of the implementation of the Purchase Option);
- (F) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (G) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Quiet Enjoyment Agreement" means any one (1) of the following:

- (a) in relation to the Initial Time Charter, the Initial Charter Quiet Enjoyment Agreement; or
- (b) in relation to the Next Decade Time Charter, such quiet enjoyment agreement as required by the Next Decade Time Charter; or
- (c) in relation to the Replacement Time Charter, such quiet enjoyment agreement as may be required by the Replacement Time Charter; or

- (d) if any such quiet enjoyment agreement is replaced by a Finance Party Quiet Enjoyment Agreement, that Finance Party Quiet Enjoyment Agreement,

and "**Quiet Enjoyment Agreements**" means any two (2) or more of them.

"**Relevant Jurisdictions**" means, in relation to an Obligor:-

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to any Encumbrance to be created by it pursuant to the relevant Security Document is situated;
- (c) any jurisdiction where it is licensed to conduct its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**Reference Rate**" means, in relation to a Hire Period,

- (i) the Term SOFR as of the relevant Specified Time and for a period of three (3) months; or
- (ii) as otherwise determined pursuant to Clause 40(m) (*Unavailability of Term SOFR*),

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

"**Related Charter**" means, in relation to each Related Vessel, a bareboat charter (as the same may be amended, supplemented, extended, replaced and/or novated from time to time) entered into between the relevant Related Owners (as owners) and the relevant Related Charterers (as bareboat charterers), as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"**Related Charterers**" means, in relation to each Related Vessel, her charterers as listed under the column headed "Related Charterers", as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"**Related MOA**" means, in relation to each Related Vessel, the memorandum of agreement pursuant to which the relevant Related Owners acquired or will acquire title (as the case may be) to that Related Vessel.

"**Related Obligor**" means any "Obligor" as defined in any Related Charter.

"**Related Owners**" means, in relation to each Related Vessel, her owner as listed under the column headed "Related Owners", as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"**Related Vessel**" means each vessel listed in Schedule 1 (*Related Vessels and relevant information*) hereto.

"**Related Vessel Total Loss Proceeds Surplus**" means the "Vessel Total Loss Proceeds Surplus" defined in any Related Charter and paid to the Owners by the relevant Related Owners pursuant to clause 53(d) of that Related Charter.

"**Relevant Documents**" means, together, the Transaction Documents, any Assigned Document and any EU ETS Mandate Letter.

"Relevant Party" means each of the Obligors and the parties to the Relevant Documents (other than the Owners, the Related Owners, any Finance Party and the Account Bank).

"Repeating Representations" means the representations and warranties referred to in Clause 46 (*Charterers' representations and warranties*), save in respect of sub-clauses (x), (xi), (xii), (xiii), (xviii), (xxi), (xxii), (xxiii), (xxiv) and (xxv).

"Replacement Time Charter" has the meaning given to such term in Clause 50(a)(xxiii)(B).

"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 Party" means a person or entity that is (a) listed on, or fifty per cent. (50%) owned or controlled by a person listed on any Sanctions List; or (b) a national of, located in, incorporated under the laws of, or fifty per cent. (50%) or more owned or (directly or indirectly) controlled by a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions.

"Sanctions" means the economic sanction laws, regulations, embargoes or restrictive measures administered, enacted or enforced by: (a) the United States government; (b) the United Nations; (c) the European Union; (d) the United Kingdom; (e) the People's Republic of China or (f) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("**OFAC**"), the United States Department of State and His Majesty's Treasury ("**HMT**"); (together, the "**Sanctions Authorities**").

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by the OFAC, the Consolidated List of Financial Sanctions Targets 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 the following:

- (a) the Account Charge;
- (b) the Charterers' Assignment;
- (c) the Charter Guarantee;
- (d) the Negative Share Pledge;
- (e) the Manager's Undertaking;
- (f) the Security Trust Deed; and
- (g) any other document that may at any time be executed by any person creating, evidencing or perfecting any Encumbrance to secure all or part of the Obligors' obligations under or in connection with the Transaction Documents,

and "**Security Document**" means any one of them.

"Security Trust Deed" means the deed executed or to be executed by the Security Trustee, the Owners, the Related Owners, the Charterers, the Related Charterers and the Approved Manager.

"Security Trustee" means Tianjin Color-IV Leasing Limited.

"Sellers" means the Shareholder in its capacity as sellers in respect of the Vessel under the MOA.

"Settlement Date" means, following a Total Loss of the Vessel, the earlier of:

- (a) the date which falls one hundred and eighty (180) 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.

"Shareholder" means Arctic LNG Carriers Ltd., a corporation incorporated under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"SMC" means a valid safety management certificate issued for the Vessel by or on behalf of the Administration under paragraph 13.7 of the ISM Code.

"Specified Time" means, in relation to any Hire Period, the Variable Hire Determination Date prior to 5:00 p.m. (New York time).

"Sub-Charter" means any one of:

- (a) the Initial Time Charter;
- (b) the Next Decade Time Charter; and
- (c) the Replacement Time Charter.

"Sub-Charterer" means any one of:

- (a) the Initial Time Charterer;
- (b) the Next Decade Time Charterer; and
- (c) the charterer under the Replacement Time Charter.

"Subsidiary" means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

"Tax" or **"tax"** means 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", "taxes", "Taxation" and "taxation" shall be construed accordingly.

"Tax Payment" means either the increase in a payment made by the Charterers to the Owners under paragraph (ii) of Clause 40 (*Hire*) or a payment by the Charterers under paragraph (n) of Clause 47 (*Taxation*).

"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" means the termination at any time of the chartering of the Vessel under this

Charter.

"Termination Event" means each of the events specified in paragraph (a) of Clause 50 (*Termination Events*).

"Termination Notice" has the meaning given to such term in (as the context may require):

- (a) paragraph (i) (*Illegality*) of Clause 40 (*Hire*); and
- (b) paragraph (c) of Clause 50 (*Termination Events*).

"Termination Payment Date" means, as the context may require:

- (a) in respect of a Termination in accordance with paragraph (i) (*Illegality*) of Clause 40 (*Hire*), the date specified as such in the Termination Notice served on the Charterers pursuant to that Clause;
- (b) in respect of a Default Termination, the date specified in the Termination Notice served on the Charterers pursuant to paragraph (c) of Clause 50 (*Termination Events*) in respect of such Default Termination; and
- (c) 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 Termination prior to the expiry of the Agreed Charter Period (other than by virtue of the Charterers exercising the Purchase Option in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*)), 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)
 - (i) (if the Termination occurs on or after the Actual Delivery Date but before the First Anniversary Date) an amount equivalent to one hundred and two per cent (102%) of the then current Cost Balance;
 - (ii) (if the Termination occurs on or after the First Anniversary Date but before the Third Anniversary Date) an amount equivalent to one hundred and one point five per cent (101.5%) of the then current Cost Balance;
 - (iii) (if the Termination occurs on or after the Third Anniversary Date but before the Fifth Anniversary Date) an amount equivalent to one hundred and one per cent (101%) of the then current Cost Balance;
 - (iv) (if the Termination occurs on or after the Fifth Anniversary Date) an amount equivalent to then current Cost Balance;
- (b) any Variable Hire accrued before the relevant Termination Payment Date and which remains unpaid at such Termination Payment Date, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (c) Break Costs (if any) net of Breakfunding Gain (if any);
- (d) any documented costs and expenses (including legal fees) incurred or suffered by the

Owners as a result of the Termination (including any costs and expenses (including legal fees) incurred or suffered by the Owners under the Finance Documents as a result of the Termination);

- (e) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (f) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Third Anniversary Date" means the date falling 36 months after the Actual Delivery Date.

"Third Parties Act" means the Contracts (Rights of Third Parties) Act 1999.

"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 3 (*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;
- (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);
- (c) the capture, seizure, arrest, detention, 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 thirty (30) days after the capture, seizure, arrest, detention, hijacking, theft, condemnation as prize, confiscation or forfeiture in question, or in the case of piracy, the shorter of (i) twelve (12) months and (ii) such period as stipulated in the relevant insurance policy (which period according to the policy has to expire in order for there to be a total loss of the Vessel as a result of piracy),

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 pursuant to the provisions of paragraph (a) of Clause 53 (*Total Loss*).

"Transaction Documents" means, together, this Charter, the MOA, the Security Documents, any Quiet Enjoyment Agreement, any Finance Party Quiet Enjoyment Agreement, and such other documents as may be designated as such by the Owners and the Charterers 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.

"**US Government Securities Business Day**" means a day other than:

- (a) a Saturday or Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"**US Tax Obligor**" means a person:

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

"**Valuation Report**" means, in relation to the Vessel, a desktop valuation report (without physical inspection) addressed to the Owners from an Approved Valuer on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer.

"**Variable Hire**" has the meaning given to such term under paragraph (a)(ii) of Clause 40 (*Hire*).

"**Variable Hire Determination Date**" means, in relation to a Hire Period, the date falling five (5) US Government Securities Business Days prior to the first day of such Hire Period.

"**Vessel**" means the LNG carrier named "Arctic Aurora" with IMO number 9645970 as more particularly described in Boxes

5 (*Vessel's name, call sign and flag*) to 10 (*Classification Society*) of this Charter.

33. Interpretations

- (a) In this Charter, unless the context otherwise requires, any reference to:
 - (i) this Charter includes 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;
 - (iv) the "**Owners**", the "**Charterers**", any "**Obligor**", the "**Related Owners**", the "**Related Charterers**", the "**Charter Guarantor**", any "**Relevant Party**" 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) **"control"** over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
- (A) cast, or control the cast of, more than fifty per cent. (50%), of the maximum number of votes that might be cast at a general meeting of such company;
 - (B) appoint or remove all, or the majority of the directors or other equivalent officers of such company; or
 - (C) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;
- (vii) 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' bank at or about 11:00 a.m. (Beijing time) 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 purpose of the first currency with the second currency for delivery and value on such date;
- (viii) **"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;
- (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) **"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;
- (xi) 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;
- (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 Clubs, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02 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 or a Termination Event which is "**continuing**" is a reference to (respectively) a Potential Termination Event or Termination Event which 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. MOA, Quiet Enjoyment Agreement

MOA

- (a) By a memorandum of agreement (the "**MOA**") of even date herewith made between the Owners (as buyers thereunder) and the Sellers (as sellers thereunder), the Owners have agreed to purchase and the Sellers have agreed to sell the Vessel subject to the terms and conditions therein.
- (b) Accordingly the parties hereby agree that the Owners' obligations to charter the Vessel to the Charterers under this Charter are subject to the effective transfer of ownership of the Vessel to the Owners pursuant to the MOA.

Quiet Enjoyment Agreement

- (c) 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 Agreement or any Finance Party Quiet Enjoyment Agreement (as applicable)) will:
 - (i) provided that no Termination Event has occurred and is continuing, interfere with the Charterers' quiet use and possession of the Vessel throughout the Charter Period; or
 - (ii) fail to transfer title to the Vessel to the Charterers or their nominee when obliged to do so by the terms of this Charter.

35. Delivery

- (a) **Owners' conditions** The obligation of the Owners to charter the Vessel to the Charterers pursuant to this Charter shall be subject to the following conditions:
 - (i) delivery of the Vessel by the Sellers (as sellers) to the Owners (as buyers) pursuant to the terms of the MOA;
 - (ii) the Owners obtaining full title to the Vessel pursuant to the terms of the MOA;

- (iii) no Termination Event or Potential Termination Event having occurred which is continuing on or prior to the date of this Charter or the Actual Delivery Date;
 - (iv) the Repeating Representations being true and correct on the date of this Charter and the Actual Delivery Date;
 - (v) the Actual Delivery Date falling on or before the Long Stop Date (or such later date as may be agreed between the Owners (as buyer under the MOA) and the Sellers); and
 - (vi) the Owners having received the documents and evidence referred to in Clause 36 (*Conditions precedent*), in each case in all respects in form and substance satisfactory to them on or before the Actual Delivery Date.
- (b) **Delivery and acceptance** Provided that the conditions referred to in paragraph (a) 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;
 - (ii) the Charterers shall take delivery of the Vessel from the Owners under this Charter (such delivery to be conclusively evidenced by a duly executed PDA) simultaneously with the acceptance of delivery of the Vessel by the Owners from the Sellers pursuant to the MOA;
 - (iii) the Charterers will accept the Vessel:
 - (A) on an "as is where is" basis in exactly the same form and state as the Vessel is delivered by the Sellers to the Owners pursuant to the MOA; and
 - (B) in such form and state with any faults, deficiencies and errors of description; and
 - (C) for the avoidance of doubt, no underwater inspection shall be performed at the time of commencement of the Charter Period on the basis that any repairs required at the next scheduled dry-docking are the responsibility of the Charterers; and
 - (iv) 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 (as buyers) from the Sellers (as sellers) pursuant to the MOA; and
 - (v) the Charterers shall have no right to refuse acceptance of delivery of the Vessel under this Charter if the Vessel is delivered to the Owners pursuant to the MOA, notwithstanding and without prejudice to the foregoing, the Owners and the Charterers each agree to enter into and execute the PDA on delivery of the Vessel under this Charter.
- (c) **No representation or warranty from Owners** 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.
- The Charterers 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, or arising out of design, materials, workmanship, construction, quality, classification, condition, operation, performance, capacity of the Vessel, fitness for use of the Vessel and the chartering thereof under this Charter (including, without limitation, in respect of the seaworthiness, merchantability or eligibility for particular trade or operation or otherwise of the Vessel).

- (d) **No liability from Owners** In particular, and without prejudice to the generality of paragraph (c) 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 (d), "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

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 the following documents and evidence (in each case in form and substance acceptable to the Owners) on or before the Actual Delivery Date:

- (a) an original of each of the following:
- (i) the duly executed Charter;
 - (ii) the other duly executed Transaction Documents (other than any Quiet Enjoyment Agreement and any Finance Party Quiet Enjoyment Agreement), together with all documents required by any of them other than:
 - (A) the acknowledgements from the Sub-Charterers of the notices of assignment given pursuant to the Charterers' Assignment; and
 - (B) the letters of undertaking in respect of the Insurances required under the Charterers' Assignment;
- (b) certified true copies of the constitutional documents (or equivalent documents) (and all amendments thereto) of each Obligor and any other documents required to be filed or registered or issued under the laws of their jurisdiction of incorporation to establish their incorporation;
- (c) certified true copies of written resolutions or (as the case may be), resolutions passed at separate meetings, in each case, of the board of directors and (if required by any legal advisor to the Owners) shareholders of each Obligor (or its sole member or general partners), in each case evidencing their respective approvals of the Transaction Documents and authorising appropriate officers or attorneys to execute the same and to sign all notices required to be given hereunder or thereunder on their behalf or other evidence of such approvals and authorisations as shall be acceptable to the Owners;
- (d) a certified true copy of a certificate of good standing of each Obligor issued no earlier than ten (10) days prior to its provision to the Owners and, if applicable, the original power of attorney of each Obligor under which any documents (including the Transaction Documents) are to be executed or transactions undertaken by that party;

- (e) a certificate of a duly authorised representative of each Obligor:
 - (i) certifying that each copy document relating to it specified in this Clause 36 is correct, complete and in full force and effect;
 - (ii) setting out the names of the directors, officers and shareholders of that Obligor and the proportion of shares held by each shareholder; and
 - (iii) confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on that Obligor to be exceeded;
- (f) if applicable, copies of all governmental and other consents, licences, approvals and authorisations as may be necessary to authorise the performance by each Obligor of its obligations under the Transaction Documents to which it is a party, and the execution, validity and enforceability of such Transaction Documents;
- (g) a copy of the following:
 - (i) the duly executed Management Agreement;
 - (ii) the duly executed Relevant Documents (other than the Transaction Documents);
 - (iii) the Vessel's current Safety Management Certificate;
 - (iv) the Approved Manager's current Document of Compliance;
 - (v) the Vessel's current ISSC;
 - (vi) the Vessel's current IAPPC;
 - (vii) the Vessel's current tonnage certificate; and
 - (viii) the Vessel's classification certificate evidencing that it is free of all overdue recommendations and requirements from the Classification Society,

in each case (A) together with all addenda, amendments or supplements, and (B) in respect of any of the Safety Management Certificate, ISSC, IAPPC and classification certificate, such document may be issued in provisional form (where applicable);

- (h) evidence that:
 - (i) all the conditions precedents under clause 7 (*Conditions precedent and subsequent*) of the MOA have been satisfied by the Sellers or, in the Owners' opinion, will be satisfied by the Sellers on the Actual Delivery Date;
 - (ii) on or immediately after the Actual Delivery Date, the Vessel will be registered under the laws and flag of the flag state as set out in Box 5 of this Charter (or any other flag state approved by the Owners in writing) and in the name of the Owners as legal owner; and
 - (iii) the Vessel is insured in the manner required by the Transaction Documents (such evidence to be provided ten (10) days prior to the Actual Delivery Date), together with the written approval of the Insurances (in the form of an insurance opinion) by an insurance adviser appointed by the Owners.

- (i) evidence that the Arrangement Fee and all other fees, costs and expenses then due from the Charterers pursuant to Clauses 54 (*Fees and expenses*) and 57 (*Further indemnities*) have been paid pursuant to such Clauses or (where applicable) will be paid on or by the Actual Delivery Date;
- (j) a legal opinion issued by legal advisers to the Owners in the following jurisdictions, each in form and substance satisfactory to and agreed by the Owners prior to the Actual Delivery Date (or confirmation satisfactory to the Owners that such an opinion will be given):
 - (i) England and Wales;
 - (ii) the Republic of the Marshall Islands;
 - (iii) Malta; and
 - (iv) Switzerland; and
 - (v) the PRC
- (k) such other Authorisation or other document, opinion or assurance which the Owners (acting reasonably) consider to be necessary 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; and
- (l) such documentation and other evidence as is requested by the Owners (acting reasonably) in order for the Owners to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Transaction Documents.

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 by 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 evidence required by this Clause 36.

Prior to delivery, the Owners will provide the Charterers with (1) a copy of the Owners' articles of association, (2) a copy of a power of attorney of the Owners appointing one or more representatives to act on behalf of the Owners in the execution of this Charter and the other Transaction Documents and (3) the names of the directors, officers and shareholders of the Owners and the proportion of shares held by each shareholder (if appropriate).

37. Bunkers and luboils

- (a) At delivery the Charterers shall take over all bunkers, lubricating oil, hydraulic oil, greases, water, paints, ropes and unbroached stores and provisions in the Vessel without cost.
- (b) To the extent that Clause 42 (*Redelivery*) applies, at redelivery the Owners shall take over all bunkers, unused lubricating oil, hydraulic oil, greases, water, paints, ropes and unbroached provisions and other consumable stores in the said Vessel without cost.

38. Further maintenance and operation

- (a) **Maintenance** 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;
 - (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) Charterers' operations and maintenance manuals;
 - (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) **Online access to class records** In addition to the above, the Charterers covenant with the Owners to arrange online access to class records for the Owners as available to the Charterers.
- (c) **Extra equipment** Any equipment that is found not to be required on board as a result of regulation or operational experience is either to be removed at the Charterers expense or to be maintained in operable condition.
- (d) **Maintenance by Charterers** Without prejudice to any other provisions under this Charter, the Charterers shall maintain, use and operate the Vessel with reasonable care as if the Charterers were the owner of the same.

39. Structural changes and alterations

- (a) Unless required by the Classification Society or compulsory legislation or pursuant to the provision of the Sub-Charter (in relation to which any costs incurred shall, for the avoidance of doubt, be on the account of the Charterers), the Charterers may only make structural changes in the Vessel or changes in the machinery, engines, or appurtenances thereof without in each instance first securing the Owners' consent (such consent not to be unreasonably withheld or delayed) if the following conditions are satisfied:
- (i) any such changes do not have a material adverse effect on the Vessel's certification or the Vessel's fitness for purpose;
 - (ii) none of such 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;
- (iii) the Charterers shall bear all time, costs and expenses in relation to any such changes; and
- (iv) the Charterers shall furnish the Owners with:
 - (A) copies of all plans in relation to such changes; and
 - (B) if applicable, confirmation from the Classification Society that such changes will not adversely affect the class of the Vessel, provided always that such Classification Society agrees to issue such confirmation.
- (b) Upon the occurrence of any Termination Event which is continuing, if the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date, and the Owners decide to retake possession of the Vessel, the Charterers shall at their expense restore the Vessel to its former condition as at the Actual Delivery Date unless the changes made are carried out:
 - (i) to improve the performance, operation or marketability of the Vessel; or
 - (ii) as a result of a regulatory compliance; or
 - (iii) otherwise with the prior written consent of the Owners.
- (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 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, to the extent that Clause 42 (*Redelivery*) applies, 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 during Charter Period** In consideration of the Owners' agreement to charter the Vessel to the Charterers during the Charter Period pursuant to the terms hereof, the Charterers agree to pay to the Owners each of the following sums on the relevant date as follows:
 - (i) on each and every Hire Payment Date, by way of fixed hire (each a "**Fixed Hire**") an amount equal to 1/40th of the amount by which the Actual Owners' Costs exceeds the Balloon;
 - (ii) on each and every Hire Payment Date, by way of variable hire (each a "**Variable Hire**") the variable hire then payable on the corresponding Hire Payment Date. The amount of Variable Hire payable on each Hire Payment Date is calculated in accordance with the following formula:

A x B x C whereby

- A = (in relation to the first Hire Payment Date) the Actual Owners' Costs or (in relation to any other Hire Payment Date) the Cost Balance immediately after the immediately preceding Hire Payment Date
 - B = the aggregate of (i) the Margin and (ii) the Applicable Rate for the Hire Period ending on that Hire Payment Date
 - C = a fraction whose denominator is three hundred and sixty (360) and numerator is the number of days which have elapsed from (in respect of the first Hire Payment Date) the Actual Delivery Date (including that date) to the first Hire Payment Date (not including that date), (in respect of all other Hire Payment Dates except the last Hire Payment Date) the immediately preceding Hire Payment Date (including that date) to that Hire Payment Date (not including that date) and (in respect of the last Hire Payment Date) the immediately preceding Hire Payment Date (including that date) to the last Hire Payment Date (including that date).
- (b) **Payment of Hire** All payments of Hire shall be paid in arrears on each Hire Payment Date (Beijing time) (in respect of which time is of the essence).
- (c) **Non- Business Days** Any payment under this Charter which is due to be made on a day that is not a Business Day shall be made on the immediately preceding Business Day.
- (d) **Payment account information** All payments under this Charter shall be made to:
- (i) the account opened in the name of the Owners with Bank of China, the details of which shall be notified by the Owners to the Charterers prior to the first Hire Payment Date, or
 - (ii) such other account as the Owners may thereafter upon notice notify the Charterers from time to time which the Charterers may approve (acting reasonably),
- (the "**Owners' Account**") for credit to the account of the Owners.
- (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 shall be absolute irrespective of any contingency whatsoever including but not limited to:
- (i) any set-off, counterclaim, recoupment, defence or other right which the Charterers may have against the Owners, the Finance Parties or any other third party;
 - (ii) the occurrence of a Total Loss or any other occurrence including the loss, destruction, confiscation, seizure, damage to the Vessel, or the interruption or cessation in or prohibition of the use, possession or enjoyment of the Vessel by the Charterers for any reason whatsoever;
 - (iii) any unavailability of the Vessel, for any reason, including but not limited to 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 or any dry-docking of the Vessel;

- (iv) any lack or invalidity of title or any other defect in title, provided such lack or invalidity of title or defect does not affect the quiet and peaceful use, possession and enjoyment of the Vessel;
- (v) 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;
- (vi) any insolvency, bankruptcy, reorganisation, arrangement, readjustment of debt, dissolution, administration, liquidation or similar proceedings by or against the Owners, any Obligor or the Sub-Charterer or any change in the constitution of the Owners, any Obligor or the Sub-Charterer;
- (vii) any invalidity or unenforceability or lack of due authorisation of or any defect in this Charter or the Sub-Charter;
- (viii) 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, 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. For the avoidance of doubt, the obligation of Charterers to pay Hire under this Charter shall not be affected by any breach of this Charter by the Owners, but shall be without prejudice to any claim for compensation for their documented losses, damages or expenses solely caused by such breach (excluding Hire paid under this Charter).

(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 and any Taxes (other than a FATCA Deduction).
- (ii) In the event that the Charterers are required by any law or regulation to make any deduction or withholding (other than a FATCA Deduction) 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 three (3) Business Days or any other applicable shorter time limits and in any event prior to the date on which penalties attach thereto; and
 - (C) unless payment has been effected in accordance with paragraph (B) above, 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 satisfactory to the Owners (acting reasonably) 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 them 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 which is two per cent. (2.00%) per annum higher than the aggregate of the Margin and the Applicable Rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted the Actual Owners' Costs or the Cost Balance (for the purpose of calculating Variable Hire) for successive Hire Periods, each of a duration selected by the Owners (acting reasonably). 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 that Unpaid Sum at the end of each Hire Period applicable to that Unpaid Sum 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 the Charterers shall notify the other party of the relevant event and negotiate in good faith for a period of thirty (30) days (or such longer period as may be agreed by the Owners (acting reasonably)) from the date of the receipt of the relevant notice by the other party to agree an alternative. If such agreement is not reached within such thirty (30)-day or longer period, the Parties agree that, in such circumstances:
 - (i) the Owners shall have the right to terminate this Charter by delivering to the Charterers a Termination Notice specifying a Termination Payment Date that falls, to the extent permitted by law, no earlier than thirty (30) days after the date of such Termination Notice, whereupon the Charterers shall be obliged to pay to the Owners the Termination Sum in accordance with paragraph (d) of Clause 50 (*Termination Events*) and/or such other terms and conditions as may be specified in such Termination Notice; and
 - (ii) the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).
- (j) **Increased Costs**
 - (i) Subject to paragraphs (ii) and (iii) below, the Charterers shall, within ten (10) 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, or (iii) the implementation or application of or compliance with Basel III or CRD-IV or any other law or regulation which implements Basel III or CRD-IV (whether such implementation, application or compliance is by a government, regulator or the Owners) made after the date of this Charter.

In this Clause:

(A) **"Basel III"** means:

- (1) 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;
- (2) 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
- (3) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

(B) **"CRD IV"** means EU CRD IV and UK CRD IV.

(C) **"EU CRD IV"** means:

- (i) 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; and
- (ii) 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.

(D) **"UK CRD IV"** means:

- (i) 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 it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act;
- (ii) the law of the United Kingdom or any part of it, which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented 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 and its implementing measures; and

- (iii) direct EU legislation (as defined in the 2018 Withdrawal Act), which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act.

(E) **"Increased Costs"** means:

- (1) a reduction in the rate of return from the Hire or on the Owners' overall capital;
- (2) an additional or increased cost; or
- (3) 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, excluding, for the avoidance of doubt, any such loss or reduction resulting in connection with a Finance Document.

- (ii) The Owners shall notify the Charterers of any claim arising from paragraph (j)(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, such confirmation to include (in reasonable details) an explanation and calculations regarding such Increased Costs. The Owners agree to use reasonable endeavours to mitigate any losses connected with any such claim.

- (iii) Paragraph (j)(i) above does not apply to the extent any Increased Costs is:

- (A) compensated for by a payment made under paragraph (f)(ii)(C) above; or
- (B) attributable to a FATCA Deduction required to be made by either Party, an Obligor or a Finance Party (if applicable); or
- (C) attributable to the wilful or negligent breach by the Owners of any law or regulation; or
- (D) attributable to the implementation or application of, or compliance with, the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Charter (but excluding any amendment

arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation,

application or compliance is by a government, regulator or the Owners).

- (k) **Break Costs** The Charterers shall, within three (3) Business Days of demand by the Owners, pay to the Owners the Break Costs net of Breakfunding Gain (if any) where such Break Costs have been agreed to be paid pursuant to this Charter.
- (l) **Certificates and determinations** In any litigation or arbitration proceedings arising out of or in connection with a Transaction Document, the entries made in the accounts maintained by the Owners are, in the absence of manifest error or any question of law, prima facie evidence of the matters to which they relate. Any certification or determination by the Owners of a rate or amount under any Transaction Document is, in the absence of manifest error or any question of law, conclusive evidence of the matters to which it relates.
- (m) **Unavailability of Term SOFR**
 - (A) If as of the Specified Time in respect of the relevant Hire Period, no Term SOFR for a period of three (3) months is available, the applicable Reference Rate shall be the Interpolated Term SOFR for a period of three (3) months.
 - (B) If paragraph (A) above applies but it is not possible to calculate the Interpolated Term SOFR, Clause 40(o) (*Cost of funds*) shall apply to the Cost Balance for the relevant Hire Period.
- (n) **Market disruption** If before 5 p.m. in Shanghai on the Business Day immediately following the Variable Hire Determination Date for the relevant Hire Period, the Charterers receive notifications from the Owners that the cost to them of funding the Cost Balance would be in excess of the Market Disruption Rate, then Clause 40(o) (*Cost of funds*) shall apply to the Cost Balance for the relevant Hire Period.
- (o) **Cost of funds**
 - (i) If this Clause 40(o) applies, the Applicable Rate for the relevant Hire Period shall be the rate certified by the Owners to the Charterers (such certification to include (in reasonable details) an explanation and calculations of such rate) as soon as practicable, and in any event before the first day of that Hire Period, to be that which expresses as a percentage rate per annum the cost to the Owners of funding the Cost Balance (as the Owners may reasonably determine) and if such rate is less than zero then it shall be deemed to be zero.
 - (ii) If this Clause 40(o) applies, and either the Owners or the Charterers so require, the Owners and the Charterers shall enter into good faith negotiations (for a period of not more than 30 days) with a view to agreeing to the use of an alternative basis for determining the rate of interest used to calculate the Variable Hire, taking into account the then current market standards.
 - (iii) If an alternative basis is not agreed pursuant to sub-paragraph (ii) above by the first day of the relevant Hire Period, the Applicable Rate shall continue to be determined in accordance with sub-paragraph (i) above and the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).
- (p) **Voluntary prepayment** After the First Anniversary Date, the Charterers may prepay any part of the remaining Fixed Hire and the Balloon (being an amount (the

"**Prepaid Amount**") that reduces the remaining Fixed Hire and the Balloon by an amount which is an integral multiple of five million US Dollars (US\$5,000,000)) subject as follows:

- (i) they give the Owners not less than twenty (20) Business Days' prior written notice;
- (ii) the proposed prepayment date shall fall on a Hire Payment Date;
- (iii) any prepayment under this paragraph (p) shall be applied in prepayment of the remaining Fixed Hire and the Balloon pro rata;
- (iv) any prepayment under this paragraph (p) shall be made together with accrued Variable Hire, the Prepayment Fee and any Break Costs;
- (v) any amount which is prepaid in accordance with this paragraph (p) shall not be refundable in any circumstance whatsoever.

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 and excess risks) (on terms of cover not less wide than Institute Time Clauses (Hulls) 1.10.83), oil pollution liability risks, war (including, if applicable, "War Risks" as defined in paragraph (a) of Clause 26 (War)), protection and indemnity risks, any other risks against which it is compulsory to insure for the operation of the Vessel and any other risks which the

Owners reasonably consider necessary having regard to then available insurance cover and market standard practice in the operation of LNG carriers:

- (i) in US Dollars;
 - (ii) in such market and on such terms as are customary for reputable and prudent owners of vessels similar to the Vessel; and
 - (iii) with such insurers acceptable to the Owners.
- (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 Finance Parties, and the Charterers shall be at liberty to protect under such insurances the interests of any Approved Manager.
- (c) **Scope of Insurance** Insurance policies shall cover the Owners, the Charterers, the Approved Manager and (if any) the Finance Parties according to their respective interests. Subject to the approval of 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.
- (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, at any time during the Agreement Term, the hull and machinery and war risks insurance (including increased value insurance, general average, salvage and sue & labour cover) shall

be in an amount not less than one hundred and ten per cent. (110%) of the then current Cost Balance.

- (f) **Protection and indemnity coverage** The Vessel shall be entered in a P&I Club which is a member of the International Group Association on customary terms and shall include freight, demurrage and defence insurances, Running Down Clause (RDC) and Fixed or Floating Objects (FFO), and shall be covered against liability for pollution claims in an amount not less than the maximum amount available, which is currently one thousand million US Dollars (US\$1,000,000,000). All insurances shall include customary protection in favour of the Owners, the Approved Manager and (if any) the Finance Parties as notice of cancellation and exclusion from liability for premiums or calls.
- (g) **Insurance undertakings** Without prejudice to paragraph (e) (*H&M and war risks coverage*) and paragraph (f) (*Protection and indemnity coverage*) above, the Charterers:
- (i) undertake to place the Insurances in such markets, in such currency, on such terms and conditions as are customary for reputable and prudent owners of vessels similar to the Vessel, and with such brokers, underwriters and associations acceptable to the Owners;
 - (ii) shall not significantly 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 will supply the Owners from time to time on request with such information as the Owners 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
 - (iii) shall reimburse the Owners on demand for all costs and expenses reasonably incurred by the Owners in obtaining a report on the adequacy of the Insurances from an insurance adviser instructed by the Owners, where such report was obtained (i) on or around the Actual Delivery Date and (ii) where the Owners determine that there have been material changes in the requirement to insure the Vessel.
- (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 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.
- (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 in all respects to the satisfaction of the Owners, and the Charterers will promptly notify the Owners of any new requirement imposed by any broker, underwriter or association in relation to any of the Insurances.

(j) **Renewal of Insurances** The Charterers shall:

- (i) no later than ten (10) days before the Actual Delivery Date, give the Owners the details of the proposed insurers and the proposed main terms of the Insurances;
- (ii) no later than seven (7) days before the expiry of any of the Insurances renew them; and
- (iii) no later than three (3) days of such renewals, give the Owners, and, if applicable, the Finance Parties such details of those renewals (including identity of insurers and main terms of the Insurances) as the Owners and, if applicable, the Finance Parties may require.

(k) **Delivery of documents relating to Insurances** The Charterers shall:

- (i) 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 reasonably 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);
- (ii) procure that a loss payable clause (substantially in the form attached to the Charterers' Assignment) or, in the case of entries in a protection and indemnity association, a note of the Owners' interest in such form as the Owners may reasonably approve, shall be endorsed on or attached to the policies, cover notes or certificates of entry relating to the Insurances; and
- (iii) procure that letters of undertaking (in such form 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, accident or damage** The Charterers shall promptly upon the same being available provide the Owners with full information regarding any casualty or other accident or damage to the Vessel which is likely to

result in damages, liabilities, claims or repairs exceeding the Major Casualty Amount, including, without limitation, any communication with all parties involved in case of a claim under any of the Insurances.

- (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) pay collecting brokers the customary commission on all sums collected in respect of those claims;
 - (iii) compromise all such claims or refer them to arbitration or any other form of judicial or non-judicial determination; and
 - (iv) otherwise 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) **Disputes with brokers, underwriters or associations** In the event of any claim in respect of any of the Insurances (other than in respect of a Total Loss), if the Charterers shall fail to reach agreement with any of the brokers, underwriters or associations for the immediate restoration of the Vessel, or for payment to third parties, within such time as the Owners and, if applicable, the Finance Parties may reasonably stipulate, the Owners and, if applicable, the Finance Parties shall be entitled to require payment to themselves. In the event of any dispute arising between the Charterers and any broker, underwriter or association with respect to any obligation to make any payment to the Charterers or to the Owners and/or (if applicable) the Finance Parties under or in connection with any of the Insurances, or with respect to the amount of any such payment, the Owners and/or (if applicable) the Finance Parties shall be entitled to settle that dispute directly with the broker, underwriter or association concerned. Any such settlement shall be binding on the Charterers.
- (q) **Payment of insurance proceeds**
- (i) The Owners agree that any amounts which may become due under any protection and indemnity entry or insurance 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 is continuing, in which event the Owners shall be entitled to receive the amounts in question and to apply them either:
 - (A) towards reduction of the Termination Sum owed by the Charterers pursuant to paragraph (d) of Clause 50 (*Termination Events*); or
 - (B) at the option of the Owners, to the Charterers and/or other third parties in discharge of the liability in respect of which such amounts were paid.
 - (ii) Without prejudice to the foregoing, all other claims in relation to the Insurances (other than in respect of a Total Loss), shall, unless and until

the occurrence of a Termination Event which is continuing, 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 insurers does not exceed the Major Casualty 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; and
- (B) a claim in respect of any one casualty where the aggregate claim against all insurers exceeds the Major Casualty Amount prior to adjustment for any franchise or deductible under the terms of the relevant policy shall be payable directly to the Owners unless the Owners have, by prior written consent, agreed for such claim to 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 insurers may with such consent make payment on account of repairs in the course of being effected. Without prejudice to the foregoing, in respect of any claim paid to the Owners pursuant to this paragraph (B), the Owners shall, upon the written request of the Charterers and subject to the Owners being satisfied (acting reasonably) that the Charterers have restored the Vessel to her former state and condition and the liability in respect of which the insurance loss is payable is discharged, pay to Charterers an amount equal to such claim so received.
- (r) **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 a claim of less than the Major Casualty Amount arising other than from a Total Loss) without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed).
- (s) **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 on demand for all such premiums, calls or contributions paid by the Owners, together with interest calculated in accordance with paragraph (g) of Clause 40 (*Hire*) from the date of payment by the Owners until the date of reimbursement.
- (t) **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
- (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
- (iv) implement any recommendations contained in the reports issued following the surveys referred to in sub-paragraph (t)(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 upon request 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) procure the Approved Manager to 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.
- (u) ***Innocent Owners' Interest Insurance*** The Owners shall be at liberty to, in relation to the Vessel, take out an Innocent Owners' Interest Insurance on such terms and conditions as the Owners may from time to time decide but always within prevailing market practice. The Charterers shall from time to time within seven (7) Business Days of the Owners' demand reimburse the Owners for all premiums, reasonable and documented costs and expenses paid or incurred by the Owners in connection with such Innocent Owners' Interest Insurance, but only to the extent corresponding to an Innocent Owners' Interest Insurance for an amount not exceeding one hundred and ten per cent. (110%) of the then current Cost Balance.
- (v) ***Mortgagees' Interest Insurance*** Any Finance Party shall be at liberty to, in relation to the Vessel, take out a Mortgagees' Interest Insurance on such terms and conditions as that Finance Party may, acting reasonably, from time to time decide, but always within prevailing market practice. The Charterers shall from time to time within seven (7) Business Days of the Owners' demand reimburse the Owners or that Finance Party for all costs, premiums and expenses paid or incurred by the Owners or that Finance Party in connection with such Mortgagees' Interest Insurance, but only to the extent corresponding to a Mortgagees' Interest Insurance for an amount not exceeding one hundred and ten per cent. (110%) of the then current Cost Balance.
- (w) ***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) at the request of the Owners and at the cost of the Charterers, place any other insurance (to the extent commercially reasonable and in line with international industry standards) as may be requested by the Owners, subject to the opinion(s) of international reputable and independent insurance consultants; and
- (iv) 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 reasonably 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).

42. Redelivery

Upon:

- (a) the Owners delivering a Termination Notice to the Charterers under paragraph (i) (*Illegality*) of Clause 40 (*Hire*) but the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date; or
- (b) the Owners delivering a Termination Notice to the Charterers under paragraph (c) (*Owners' options after occurrence of a Termination Event*) of Clause 50 (*Termination Events*) but the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date; or
- (c) the Charterers delivering a Purchase Option Notice to the Owners under paragraph
(a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) but the Charterers fail to pay the relevant Purchase Option Price on the Purchase Option Date; or
- (d) the expiry of the Agreed Charter Period (and subject to no Total Loss having occurred, no Purchase Option being exercised and no Purchase Obligation being fulfilled),

the Charterers shall, at their own cost and expense, redeliver or cause to be redelivered the Vessel to the Owners at a safe, ice free port (at the Owners' option) where the Vessel would be afloat at all times in a ready safe berth or anchorage, in accordance with Clauses 43 (*Redelivery conditions*) and 45 (*Diver's inspection at redelivery*), provided however that upon the Charterers' payment of the Termination Sum (in the case of (a) and (b) above), the Purchase Option Price (in the case of (c) above) or the Purchase Obligation Price (in the case of (d) above) and any other amounts due under this Charter, in each case pursuant to the terms of this Charter, the Charterers shall no longer be obliged to comply with the requirements under Clauses 42 (*Redelivery*), 43 (*Redelivery conditions*) and 45 (*Diver's inspection at redelivery*).

43. Redelivery conditions

- (a) If the Vessel is to be redelivered pursuant to Clause 42 (*Redelivery*), in addition to what has been agreed in Clause 42 (*Redelivery*), the condition of the Vessel shall at redelivery be as follows:

- (i) 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) 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;
 - (ii) 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 for a period of at least three (3) months beyond the redelivery date;
 - (iii) 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;
 - (iv) 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;
 - (v) 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, clean and free of infestation and odours; 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;
 - (vi) the Vessel shall be free and clear of all liens (other than any Permitted Encumbrance);
 - (vii) at the costs and expenses of the Charterers, a final joint report from the surveyors appointed by the Owners and the Charterers respectively shall be carried out as to the condition of the Vessel and a list of agreed deficiencies if any shall be drawn up; and
 - (viii) recently taken lube oil samples for all major machinery shall be made available within one (1) week of redelivery and results forwarded to Owners' technical management for review.
- (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 equipment controlling the habitability of the accommodation and service areas to be in proper working order, fair wear and tear excepted; and
 - (ii) available deadweight to be within one per cent. (1.00%) 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 shall be entitled to appoint (at the cost of the Charterers) one independent surveyor for the purpose of determining and agreeing in writing the condition of the Vessel at redelivery. 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 prepared by the surveyor and the Charterers shall be obliged to repair/remedy prior to redelivery all deficiencies identified in such list.
- (d) 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.
- (e) Until such time as any compensatory amount in respect of any repairs/remedial work outstanding as at redelivery has been paid in accordance with the terms of this Charter and the Vessel has been redelivered, the Charterers shall continue to pay Hire in accordance with the terms of this Charter.

44. Owners' mortgage

The Charterers:

- (i) acknowledge that the Owners and the Related 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 Actual Owners' Costs and the "Actual Owners' Costs" under the Related Charters, 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** simultaneous with the Owners' execution of any such ship mortgages, the relevant Finance Parties shall execute and deliver to the Charterers a Finance Party Quiet Enjoyment Agreement;
- (ii) consent to any assignment in favour of the Finance Parties pursuant to the relevant Finance Documents of the Owners' rights under any Transaction Document;
- (iii) without limiting the generality of paragraph (p) (*Further assurance*) of Clause 47 (*Charterers' undertakings*), undertake to execute, provide or procure the execution or provision (as the case may be) of such further information or document as in the reasonable opinion of the Owners are necessary to effect the assignment referred to in sub-paragraph (ii) above; and
- (iv) in the event a Finance Party which is the mortgagee of the Vessel serves a notice on the Charterers that an event of default has occurred and is continuing under and in accordance with the Finance Documents and where such event of default is not in any way resulting from a Termination Event or a breach by any Obligor of any Transaction Document, the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).

45. Diver's inspection at redelivery

- (a) For the avoidance of doubt, the requirements of this Clause 45 will not apply if:
 - (i) after the occurrence of a Termination Event, the Charterers have paid:
 - (A) the Termination Sum; and
 - (B) any other amounts due under this Charter; or
 - (ii) the Charterers have paid the Purchase Option Price or the Purchase Obligation Price and the Vessel has been redelivered to the Charterer pursuant to Clause 52 (*Purchase Option, Purchase Obligation and transfer*)

of title).

- (b) Unless the Vessel is returned in dry-dock, a diver's inspection is required to be performed at the time of redelivery.
- (c) 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.
- (d) 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.
- (e) If damage to the underwater parts is found, the Charterers shall arrange, at their time and costs, for the Vessel to be dry-docked and repairs carried out to the satisfaction of the Classification Society.
- (f) If the conditions at the port of redelivery are unsuitable for such diver's inspection, the Charterers shall take the Vessel (in Owners' time but at Charterers' expense) to a suitable alternative place nearest to the redelivery port unless an alternative solution is agreed.
- (g) Without limiting the generality of sub-paragraph (b)(iii) of Clause 54 (*Fees and expenses*), all costs relating to any diver's inspection shall be borne by the Charterers.

46. Charterers' representations and warranties

The Charterers represent and warrant to the Owners, subject to the Legal Reservations (where relevant), on (A) the date of this Charter and (by reference to the facts and circumstances then pertaining), and in respect of the Repeating Representations, (B) the Actual Delivery Date and (C) each Hire Payment Date as follows:

- (i) **Status and due authorisation:** each Obligor is a corporation, limited partnership or limited liability company duly incorporated or formed under the laws of its jurisdiction of incorporation or formation (as the case may be) with power to enter into the Transaction Documents and to exercise its rights and perform its obligations under the Transaction Documents and all corporate and other action required to authorise its execution of the Transaction Documents and its performance of its obligations thereunder has been duly taken;
- (ii) **No deductions or withholding:** under the laws of the Obligor's respective jurisdictions of incorporation or formation in force at the date hereof, none of the Obligor's will be required to make any deduction or withholding from any payment it may make under any of the Transaction Documents;
- (iii) **Claims pari passu:** under the laws of the Obligor's respective jurisdictions of incorporation or formation in force at the date hereof, the payment obligations of each Obligor under each Transaction Document to which it is a party, rank at least *pari passu* with the claims of all other unsecured and unsubordinated creditors of such obligor save for any obligations which are preferred solely by any bankruptcy, insolvency or other similar laws of general application;
- (iv) **No immunity:** in any proceedings taken in any of the Obligor's respective jurisdictions of incorporation or formation in relation to any of the Transaction Documents, none of the Obligor's will be entitled to claim for

itself or any of its assets immunity from suit, execution, attachment or other legal process;

- (v) **Governing law and judgments:** in any proceedings taken in any of the Obligors' jurisdiction of incorporation or formation in relation to any of the Transaction Documents in which there is an 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;
- (vi) **Validity and admissibility in evidence:** as at the date hereof, all acts, conditions and things required to be done, fulfilled and performed in order
 - (A) to enable each of the Obligors lawfully to enter into, exercise its rights under and perform and comply with the 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, and (C) to make the Transaction Documents admissible in evidence in the jurisdictions of incorporation or formation of each of the Obligors, have been done, fulfilled and performed;
- (vii) **No filing or stamp taxes:** under the laws of the Obligors' respective jurisdictions of incorporation or formation in force at the date hereof, it is not necessary that any of the Transaction Documents be filed, recorded or enrolled with any court or other authority in its jurisdiction of incorporation or formation (other than the relevant maritime registry, to the extent applicable) or that any stamp, registration or similar tax be paid on or in relation to any of the Transaction Document;
- (viii) **Binding obligations:** the obligations expressed to be assumed by each of the Obligors in the Transaction Documents are legal and valid obligations, binding on each of them in accordance with the terms of the Transaction Documents 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;
- (ix) **No misleading information:** to the best of their knowledge, any factual information provided by any Obligor to the Owners in connection with the Transaction Documents was true and accurate in all material respects as at the date it was provided and is not misleading in any material respect;
- (x) **No winding-up:** none of the Obligors has taken any corporate, limited liability company or limited partnership action nor have any other steps been taken or legal proceedings been started or (to the best of the Charterers' knowledge and belief) threatened against any Obligor for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its assets or revenues;
- (xi) **Solvency:**
 - (A) none of the Obligors nor the Charterers Group taken as a whole is unable, or admits or has admitted its inability, to pay its debts or has suspended making payments in respect of any of its debts;
 - (B) none of the Obligors by reason of actual or anticipated financial difficulties, has commenced, or intends to commence, negotiations

with one or more of its creditors with a view to rescheduling any of its indebtedness;

- (C) the value of the assets of each Obligor (other than the Dynagas Manager) is not less than the liabilities of such entity and the value of the assets of the Charterers Group taken as a whole is not less than the liabilities of the Charterers Group taken as a whole (in each case taking into account contingent and prospective liabilities); and
 - (D) no moratorium has been, or may, in the reasonably foreseeable future be, declared in respect of any indebtedness of any Obligor.
- (xii) **No defaults:**
- (A) without prejudice to paragraph (B) below, none of the Obligors is in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets which would have or is likely to have a Material Adverse Effect; and
 - (B) no Potential Termination Event or Termination Event is continuing or might be expected to result from each Obligor's entry into and performance of each Transaction Document to which such Obligor is a party;
- (xiii) **No proceedings:** no action or administrative proceeding of or before any court, arbitral body or agency has been commenced, is pending or has been threatened against any Obligor which if adversely determined, would have or is likely to have a Material Adverse Effect;
- (xiv) **Accounts:** all financial statements relating to the Charterers and the Charter Guarantor required to be delivered under paragraphs (a) (*Financial statements*) and (c) (*Interim financial statements*) of Clause 47 (*Charterers' undertakings*) were each prepared in accordance with GAAP, give (in respect of the annual audited financial statements, in conjunction with the notes thereto) a true and fair view of (in the case of annual financial statements) or fairly represent (in the case of semi-annual financial statements) the financial condition of the Charterers and the Charter Guarantor (as the case may be) at the date as of which they were prepared and the results of their operations during the financial period then ended;
- (xv) **No obligation to create Encumbrance:** the execution of the Transaction Documents by the Obligors and their exercise of their rights and performance of their obligations thereunder will not result in the existence of nor oblige any Obligor to create any Encumbrance over all or any of their present or future revenues or assets, other than pursuant to the Security Documents;
- (xvi) **No breach:** the execution of the Transaction Documents by each of the Obligors and their exercise of their rights and performance of their obligations under any of the Transaction Documents do not constitute and will not result in any breach of any agreement or treaty to which any of them is a party;
- (xvii) **Security:** each of the Obligors is the legal and beneficial owner of all assets and other property which it purports to charge, mortgage, pledge, assign or otherwise secure pursuant to each Security Document and those Security Documents to which it is a party create and give rise to valid and effective security having the ranking expressed in those Security Documents;

- (xviii) **Necessary Authorisations:** the Necessary Authorisations required by each Obligor are in full force and effect, and each Obligor is in compliance with the provisions of each such Necessary Authorisation relating to it and, to the best of its knowledge, none of the Necessary Authorisations relating to it are the subject of any pending or threatened proceedings or revocation which are reasonably likely to have a Material Adverse Effect;
- (xix) **No money laundering:** the performance of the obligations of the Obligors under the Transaction Documents, will be for the account of members of the Charterers Group and will not involve any breach by any of them of any law or regulatory measure relating to "money laundering" as defined in Article 1 of the Directive ((EU) 2015/849) of the European Parliament and of the Council of the European Communities (as it forms part of the domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act);
- (xx) **Disclosure of material facts:** the Charterers are not aware of any material facts or circumstances which have not been disclosed to the Owners;
- (xxi) **No breach of laws:**
- (A) none of the Obligors has breached any law or regulation which is reasonably likely to have a Material Adverse Effect; and
 - (B) no labour disputes are current or (to the best of the Charterers' knowledge and belief) threatened against any member of the Charterers Group;
- (xxii) **Environmental Law:**
- (A) each member of the Charterers Group is in compliance with paragraph (i) (*Environmental compliance*) of Clause 47 (*Charterers' undertakings*) and (to the best of the Charterers' knowledge and belief) no circumstances have occurred which would prevent such compliance; and
 - (B) no Environmental Claim has been commenced or (to the best of the Charterers' knowledge and belief) is threatened against any member of the Charterers Group which is reasonably likely to have a Material Adverse Effect.
- (xxiii) **Taxation:**
- (A) no Obligor is overdue in the filing of any Tax returns and no Obligor is overdue in the payment of any amount in respect of Tax which is reasonably likely to have a Material Adverse Effect; and
 - (B) no claims or investigations are being made or conducted against any Obligor with respect to Taxes which is reasonably likely to have a Material Adverse Effect;
- (xxiv) **No Restricted Party:** to the best of the Charterers' knowledge and belief (having conducted reasonable due diligence), none of the Obligors is a Restricted Party nor has any Obligor received notice or are aware of any claim, action, suit, proceeding against any of them with respect to Sanctions by a Sanctions Authority;
- (xxv) **No Material Adverse Effect:** no event or circumstance has occurred which

had, has or is likely to have a Material Adverse Effect; and

(xxvi) **Copies of Relevant Documents:** the copies of the Relevant Documents provided or to be provided by the Charterers to the Owners in accordance with Clause 36 (*Conditions precedent*) are, or will be, true and accurate copies of the originals and represent, or will represent, the full agreement between the parties to those Relevant Documents in relation to the subject matter of those Relevant Documents and there are no commissions, rebates, premiums or other payments due or to become due in connection with the subject matter of those Relevant Documents other than in the ordinary course of business or as disclosed to, and approved in writing by, the Owners.

(xxvii) **Tax** the Obligors and the Related Charterers are not US Tax Obligors and have not established a place of business in the United States of America.

47. Charterers' undertakings

The undertaking and covenants in this Clause 47 remain in force for the duration of the Agreement Term.

(a) **Financial statements:** The Charterers shall supply to the Owners:

- (i) as soon as the same become available, but in any event within one hundred and fifty (150) days after the end of each of the Charterers' Financial Years, the Charterers' audited financial statements for that Financial Year; and
- (ii) as soon as the same become available, but in any event within one hundred and fifty (150) days after the end of each of the Charter Guarantor's Financial Years, the Charter Guarantor's audited consolidated financial statements for that Financial Year.

(b) **Requirements as to financial statements:** Each set of financial statements delivered to the Owners under paragraph (a) (*Financial statements*) above in relation to the Charterers and the Charter Guarantor (each a "Notifying Party"):

- (i) shall be certified by an authorised signatory of the relevant Notifying Party as fairly representing its financial condition as at the date as at which those financial statements were drawn up; and
- (ii) shall be prepared in accordance with GAAP.

(c) **Interim financial statements** The Charterers shall supply to the Owners, as soon as the same become available, but in any event within ninety (90) days after the end of each relevant Financial Half-Year:

- (i) the unaudited management prepared financial statements (excluding notes) of the Charterers for that Financial Half-Year; and
- (ii) the unaudited consolidated financial statements of the Charter Guarantor for that Financial Half-Year; and

(d) **Intentionally left blank**

(e) **Information: miscellaneous** The Charterers shall:

- (i) supply to the Owners promptly upon becoming aware of them, details of any material litigation, arbitration or administrative proceedings which are

- current, threatened or pending against any Obligor and are likely to have a Material Adverse Effect;
- (ii) supply to the Owners promptly, such further information and explanations regarding the financial condition, business and operations of any Obligor as the Owners may request;
 - (iii) notify the Owners in writing promptly upon becoming aware of any Environmental Claim against the Charterers (or any Sub-Charterer or any Approved Manager) which is current, or pending in writing in relation to the Vessel;
 - (iv) notify the Owners in writing promptly upon becoming aware of any Transaction Document being terminated, repudiated, cancelled or otherwise ceasing to remain in full force and effect;
 - (v) notify the Owners in writing promptly if a Sub-Charter is terminated, cancelled, repudiated, or expires, or otherwise ceases to remain in full force and effect;
 - (vi) *intentionally left blank*
 - (vii) disclose all relevant information in relation to any Sub-Charter, including (but not limited to) any information in relation to any Sub-Charterer's fulfilment of its obligations pursuant to the relevant Sub-Charter, the delivery, redelivery and withdrawal of the Vessel under any Sub-Charter and any other information which the Owners may reasonably request and without prejudice to the foregoing, the Charterers shall deliver or procure the delivery to the Owners of the employment status together with (if requested by the Owners) the relevant contract of employment in respect of the Vessel which the Owners may request.
- (f) **Notification of Termination Event** The Charterers shall 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 it) and, upon receipt of a written request to that effect from the Owners, confirm to the Owners that, save as previously notified to the Owners or as notified in such confirmation, no Termination Event is continuing or, if a Termination Event is continuing, specifying the steps, if any, being taken to remedy it.
- (g) **Claims pari passu** The Charterers shall ensure that at all times the claims of the Owners against them under the Transaction Documents rank at least *pari passu* with the claims of all their other unsecured and subordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation, winding-up or other similar laws of general application.
- (h) **Necessary Authorisations** Without prejudice to any specific provision of the Transaction Documents relating to a Necessary Authorisation, the Charterers shall
- (i) obtain, comply with and do all that is necessary to maintain in full force and effect all Necessary Authorisations to enable them lawfully to enter into and perform their obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of the Transaction Documents in their jurisdiction of incorporation or formation and all other applicable jurisdictions, (ii) ensure that no failure to obtain, comply with or maintain any Necessary Authorisation may cause a Material Adverse Effect; and
 - (iii) promptly upon request, supply certified copies to the Owners of all Necessary Authorisations.
-

- (i) **Compliance with applicable laws** Each Obligor shall comply with all applicable laws, including Environmental Laws, to which it may be subject (except as regards Sanctions to which paragraph (j) (*No breach of Sanctions*) below applies, and anti-corruption and anti-bribery laws to which paragraph (k) (*Anti-corruption and anti-bribery laws*) below applies), the non-compliance of which is reasonably likely to have a Material Adverse Effect.
- (j) **No breach of Sanctions** The Charterers shall not, and shall not permit or authorise any other person to, directly utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds or any other benefits of any transaction(s) contemplated by the Transaction Documents to fund any trade, business or other activities:
 - (i) involving or for the benefit of any Restricted Party if to do so would be prohibited by Sanctions applicable to any Obligor, the Owners or any Finance Party; and
 - (ii) in any other manner that would result in any Obligor, the Owners or any Finance Party (if applicable) being in breach of any applicable Sanctions or becoming a Restricted Party.
- (k) **Anti-corruption and anti-bribery laws** The Charterers warrant, represent and agree that they and their Affiliates and their respective officers, directors and employees have complied with, and shall comply with, all applicable Business Ethics Laws in connection with this Charter. For the purpose of this Clause only, an "Affiliate" means any member of the Charterers Group.
- (l) **Environmental compliance** The Charterers shall, and shall procure that each of the Obligors will:
 - (i) comply with any Environmental Law;
 - (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.
- (m) **Environmental Claims** The Charterers shall promptly upon becoming aware of the same, inform the Owners in writing of:
 - (i) any Environmental Claim against any member of the Charterers Group which is current, pending or threatened; and
 - (ii) any facts or circumstances which are likely to result in any Environmental Claim being commenced or threatened against any member of the Charterers Group.
- (n) **Taxation** The Charterers shall pay and discharge any Tax imposed upon them or their assets within the time period allowed without incurring penalties unless and only to the extent that such payment is being contested by the Charterers in good faith.
- (o) **Loans or other financial commitments** The Charterers shall not make any loan or enter into 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 loans made in the ordinary course of business.

- (p) **Further assurance** The Charterers shall at their own expense, 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 created or evidenced (or intended to be created or evidenced) by the Security Documents.
- (q) **Inspection of records** The Charterers will permit the inspection of their financial records and accounts on prior notice from time to time during business hours by the Owners or their nominee.
- (r) **Insurance** The Charterers shall procure that all of the assets, operation and liability of the Charterers are insured against such risks, liabilities and for amounts as normally adopted by the industry for similar assets and liabilities and, in the case of the Vessel, in accordance with the terms of this Charter.
- (s) **Merger and demerger** The Charterers shall not, and shall procure that the Charter Guarantor shall not, enter into any amalgamation, merger, demerger or corporate restructuring without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed if the Owners (acting reasonably) are satisfied that such amalgamation, merger, demerger or corporate restructuring will neither
- (i) have a Material Adverse Effect nor (ii) have a negative financial impact on the obligations of the Core Obligors under the Transaction Documents).
- (t) **Transfer of assets** The Charterers shall not sell or transfer any of its material assets other than:
- (i) on arm's length terms to third parties where the net proceeds of sale are used as a prepayment hereunder; or
- (ii) on arm's length terms to its Affiliates, which are and remain members of the Charterers Group.
- (u) **Change of business** The Charterers shall not without the prior written consent of the Owners, make any substantial change to the general nature of their shipping business from that carried on at the date of this Charter.
- (v) **Acquisitions** The Charterers shall not make any acquisitions or investments without the prior written consent of the Owners (such consent not to be unreasonably withheld).
- (w) **"Know your customer" checks** 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 Charter;
- (ii) any change in the status of the Charterers after the date of this Charter; or
- (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 in order for 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.

- (x) **No borrowings** The Charterers shall not incur any liability or obligation except (i) liabilities and obligations under the Transaction Documents to which they are parties, and (ii) liabilities or obligations reasonably incurred in the ordinary course of operating, chartering, repairing and maintaining the Vessel.
- (y) **No dividends** The Charterers shall not pay any dividends or make other distributions to its shareholders whilst a Termination Event is continuing.
- (z) **Negative pledge** The Charterers shall not create, or permit to subsist, any Encumbrance (other than a Permitted Encumbrance) over all or any part of the Vessel, their other assets or undertakings nor dispose of the Vessel or any of those assets or all or any part of those undertakings other than, in the case of a sale of the Vessel, where such sale complies with the requirements of the MOA, this Charter, including, without limitation, to Clause 50 (*Termination Events*), or any other Transaction Documents.
- (aa) **Management of the Vessel** The Charterers shall ensure that:
 - (i) the Vessel is at all times technically managed by an Approved Manager;
 - (ii) unless (A) the Charterers have promptly informed the Owners in writing of any proposed change of an Approved Manager, and (B) the Owners (acting reasonably) have granted their prior written consent to such proposed change, the Approved Manager shall not be changed **provided that** upon the occurrence of an event of default (however described) that is continuing under the Management Agreement, the Owners shall have the right to appoint a substitute manager in respect of the Vessel (but if the Vessel is delivered to the relevant Sub-Charterer under the relevant Sub-Charter and remains under the employment of that Sub-Charter, such appointment shall be acceptable to that Sub-Charterer); and
 - (iii) a Manager's Undertaking (in form and content satisfactory to the Owners) from the Approved Manager confirming that, among other things, all claims of the Approved Manager against the Charterers shall be subordinated to the claims of the Owners or the Finance Parties (if applicable) under the Transaction Documents.
- (bb) **Classification** The Charterers shall ensure that the Vessel maintains the highest classification required for the purpose of the relevant trade of the Vessel which shall be with the Vessel's Classification Society, in each case, free from any overdue recommendations and conditions, and adverse notations affecting that the Vessel's class.
- (cc) **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.
- (dd) **Registration** The Charterers shall not change or permit a change to the flag of the Vessel throughout the duration of this Charter other than to a Pre-Approved Flag or under such other flag with the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed). Any change to the flag of the Vessel shall be at the cost and expense of the Charterers (which shall include, without limitation, any Taxes payable in the state or jurisdiction of such Pre-Approved Flag and costs of the Finance Parties (if applicable)).
- (ee) **ISM and ISPS Compliance** The Charterers shall ensure that each ISM Company and ISPS Company complies in all 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.

- (ff) **Change of ownership** The Charterers shall, and shall procure that the Charter Guarantor will, ensure that throughout the Charter Period, there shall not occur any Change of Control, except with the prior written consent of Owners (such consent not to be unreasonably withheld, if the Owners (acting reasonably) are satisfied that such Change of Control will neither (i) have a Material Adverse Effect nor (ii) have a negative financial impact on the obligations of the Core Obligors under the Transaction Documents).
- (gg) **Inspection of Vessel** In the absence of a Potential Termination Event or Termination Event, subject to there being no undue interference with the operation of the Vessel, the Owners shall have the right to inspect the Vessel once in each calendar year at the Charterers' cost, **provided always however** that if a Potential Termination Event or Termination Event has occurred, the Owners may at any time and at the Charterers' cost conduct such inspection 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.
- (hh) **Relevant Documents** In relation to the Relevant Documents, the Charterers undertake that:
- (i) there shall be no (A) termination by the Charterers of any Relevant Document without the prior written consent of the Owners (such consent to not be unreasonably withheld or delayed), or (B) alteration to or waiver of any material term of any Relevant Document, unless, in either case, the prior written consent of the Owners is obtained (such consent to not be unreasonably withheld or delayed);
 - (ii) without limiting the generality of sub-paragraph (i) above, the Charterers will not, without the prior written consent of the Owners, effect any sale of the Vessel;
 - (iii) without prejudice to the foregoing, the Charterers shall, where applicable, forthwith execute and deliver any and all such other agreements, instruments and documents (including any novation agreement) as may be required by law or deemed necessary to ensure that the Relevant Documents which are in effect on the date of this Charter shall remain in effect, so that all obligations previously owed by the applicable Relevant Party to the Charterers under such Relevant Documents shall continue to be owed to the Charterers throughout the Agreement Term (provided that this shall not be applicable to expiration of such Relevant Document through effluxion of time or where such Relevant Document is novated (in accordance with the terms of this Charter) and the Charterers are no longer a party to that Relevant Document after such novation); and
 - (iv) no right or purported right to withdraw the Vessel from service under any Sub-Charter may be exercised by them without the prior written consent of the Owners.
- (ii) **Conditions subsequent** The Charterers shall:
- (i) to the extent that any certificate received by the Owners pursuant to paragraph (g) of Clause 36 (*Conditions precedent*) was in provisional form

at the time of the receipt, deliver or cause to be delivered to the Owners the corresponding formal certificate as soon as possible after the Charterers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate;

- (ii) within ten (10) Business Days from the Actual Delivery Date, deliver or cause to be delivered to the Owners letters of undertaking in respect of the Insurances as required by the Transaction Documents, together with copies of the relevant policies or cover notes or entry certificates duly endorsed with the interest of the Owners; and
- (iii) within five (5) Business Days after the execution of the Charterers' Assignment, deliver or cause to be delivered to the Owners acknowledgements by the Initial Time Charterer and the Next Decade Time Charterer of the notice(s) of assignment given pursuant to the Charterers' Assignment in the form attached to the relevant notice(s);

(jj) **Emissions Legislation**

- (i) the Charterers shall:
 - (A) 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 to the relevant administering authority and take such action as the Owners may reasonably require for such EU ETS Mandate Letter to be submitted to and recorded by the relevant administering authority;
 - (B) comply with all Emissions Legislation applicable to them; and
 - (C) whenever reasonably requested by the 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 Emissions Legislation applicable to them or in respect of the Vessel; and
- (ii) the Charterers will pay or cause to be paid all amounts required to be paid by them or the Owners in respect of the Vessel arising out of or in connection with the Emissions Legislation, and the Charterers will on demand indemnify the Owners for any and all documented amounts actually paid by the Owners in connection with the Emissions Legislation 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 the Emissions Regulations in respect of the Vessel (save for those losses, costs or expenses solely caused by the gross negligence or wilful default of the Owners and not caused by any direct action, omission, contributory negligence by any Obligor, any manager of the Vessel or any charterer of the Vessel) and (ii) any penalties, charges or other amounts levied against the Owners due to any breach by the Charterers of their obligations under this Clause 47(jj) and the Owners shall inform the Charterers of any relevant claims to which such charges relate in a timely manner.

(kk) **Intentionally left blank**

(ll) **Intentionally left blank**

(mm) **Related Vessels** the Charterers agree that the Owners may at their sole discretion

and at any time during the Agreement Term apply towards any Unpaid Sum any Related Vessel Total Loss Proceeds Surplus and any other amounts received by the Owners from any Related Owners pursuant to the terms of any Related Charter.

48. Earnings Account

- (a) In addition to Clause 47 (*Charterers' undertakings*), the Charterers hereby undertake to the Owners that, throughout the Agreement Term, they will deposit all of the Earnings received by the Charterers into the Earnings Account, free and clear of any costs, fees, expenses, disbursements, withholdings or deductions.
- (b) Provided that no Termination Event has occurred and is continuing and subject to payment of any Hire that has become due and payable, the Charterers may freely withdraw any amount standing to the credit of the Earnings Account.

49. Value maintenance

- (a) **Definitions** In this Clause 49:

"Test Date" means any day during the Agreement Term on which the Owners may test the Value Maintenance Ratio, it being acknowledged and agreed that, prior to the occurrence of a Termination Event or a Potential Termination Event, there will be no more than one (1) Test Date in any twelve (12) months period.

"Value Maintenance Ratio" means the ratio (expressed as a percentage) of:

- (i) the Fair Market Value of the Vessel plus any cash already provided to restore the Value Maintenance Threshold to
- (ii) the aggregate of the then applicable Cost Balance.

"Value Maintenance Threshold " means the ratio (expressed as a percentage) of one hundred and twenty per cent. (120%).

- (b) **Valuations**

- (i) In order to determine the Fair Market Value on a Test Date for the purposes of testing the Value Maintenance Ratio, the Fair Market Value shall be determined by the Owners to be the arithmetic mean of the valuation from two Valuation Reports, each issued by an Approved Valuer designated by the Charterers, provided that:

- (A) in the absence of a Termination Event, the Charterers shall arrange, deliver to the Owners and bear the cost of the issuance of such Valuation Reports once every twelve (12) months during the Agreement Term, and any additional Valuation Report shall be at the Owners' cost; and
- (B) upon the occurrence of a Termination Event, the Charterers shall arrange, deliver to the Owners and bear the cost of the issuance of all Valuation Reports as may be required by the Owners (acting in their sole discretion).

provided further that if the Charterers fail to deliver such Valuation Reports pursuant to this Clause 49, the Owners shall be entitled to arrange such Valuation Reports at the Charterers' cost.

- (ii) Each Valuation Report to be provided for the purpose of sub-paragraph

(b)(i) above shall:

- (A) be issued by an Approved Valuer, if for the purpose of testing the Value Maintenance Ratio, no earlier than forty-five (45) days before the relevant Test Date;
 - (B) be made without physical inspection of the Vessel and on a desktop basis;
 - (C) on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer; and
 - (D) be delivered to the Owners within forty-five (45) days from the day on which the Owners make a request for valuation of the Vessel pursuant to paragraph (b)(i) above .
- (iii) If an Approved Valuer determines that the Fair Market Value shall fall within a range, the valuation as determined by such Approved Valuer should be the lower value of such range.
- (iv) Each valuation shall be provided by an Approved Valuer in US Dollars.

(c) **Value Maintenance Ratio**

- (i) The Owners may test the Value Maintenance Ratio on any Test Date in accordance with the methodology described in sub-paragraph (b) (*Valuations*) above.
- (ii) If, after conducting testing the Value Maintenance Ratio on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is lower than the Value Maintenance Threshold, then the Charterers shall, within thirty (30) days of the Owners' request, undertake any of the following at the Charterers' option (but always subject to Owners' prior approval which shall not be unreasonably withheld):
 - (A) provide cash collateral in the amount of the shortfall (the "**Cash Collateral**") and deposit the same in the Owners' Account; or
 - (B) prepay such part of the Fixed Hire in inverse order of maturity (or, if no Fixed Hire is payable any more, to prepay such part of the Cost Balance) in the amount of the shortfall (together with any Break Costs or other associated costs, expenses or penalties) (it being understood and the Owners and the Charterers hereby agree and acknowledge that any amount prepaid in accordance with this sub-paragraph (B) shall, once so applied by the Owners, not be refundable in any circumstance whatsoever),

in each case in order to restore the Value Maintenance Ratio to comply with the Value Maintenance Threshold.

- (iii) If, after testing the Value Maintenance Ratio on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is higher than the Value Maintenance Threshold for a consecutive period of more than 120 days, the Owners shall release to the Charterers such part of the Cash Collateral provided by the Charterers to the Owners pursuant to sub-paragraph (A) above, as shall reduce the Value Maintenance Ratio to the Value Maintenance Threshold, subject to the Owners being satisfied that

(1) no Termination Event and no Potential Termination Event will occur before or after such release and (2) immediately following such release, the Value Maintenance Ratio will not be less than the Value Maintenance Threshold.

50. Termination Events

(a) Each of the following events shall constitute a Termination Event:

- (i) **Failure to pay** an Obligor fails to pay any amount due from it under any Transaction Document to which it is a party at the time, in the currency and otherwise in the manner specified therein unless payment is made within five (5) Business Days of its due date, provided that no Termination Event shall occur under this sub-paragraph (i) in relation to a failure to pay any amount on the relevant date if such failure is solely and directly caused by the Owners or an Owners' Affiliate becoming a Restricted Party (an "**Owners Sanctions Event**") and payment of such amount is made as soon as such Owners Sanctions Event is no longer continuing ; or
- (ii) **Misrepresentation** any representation or statement made by any Obligor in any Transaction Document to which it is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto or in connection therewith is or proves to have been incorrect or misleading in any material respect, **provided that** no Termination Event will occur under this sub-paragraph if the circumstances giving rise to such misrepresentation are capable of remedy (to the extent that the Owners consider, in their absolute discretion, that such circumstances are capable of remedy) and are remedied to the satisfaction of the Owners within twenty

(20) days of the date of the circumstances giving rise to the misrepresentation having occurred; or
- (iii) **Specific covenants** an Obligor fails duly to perform or comply with any of the obligations expressed to be assumed by or procured by the Charterers under paragraphs (i) (*Compliance with applicable laws*), (j) (*No breach of Sanctions*), (r) (*Insurance*), (z) (*Negative pledge*), (dd) (*Registration*) and (ff) (*Change of ownership*) of Clause 47 (*Charterers' undertakings*) and under Clause 48 (*Earnings Account*); or
- (iv) **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 paragraph (iii) (*Specific covenants*) above). No Termination Event under this paragraph will occur if the failure to comply is capable of remedy (to the extent that the Owners consider, in their absolute discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Owners within twenty (20) days after the earlier of (A) the Owners having given notice thereof to the relevant Obligor, and (B) any Obligor becoming aware of such failure to perform or comply; or
- (v) **Cross Default** any Financial Indebtedness of any Obligor is not paid when due (or within any applicable grace period) or any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity where (in either case) the aggregate of all such unpaid or accelerated indebtedness of:
 - (A) the Charter Guarantor is equal to or greater than ten million US Dollars (US\$10,000,000) or its equivalent in any other currency or currencies; or

- (B) each of the other Obligor (other than the Dynagas Manager) is equal to or greater than five million US Dollars (US\$5,000,000) or its equivalent in any other currency or currencies; or
- (vi) **Insolvency and rescheduling** a Core Obligor is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of its creditors or a composition with its creditors; or
- (vii) **Winding-up** a Core Obligor:
 - (A) files for initiation of formal restructuring proceedings; or
 - (B) is wound up or declared bankrupt; or
 - (C) takes any steps or legal proceedings are started for its winding-up, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues or assets which is not permanently stayed or dismissed within twenty one (21) days; or
 - (D) declares any moratorium or any moratorium is declared or sought, in each case, in respect of any of its indebtedness; or
- (viii) **Execution or distress**
 - (A) a Core Obligor fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court or other official body of a competent jurisdiction, being a judgement or order against which there is no right of appeal,
 - (B) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertaking or assets of a Core Obligor other than any execution or distress which is being contested in good faith and which is either discharged within thirty (30) days or in respect of which adequate security has been provided within thirty (30) days to the relevant court or other authority to enable the relevant execution or distress to be lifted or released; or
- (ix) **Similar event** any event occurs which, under the laws of any jurisdiction, has a similar or analogous effect to any of those events mentioned in paragraphs (vi) (*Insolvency and rescheduling*), (vii) (*Winding-up*) or (viii) (*Execution or distress*) 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 Obligor 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) **Unlawfulness and invalidity** 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 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 Encumbrance created or purported to be created by the Security Documents ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to such Security Document (other than the Owners) to be ineffective,
 - (xiii) **Material adverse change** at any time there shall occur any event or change in respect of the Charter Guarantor which the Owners reasonably believe has a Material Adverse Effect and if such event or change is capable of remedy, it is not remedied within thirty (30) days of the delivery of a notice confirming such event or change by the Owners to the Charterers; or
 - (xiv) **Conditions precedent and subsequent** if any of the conditions set out in clauses 7.1 to 7.5 of the MOA, Clause 36 (*Conditions precedent*) or paragraph (ii) (*Conditions subsequent*) of Clause 47 (*Charterers' undertakings*) is not satisfied by the relevant time or such other time period specified by the Owners in their discretion; or
 - (xv) **Revocation or modification of consents etc.** if any Necessary Authorisation which is now or which at any time during the Agreement Term becomes necessary to enable any of the Obligor to comply with any of their obligations in or pursuant to any of the Transaction Documents is revoked, withdrawn or withheld, or modified in a manner which the Owners (acting reasonably) consider is, or may be, prejudicial to the interests of Owners, or if such Necessary Authorisation ceases to remain in full force and effect; or
 - (xvi) **Curtailement of business** if the business of any of the Obligor is wholly or materially curtailed by any intervention by or under authority of any government, or if all or a substantial part of the undertaking, property or assets of any of the Obligor is seized, nationalised, expropriated or compulsorily acquired by or under authority of any government or any Obligor disposes or threatens to dispose of a substantial part of its business or assets; or
 - (xvii) **Environmental matters**
 - (A) any Environmental Claim is pending or made against the Charterers

or in connection with the Vessel, where such Environmental Claim has a Material Adverse Effect;

- (B) any actual Environmental Incident occurs in connection with the Vessel, where such Environmental Incident has a Material Adverse Effect; or
- (xviii) **Loss of property** all or a substantial part of the business or assets of any Obligor is destroyed, abandoned, seized, appropriated or forfeited for any reason; or
- (xix) **Sanctions** any Obligor, any Affiliate of any Obligor or any of its or their directors, officers and employees becomes a Restricted Party, rendering the sale of the Vessel under the MOA or the chartering of the Vessel under this Charter unlawful or otherwise in breach of any Sanctions; or
- (xx) **Arrest** the Vessel is arrested or seized for any reason whatsoever unless the Vessel is released and returned to the possession of the Charterers within thirty (30) days of such arrest or seizure unless otherwise agreed by the Owners, **provided that** no Termination Event will occur under this sub-paragraph (xx) if such arrest or seizure is caused solely and directly by an Owners Event or any action or omission from the Owners (other than any action from the Owners which takes place following the occurrence of a Termination Event specified in paragraph (a) (except this sub-paragraph (xx)) of Clause 50); or
- (xxi) **Related Charters** there occurs any event or circumstance referred to in paragraph (a) of clause 50 (*Termination Events*) of any Related Charter; or
- (xxii) **Obligor cessation of business** any Obligor ceases or threatens to cease, to carry on all or, in the opinion of the Owners, any material part of such Obligor's business; or
- (xxiii) **Repudiation, termination or cancellation of Relevant Documents** any Relevant Document is repudiated, terminated, cancelled or otherwise ceases to remain in full force and effect (other than by expiration through effluxion of time), **provided that**, in respect of a Sub-Charter, no Termination Event will occur under this sub-paragraph (xxiii) if:
 - (A) such repudiation, termination, cancellation or cessation of effectiveness will not, in the reasonable opinion of the Owners, materially impair the Charterers' ability to perform their obligations under this Charter; and
 - (B) within 90 days of such repudiation, termination, cancellation or cessation of effectiveness, the Sub-Charter is replaced by another time charter of the Vessel (with such time charterer of such credit rating and on terms and conditions acceptable to the Owners, acting reasonably) which is entered into with the Charterers (each a "**Replacement Time Charter**") and the Charterers' rights under such Replacement Time Charter are assigned to the Owners (to the Owners' satisfaction);
- (xxiv) **intentionally left blank**
- (xxv) **intentionally left blank**
- (xxvi) **MOA Termination Event** any "MOA Termination Event" (as such term is

defined in the MOA) occurs under the MOA.

- (b) **Effect of a Termination Event** The Owners and the Charterers agree that:
- (i) it is a fundamental term and condition of this Charter that no Termination Event shall occur during the Agreement Term; and
 - (ii) without prejudice to the foregoing, a Termination Event which is continuing shall constitute an agreed terminating event, the occurrence of which will entitle the Owners to exercise all or any of the remedies set out below in this Clause 50.
- (c) **Owners' options after the occurrence of Termination Event** Throughout the period commencing on the Actual Delivery Date and terminating on the last day of the Agreement Term, at any time after a Termination Event shall have occurred and be continuing following the lapse of any applicable grace period, the Owners may at their option:
- (i) (subject to the terms of the relevant Quiet Enjoyment Agreement or, as applicable, the Finance Party Quiet Enjoyment Agreement (in each case, insofar as the rights of Owners and the relevant Sub-Charterer thereunder are concerned)) by delivering to the Charterers a Termination Notice, terminate this Charter with immediate effect or on the date specified in such Termination Notice;
 - (ii) apply any amount then standing to the credit of any Earnings Account against any Unpaid Sum or such other amounts which the Owners or other Obligors may owe under the Transaction Documents and apply any cash collateral provided to the Owners pursuant to Clause 49(c)(ii)(A) ; and/or
 - (iii) (without prejudice to sub-paragraph (ii) above) enforce any Encumbrance created pursuant to the relevant Transaction Documents.
- (d) **Payment of Termination Sum** On the Termination Payment Date in respect of any Default Termination, the Charterers shall pay to the Owners an amount equal to the Termination Sum plus any Break Cost net of Breakfunding Gain (if any).
- (e) **Owners' application of Terminations Sum** Following any termination to which this Clause 50 applies, all sums payable in accordance with paragraph (d) above shall be paid to such account or accounts as the Owners may direct and shall be applied towards settlement of the Termination Sum (or part thereof) and any other sums due and payable under the Transaction Documents.
- (f) **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 (d) above to the satisfaction of the Owners, whereupon the Owners shall promptly transfer title to the Vessel to the Charterers (or its nominee) in accordance with paragraphs (d) to (e) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).
- (g) **Owners' right to repossess** At any time on or after the Actual Delivery Date, following a Termination in accordance with paragraph (c) (*Owners' options after the occurrence of Termination Event*) above, **and provided that** the Charterers have failed to pay the Termination Sum in accordance with paragraph (d) (*Payment of Termination Sum*) above, the Owners may (but without prejudice to the Charterers' obligations under Clause 42 (*Redelivery*) and 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) **Charterers have no right to terminate** Save as otherwise expressly provided in this Charter, the Charterers shall not have the right to terminate this Charter any time prior to the expiration of the Agreement Term. The rights conferred upon the Owners by the provisions of this Clause 50 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.
- (i) **Owners' right to sell the Vessel** Following any termination to which this Clause applies, if the Charterers have not paid to the Owners the Termination Sum in full by the applicable Termination Payment Date (and consequently the Owners have not transferred title to the Vessel to the Charterers (or their nominee) in accordance with paragraph (f) above), the Owners shall be entitled (but not obliged) to sell the Vessel and apply the Net Sale Proceeds against the Termination Sum and claim from the Charterers for any shortfall. In the event that the Owners have determined to proceed with a sale of the Vessel, the Charterers may for a period of not exceeding sixty (60) days from the Termination Payment Date (the "**Nomination Period**") nominate or identify a purchaser for the Vessel (including the Charterers, a "**Nominated Purchaser**"). During the Nomination Period, the Owners and the Charterers shall use their reasonable endeavours to market the Vessel and the Owners shall, subject to customary closing conditions and clearance of "know your customer", anti-money laundering and sanctions investigations by the Owners, sell the Vessel to the Nominated Purchaser if (A) the Nominated Purchaser is acceptable to the Owners (acting reasonably) and (B) the price to be paid by the Nominated Purchaser (after deducting any fees, commissions, taxes, disbursements and other costs and expenses which would be likely to be incurred in connection with a sale of the Vessel) is equal to or more than the applicable Termination Sum (unless otherwise agreed by the Owners in their absolute discretion) and not lower than the price offered by any other potential purchaser during the Nomination Period.

The Charterers' obligation to pay the Termination Sum (and perform any of their other obligations under the Transaction Documents) shall not be affected irrespective of the Owners' ability to complete the sale of the Vessel. Following the completion of the sale the Owners shall then apply the Net Sales Proceeds as follows:

- (A) firstly, in or towards satisfaction or reduction of the Charterers' obligation to pay the Termination Sum in any manner the Owners deem fit, to the extent that the Termination Sum or any portion of it remains unpaid;
- (B) secondly, if there are moneys owing by any Related Obligor at the relevant time under any Transaction Document (as defined in any Related Charter) or there exists a Termination Event (as defined in any Related Charter) in or towards payment to the relevant Related Owners of any amount owing by that Related Obligor; and
- (C) thirdly, in payment of any surplus to the Charterers.

51. Sub-chartering and assignment

- (a) **Restrictions on other sub-chartering** The Charterers shall not without the prior written consent of the Owners (which shall not be unreasonably withheld or

delayed):

- (i) let the Vessel on demise charter for any period;
 - (ii) de-activate or lay up the Vessel (other than as permitted and in accordance with the terms and conditions of the Sub-Charter);
 - (iii) assign their rights under this Charter; or
 - (iv) enter into any sub-charter for the Vessel (other than the Sub-Charters and any other time charter in respect of the Vessel with a charter period of less than twelve (12) months and entered into by the Charterers (as disponent owner)).
- (b) **Condition to Owners' consent** The Charterers acknowledge that the Owners' consent to any sub-bareboat chartering shall be subject (amongst other things) to the Owners being satisfied as to the intended flag and the classification society during such sub-bareboat chartering.

52. Purchase Option, Purchase Obligation and transfer of title

Purchase Option

- (a) The Charterers may at any time during the Charter Period on or after:
- (i) the First Anniversary Date; or
 - (ii) (where the Purchase Option is exercised pursuant to any of Clauses 40(i), 40(o)(iii), 44(iv) and 52(h)) the Actual Delivery Date,

notify the Owners by serving a written notice (such notice shall hereinafter be referred to as the "**Purchase Option Notice**") and following the service of such notice the Charterers shall pay to the Owners the Purchase Option Price on the proposed Purchase Option Date) of the Charterers' intention to terminate the chartering of the Vessel under this Charter on the date to be specified in such Purchase Option Notice (such date being the "**Purchase Option Date** ") and purchase the Vessel from the Owners for the applicable Purchase Option Price, **provided that** the following conditions are satisfied:

- (i) no Total Loss under Clause 53 (*Total Loss*) having occurred;
- (ii) no Termination Event having occurred and being continuing;
- (iii) the Owners having not delivered a Termination Notice in accordance with paragraph (i) (*Illegality*) of Clause 40 (*Hire*);
- (iv) the Purchase Option Date falling on or after:
 - (A) (where the Purchase Option is exercised pursuant to any of Clauses 40(i), 40(o)(iii), 44(iv) and 52(h)) the Actual Delivery Date; or
 - (B) otherwise, the First Anniversary Date.
- (v) the Charterers' delivery of the Purchase Option Notice to the Owners at least:
 - (A) (where the Purchase Option is exercised pursuant the Purchase Option according to any of Clauses 40(i), 40(o)(iii), 44(iv) and

52(h)) thirty (30) days prior to the proposed Purchase Option Date; and

(B) otherwise, sixty (60) days prior to the proposed Purchase Option Date.

- (b) In exchange for the full payment of the Purchase Option Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49) on the Purchase Option Date, the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (e) below. For the avoidance of doubt the Charter Period will end immediately upon the Purchase Option Price being paid.

Purchase obligation

- (c) Subject to the other provisions of this Charter, the Charterers shall (unless the Charterers have served the Purchase Option Notice and the Purchase Option Price has been paid in accordance with the terms of this Charter) be obliged to purchase the Vessel or cause their nominee to purchase the Vessel upon the expiration of the period of one hundred and twenty (120) months commencing from the Actual Delivery Date by payment of the Purchase Obligation Price. Upon payment of the Purchase Obligation Price in accordance with this paragraph to the Owners' satisfaction, the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (e) below.

Transfer of title

- (d) **Title transfer** In exchange for the full payment of:

(i) in each case as applicable:

(A) (in the case of the circumstances described in paragraph (a) above) the applicable Purchase Option Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49); or

(B) (in the case of the circumstances described in paragraph (c) above) the Purchase Obligation Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49); and

(ii) all sums due and payable to the Owners under the Transaction Documents and subject to compliance with the other conditions set out in this Clause,

the Owners shall:

(1) transfer title to and ownership of the Vessel to the Charterers (or their nominee) by delivering to the Charterers (in each case at the Charterers' costs):

(x) a duly executed and notarised, legalised and/or apostilled (as applicable) bill of sale; and

(y) the Title Transfer PDA; and

(2) procure the deletion of any mortgage or other registered

Encumbrance in relation to the Vessel created under the Finance Documents at the Charterers' cost,

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 (f) below from the Charterers, 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 legal fees) in relation to the Vessel. Concurrently with the transfer of title to and ownership of the Vessel, the Owners shall furnish the Charterers with a deed of release, discharge and reassignment in respect of the Account Charge, the Charterers' Assignment, the Charter Guarantee, the Negative Share Pledge and the Manager's Undertaking.

- (e) **"As is, where is" title transfer** 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, unless required by the laws or regulations of the Charterers' nominated flag state (but without prejudice to the contractual agreed position between the Charterers and the Owners under the rest of this paragraph (e)) to be included in the relevant bill of sale, give the Charterers (or their nominee) 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.
- (f) **Charterers' letter of indemnity** The Charterers shall, immediately prior to the receipt of the bill of sale, furnish the Owners with a letter of indemnity (in a form satisfactory to the Owners) duly executed by the Charterers and the Charter Guarantor and which shall provide (among other things) that:
 - (i) the Owners and/or the Finance Parties (if any) have and will have no interest, concern or connection with the Vessel after the date of such letter; and
 - (ii) the Charterers and the Charter Guarantor shall jointly and severally indemnify the Owners and keep the Owners indemnified against any claims made by any person arising in connection with the Vessel whether arising prior to, on or after the date of such letter, other than a claim arising out of or in connection with the Finance Documents that is not a result of:
 - (A) a Termination Event; or
 - (B) any non-compliance by any Obligor of any provision of the Transaction Documents to which such Obligor is a party.
- (g) *intentionally left blank*
- (h) It is agreed between the Owners and the Charterers that, upon occurrence of any of the following circumstances (each an **"Owners Event"**) where the same is not remedied within thirty (30) Business Days after receipt by the Owners of written notice from the Charterers requesting remedy, the Charterers are entitled to exercise the Purchase Option subject to paragraph (a) above:
 - (i) the Vessel is under arrest, detention, seizure or confiscation solely caused by a claim against the Owners or as a direct result solely resulting from the Owners' or an Owners' Affiliate's actions or omissions (other than as a result of (x) a Termination Event under this Charter, (y) any direct action, omission, contributory negligence by any Obligor, any manager of the Vessel or any charterer of the Vessel and (z) any breach of any Transaction

Document by any Obligor), and the Owners fail to procure the release of the Vessel within thirty (30) days of her arrest, detention, seizure or confiscation (unless such failure is caused by any Obligor, a manager of the Vessel or a charterer of the Vessel);

- (ii) the Owners have mortgaged their title in the Vessel other than in accordance with the provisions of this Charter; or
 - (iii) the Owners or an Owners' Affiliate becomes a Restricted Party.
- (i) In circumstances where either the Owners or an Owners' Affiliate becomes a Restricted Party, the Parties undertake to each other to work together in order to find a solution to ensure payment of the relevant Purchase Option Price to the Owners as speedily as possible without breach of any relevant Sanctions.

53. Total Loss

- (a) **Total Loss Termination** 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.
- (b) **Occurrence of Total Loss** 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) **Payment on Settlement Date** On the Settlement Date, the Charterers shall (in the event that the Owners have not yet received any insurance proceeds in respect of such Total Loss at such time or where such insurance proceeds are not sufficient to satisfy the applicable Termination Sum in full) pay to the Owners an amount equal to the Termination Sum as at the Settlement Date (or, in the case where insurance proceeds have been applied towards paying part of the Termination Sum, the remaining portion of the Termination Sum) provided that it is hereby agreed that any insurance proceeds in respect of the Vessel received by the Owners and/or the Finance Parties shall be applied in or towards discharging the Charterers' obligation to pay the Termination Sum and any interest accrued thereon (and such application shall be deemed satisfaction of the Charterers' obligation to pay the Termination Sum to the extent so satisfied).
- (d) **Payment of Total Loss Proceeds** All Total Loss Proceeds shall be paid to such account or accounts as the Owners may direct and shall be applied towards satisfaction of the Termination Sum and any other sums due and payable under the Transaction Documents. To the extent that there is any surplus after such application (the "**Vessel Total Loss Proceeds Surplus**"), such surplus shall be paid to the Charterers by way of rebate hire, unless before such payment there occurs any event or circumstance referred to in paragraph (a) of clause 50 (*Termination Events*) of any Related Charter, upon which such Vessel Total Loss Proceeds Surplus shall be paid by the Owners to the relevant Related Owners which may be applied in the sole discretion of such Related Owners in accordance with the terms of the relevant Related Charter.
- (e) **Constructive Total Loss** 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) **Payment unconditional** 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 required by paragraph (c) above.

54. Fees and expenses

- (a) **Arrangement Fee** The Charterers shall, on the date of this Charter, pay to the Owners an arrangement fee in an amount equal to 0.675% of the Actual Owners' Costs (the "**Arrangement Fee**") not less than seven (7) Business Days prior to the Prepositioning Date (as defined in the MOA), provided that if this Charter is terminated or cancelled before the Arrangement Fee has been paid, the Arrangement Fee shall become immediately due and payable upon such termination or cancellation and the Charterers shall pay the Arrangement Fee to the Owners immediately upon the Owners' demand. The Arrangement Fee shall be non-refundable and without any set-off, except in circumstances where the purchase of the Vessel by the Owners under the MOA fails as a result of the Owners' wilful or negligent breach of the MOA or this Charter, in which case the Arrangement Fee shall be refunded by the Owners to the Charterers.
- (b) **Other costs and expenses** The Charterers shall bear all reasonably incurred and documented costs, fees (including legal fees) and disbursements incurred by the Owners, whether or not any of the transactions contemplated is completed, in connection with:
- (i) the negotiation, preparation and execution of this Charter, the other Transaction Documents;
 - (ii) the delivery and redelivery of the Vessel under the MOA and this Charter;
 - (iii) preparation or procurement of any survey, inspections, valuation, tax or insurance advice, registration fees;
 - (iv) all legal fees and other expenses arising out of or in connection with the exercising of the Purchase Option and implementing of the Purchase Obligation by the Charterers pursuant to paragraphs (a) and (c) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) of this Charter;
 - (v) such other activities relevant to the transaction contemplated herein other than any financing activities undertaken by the Owners, whether or not such financing activities are undertaken for the purposes of entering this Charter, the MOA or any of the Transaction Documents and other than any incorporation, setting up or continued operation of the Owners in their place of incorporation; and
 - (vi) any amendment to, or any waiver or consent under, this Charter, any other Transaction Documents or any Finance Documents requested by the Charterers.

55. Stamp duties, Taxes

The Charterers shall pay promptly 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 on demand against any and all liabilities with respect to or resulting from any delay on the part of the Charterers to pay such duties or taxes.

56. Operational notifiable events

The Owners are to be advised as soon as reasonably possible after the occurrence of any of the following events:

- (a) when a condition of class is applied by the Classification Society;
- (b) whenever the Vessel is arrested, confiscated, seized, requisitioned, impounded, forfeited or detained by any government or other competent authorities or any other persons for more than five (5) consecutive Business Days;
- (c) whenever a class or flag authority refuses to issue or withdraws trading certification;
- (d) whenever the Vessel is planned for dry-docking in accordance with Clause 10(g) (Part II) and whether routine or emergency;
- (e) the Vessel is taken under tow;
- (f) any (i) death, or (ii) serious injury on board which would require the Vessel to be diverted from its then trading route;
- (g) any damage to the Vessel the repair costs of which (whether before or after adjudication) are likely to exceed the Major Casualty Amount; or
- (h) any actual Environmental Incident occurs in connection with the Vessel.

57. Further indemnities

- (a) **Further indemnities** Whether or not any of the transactions contemplated hereby are consummated, the Charterers shall indemnify, protect, defend and hold harmless the Owners and their officers, directors, agents and employees (collectively, the "**Indemnitees**") throughout the Agreement Term from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, taxes (save for any taxes levied on the Owners by the tax authorities in their place of incorporation), fees, claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including legal fees and expenses, of whatsoever kind and nature, imposed on, suffered or incurred by or asserted against any Indemnatee, 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 requested by the Charterers;
 - (ii) the Vessel or any part thereof, including with respect to:
 - (A) the ownership of, 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 or any Sub-Charterer;
 - (C) death or property damage of shippers or others;
 - (D) any liens in respect of the Vessel or any part thereof; or
 - (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, including, without limitation, any registration fees and annual registration fees in connection with registering and maintaining the Owners as a foreign maritime entity (or its equivalent) in the jurisdiction of a Pre-Approved Flag for the purpose of registering and maintaining the Owners' title with such Pre-Approved Flag;
- (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 they are a party or the falsity of any representation or warranty of the Charterers in any Transaction Document to which they are a party or the occurrence of any Termination Event;
- (iv) in connection with:
- (A) preventing or attempting to prevent the arrest, confiscation, seizure, taking and execution, requisition, impounding, forfeiture or detention of the Vessel; or
 - (B) in securing or attempting to secure the release of the Vessel,
- in each case 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) recovering possession of the Vessel following termination of this Charter under Clause 50 (*Termination Events*);
 - (C) arranging for a transfer of the title of the Vessel in accordance with paragraphs (d) to (e) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*);
 - (D) the registration of the Vessel at any registry of ships; and
- (vi) 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 Charterers Group, together with any 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.

Nothing in this Clause 57 will require the Charterers to indemnify the Owners against or pay to the Owners any amount in respect of any liabilities, obligations, losses, damages, penalties, claims, actions, suits, fees, costs, expenses and disbursements incurred by the Owners solely and directly as a result of any wilful breach of this Charter by the Owners.

- (b) **Cost indemnities** The Charterers shall pay to the Owners 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 including (without limitation) (i) any 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) **Run-off indemnities** 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 in full force and effect for a period of twelve (12) months after the Agreement Term.

58. Set-off

The Owners may set off any matured obligation due from the Charterers or the Sellers under the Transaction Documents (to the extent beneficially owned by the Owners) against any obligation (whether matured or not) owed by the Owners to the Charterers or the Sellers, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, the Owners may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

59. Further assurances and undertakings

Each party shall 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.

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. Day count convention

Unless otherwise specified, any Variable Hire, interest, commission or fee accruing under a Transaction Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, where the amount is payable in a currency other than US Dollars, such period as is customary for such currency).

62. 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 accepted 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.

63. Entire agreement

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.

64. 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.

65. 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.

66. 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.

67. Notices

- (a) Any notices to be given to the Owners under this Charter shall be sent in writing by registered letter or email and addressed to:

Tianjin Color-IV Leasing Limited

Address: c/o CDB Leasing Co. Ltd., 3502-03, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai 200122, the People's Republic of China

Email: wangmeng@cdb-leasing.com

Attention: Wang Meng

or to such other address or email address as the Owners may notify to the Charterers in accordance with this Clause 67.

- (b) Any notices to be given to the Charterers under this Charter shall be sent in writing by registered letter, facsimile or email and addressed to:

Fareastern Shipping Limited

Address: c/o Dynagas Ltd., 97 Poseidonos Avenue and 2 Foivis Street, 166-74 Glyfada, Athens, Greece

Email: lngcoordination@dynagas.com

Attention: Michael Gregos

or to such other address or email address as the Charterers may notify to the Owners in accordance with this Clause 67.

- (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 a registered letter). A notice or other such communication received on a non-working day or after 5:00 pm in the place of receipt shall be deemed to be served on the following working day in such place.

68. 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 74 (*FATCA*), the provisions of Clauses 32 (*Definitions*) to 74 (*FATCA*) shall prevail.

69. Survival of Charterers' obligations

The termination of this Charter for any cause whatsoever shall not affect the right of the Owners to recover from the Charterers any money due to the Owners in consequence thereof and all other rights of the Owners (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Charter) are reserved hereunder.

70. 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.

71. 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, to 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);
 - (iv) in the case of the Charterers, (A) to the Relevant Parties in respect of obtaining any consent required under the terms of any Relevant Documents

or (B) as may be required in connection with public disclosure requirements arising from the issuance of securities by any member of the Charterers Group or any of its Affiliates that is publicly listed; and

- (v) any Approved Manager, the Classification Society and flag authorities, in each case as may be necessary in connection with the transactions contemplated hereunder.

(b) Any other disclosure by each Party shall be subject to the prior written consent of the other Party.

72. Third Parties Act

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.

73. Waiver of immunity

- (a) To the extent that either Party 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 such Party or its assets or revenues, each Party agrees not to claim and irrevocably waive such immunity to the full extent permitted by the laws of such jurisdiction.
- (b) The Charterers 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 Charterers 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.

74. FATCA

- (a) **Definitions** For the purpose of this Clause 74, 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 to 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 IRS, the US government or any governmental or taxation authority in any other jurisdiction;

"**FATCA Deduction**" means a deduction or withholding from a payment under this Charter or the other Transaction Documents required by or under FATCA;

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

"FATCA Non-Exempt Party" means any Relevant FATCA Party who is not a FATCA Exempt Party;

"Relevant FATCA Party" means any Obligor.

"IRS" means the United States Internal Revenue Service or any successor taxing authority or agency of the United States government.

(b) ***FATCA Information***

- (i) Subject to paragraph (iii) below, the Charterers shall procure that each Relevant FATCA Party shall, on the date of this Charter, and thereafter within ten (10) Business Days of a reasonable request by another Relevant FATCA Party:
 - (A) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party; and
 - (B) supply to the requesting party (with a copy to all other Relevant FACTA Parties) such other form or forms (including IRS Form W-8 or Form W-9 or any successor or substitute form, as applicable) and any other documentation and other information relating to its status under FATCA (including its applicable "pass thru percentage" or other information required under FATCA or other official guidance including intergovernmental agreements) as the requesting party reasonably requests for the purpose of the requesting party's compliance with FATCA.
- (ii) If a Relevant FATCA Party confirms to any other Relevant FATCA Party that it is a FATCA Exempt Party or provides an IRS Form W-8 or W-9 showing that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, or that the said form provided has ceased to be correct or valid, the Charterers shall procure that that party shall so notify all other Relevant FATCA Parties or provide the relevant revised form, as applicable, reasonably promptly.
- (iii) Nothing in this clause shall oblige any Relevant FATCA Party to do anything which would or, in its reasonable opinion, might constitute a breach of any law or regulation, any policy of that party, any fiduciary duty or any duty of confidentiality, or to disclose any confidential information (including, without limitation, its tax returns and calculations); provided, however, that nothing in this paragraph shall excuse any Relevant FATCA Party from providing a true, complete and correct IRS Form W-8 or W-9 (or any successor or substitute form where applicable). Any information provided on such IRS Form W-8 or W-9 (or any successor or substitute forms) shall not be treated as confidential information of such party for purposes of this paragraph.
- (iv) If a Relevant FATCA Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with the provisions of this Charter or the provided information is insufficient under FATCA, then:
 - (A) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the

purposes of this Charter and the other Transaction Documents as if it is a FATCA Non-Exempt Party; and

- (B) if that party failed to confirm its applicable passthru percentage then such party shall be treated for the purposes of this Charter and the other Transaction Documents (and payments made thereunder) as if its applicable passthru percentage is 100%,

until (in each case) such time as the party in question provides sufficient confirmation, forms, documentation or other information to establish the relevant facts.

(c) **FATCA Deduction and gross-up by Charterers**

- (i) If the representation made by the Charterers under paragraph (xxvii) (*Tax*) of Clause 46 (*Charterers' representations and warranties*) proves to be untrue or misleading such that the Charterers are required to make a FATCA Deduction, the Charterers shall make the FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (ii) If the Charterers are required to make a FATCA Deduction then the Charterers shall increase the payment due from them to the Owners to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (iii) The Charterers shall promptly upon becoming aware that they must make a FATCA Deduction (or that there is any change in the rate or basis of a FATCA Deduction) notify the Owners accordingly. Within thirty (30) days of the Charterers making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Charterers shall deliver to the Owners evidence reasonably satisfactory to the Owners that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

- (d) **FATCA Deduction by Owners** The Owners may make any FATCA Deduction they are required by FATCA to make, and any payment required in connection with that FATCA Deduction, and the Owners shall not be required to increase any payment in respect of which they make such a FATCA Deduction or otherwise compensate the recipient for that FATCA Deduction.

- (e) **FATCA Mitigation** Notwithstanding any other provision to this Charter, if a FATCA Deduction is or will be required to be made by any party under paragraph

(c) (*FATCA Deduction and gross-up by Charterers*) in respect of a payment to the Owners as a result of the Owners not being a FATCA Exempt Party, the Owners shall have the right to transfer their interest in the Vessel (and this Charter) to any person nominated by the Owners and approved by the Charterers and all costs in relation to such transfer shall be for the account of the Charterers.

SCHEDULE 1
RELATED VESSELS AND RELEVANT INFORMATION

Name of Vessel	Owners	Charterers
m.v. "Clean Energy"	Tianjin Color-V Leasing Limited	Pegasus Shipholding S.A.
m.v. "Ob River"	Tianjin Color-VI Leasing Limited	Lance Shipping S.A.
m.v. "Amur River"	Tianjin Color-VII Leasing Limited	Seacrown Maritime Ltd.

SCHEDULE 2
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 **Tianjin Color-IV Leasing Limited** (the "**Owner**") as owner and **Fareastern Shipping Limited** (company registration number C 52103) (the "**Bareboat Charterer**") as bareboat charterer (as maybe amended and supplemented from time to time, the "**Bareboat Charter**") in respect of one (1) LNG carrier named "Arctic Aurora" and registered under the laws and flag of the Republic of Malta with IMO number 9645970 (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 _____ 20[●] in [●].

THE OWNER

THE BAREBOAT CHARTERER

Tianjin Color-IV Leasing Limited

Fareastern Shipping Limited

by:

by:

Name:

Name:

Title:

Title:

Date:

Date:

SCHEDULE 3
FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE

PROTOCOL OF DELIVERY AND ACCEPTANCE

m.v. "Arctic Aurora"

Tianjin Color-IV Leasing Limited of Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China (the "**Owner**") deliver to **Fareastern Shipping Limited** (company registration number C 52103) of 147/1, St. Lucia Street, Valletta, Malta (the "**Bareboat Charterer**") the Vessel described below and the Bareboat Charterer accept delivery of, title and risk to the Vessel pursuant to the terms and conditions of the bareboat charterer dated [●] 20[●] (as may be amended and supplemented from time to time) and made between (1) the Owner and (2) the Bareboat Charterer.

Name of Vessel:	m.v. "Arctic Aurora"
Flag:	the Republic of Malta
Place of Registration:	Valletta
IMO Number:	9645970
Gross Registered Tonnage:	100,236
Net Registered Tonnage:	33,759
Dated:	20[●]
At:	hours (Beijing time)
Place of delivery:	

THE OWNER

Tianjin Color-IV Leasing Limited

by:

Name:

Title:

Date:

THE BAREBOAT CHARTERER

Fareastern Shipping Limited

by:

Name:

Title:

Date:

SCHEDULE 4
PERCENTAGE FOR CALCULATING PURCHASE OPTION FEE AND PREPAYMENT FEE

the day on which the Purchase Option Date falls or the Prepaid Amount is payable	Percentage of Cost Balance or the Prepaid Amount to be utilised for calculating Purchase Option Fee or Prepayment Fee (%)
commencing on the Actual Delivery Date and ending on (and inclusive of) the date immediately preceding the Third Anniversary Date	1.5
commencing on the Third Anniversary Date and ending on (and inclusive of) the date immediately preceding the Fifth Anniversary Date	1
commencing on the Fifth Anniversary Date	0

SIGNATURE PAGE

TO BAREBOAT CHARTER FOR THE LNG CARRIER
NAMED "ARCTIC AURORA"

THE OWNERS

Tianjin Color-IV Leasing Limited

by:

/s/ Xiong Jianfeng

Name: Xiong Jianfeng

Title: Legal Representative

Date: 19 June 2024

THE CHARTERERS

Fareastern Shipping Limited

by:

/s/ Angelos Chardouvelis

Name: Angelos Chardouvelis

Title: Attorney- in- fact

Date: 19 June 2024

Execution version

Contract number: CDBLV-2024-MA-0601

Arctic LNG Carriers Ltd.
(as Sellers)

Tianjin Color-IV Leasing Limited
(as Buyers)

Memorandum of Agreement
in respect of one (1) LNG carrier named "Arctic Aurora"

Stephenson Harwood
罗夏信律师事务所
43/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
香港鰂鱼涌英皇道979号太古坊一座43楼
电话 T: +852 2868 0789 | 传真 F: +852 2868 1504
www.shlegal.com

**STEPHENSON
HARWOOD**
WEI TU CHINA ASSOCIATION
罗夏信-伟途 联营

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATIONS	4
2.	SALE AND PURCHASE	8
3.	PURCHASE PRICE	8
4.	CURRENCY OF PAYMENT	9
5.	PAYMENT NOTICE	9
6.	PAYMENT	10
7.	CONDITIONS PRECEDENT AND SUBSEQUENT	12
8.	DETERMINATION OF MARKET VALUE	13
9.	SELLERS' UNDERTAKINGS	13
10.	MOA TERMINATION EVENTS	15
11.	BUYERS' POWERS FOLLOWING CANCELLATION	15
12.	CHANGES TO PARTIES	16
13.	CUMULATIVE RIGHTS	17
14.	NO WAIVER	17
15.	ENTIRE AGREEMENT AND AMENDMENTS	17
16.	INVALIDITY	17
17.	ENGLISH LANGUAGE	17
18.	NO PARTNERSHIP	18
19.	NOTICES	18
20.	COUNTERPARTS	19
21.	THIRD PARTIES ACT	19
22.	SPARES, BUNKERS AND OTHER ITEMS	19
23.	ENCUMBRANCES	19
24.	TAXES, COSTS AND EXPENSES	20
25.	DELIVERY UNDER CHARTER	20
26.	INDEMNITIES	20
27.	CALCULATIONS AND CERTIFICATES	21

28. ENFORCEMENT	21
29. CONFLICT WITH CHARTER	22
30. BUYERS EVENT	22
SCHEDULE 1 CONDITIONS PRECEDENT AND SUBSEQUENT	24
SCHEDULE 2 FORM OF PAYMENT NOTICE	30

THIS AGREEMENT is made on 19 June 20 24

BETWEEN:

- (1) **Arctic LNG Carriers Ltd.**, a corporation incorporated under the laws of the Marshall Islands with registration number 77480 whose registered address is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Sellers**"); and
- (2) **Tianjin Color-IV Leasing Limited**, a company incorporated under the laws of the People's Republic of China (with unified social credit code 91120118MADHEDA1X8) whose registered address is Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China (the "**Buyers**").

BACKGROUND:

- (A) The Sellers have agreed to sell one (1) LNG carrier named "Arctic Aurora" (with IMO number 9645970) (the "**Vessel**") to the Buyers upon the terms and conditions set forth in this Agreement.
- (B) The Buyers (as owners) have agreed to let the Vessel to the Charterers (as bareboat charterers) and the Charterers have agreed to hire the Vessel from the Buyers immediately upon the acceptance of the Vessel by the Buyers from the Sellers under this Agreement, pursuant to the terms and conditions set forth in a bareboat charter agreement (as amended and or supplemented from time to time) (the "**Charter**") entered or to be entered into between the Buyers (as owners) and the Charterers (as bareboat charterers) on or about the date of this Agreement.

IT IS AGREED as follows:

1. Definitions and interpretations

1.1 Definitions

Words and expressions having defined meanings in the Charter shall, except where otherwise defined herein, have the same meanings when used in this Agreement, and in this Agreement:

"**Approved Valuer**" each of Poten & Partners, Lorentzen & Co, Arrow Valuations, BRS Shipprokers, Fearnleys LNG, Clarkson Platou, Associated Shipbrokers Monaco, Nordic Shipping or any other qualified and reputable shipbroker as mutually agreed by the Sellers and the Buyers.

"**Bill of Sale**" means the bill of sale in respect of the Vessel to be executed by the Sellers (in a form acceptable to the Buyers and the Pre-Approved Flag, transferring title of the Vessel to the Buyers and stating that the Vessel is free from all Encumbrances or any other debts whatsoever).

"**Cancellation Notice**" has the meaning given to such term in Clause 11.1(a). "**Cancelling Date**" means the date specified as such in the Cancellation Notice.

"**Charterers**" means Fareastern Shipping Limited, a private limited liability company incorporated under the laws of Malta with company number C 52103.

"Current Owner" means the Charterers in their capacity as the registered owner of the Vessel as at the date of this Agreement.

"Delivery Date" has the meaning given to such term in Clause 2.2(b) (*Delivery*).

"Delivery Date CPs" means the conditions precedent required under (a)(i), (ii) and (iii) of Clause 7.2 (*Delivery Date conditions precedent*).

"Existing Credit Amount" means the outstanding amount owed by the Current Owner to the Existing Finance Parties and secured by the Existing Mortgage.

"Existing Finance Parties" means the finance parties for whom the Existing Mortgagee acts as security agent and trustee in connection with the Existing Mortgage.

"Existing Mortgage" means the Maltese mortgage dated 25 September 2019 and executed by the Current Owner in favour of the Existing Mortgagee.

"Existing Mortgagee" means Citibank, N.A., London Branch acting through its office at Citigroup Center, Canada Square, London E14 5LB, United Kingdom.

"Existing Mortgagee's Portion" has the meaning given to such term in Clause 6(a)(i).

"First MOA" means the memorandum of agreement in respect of the Vessel between the Sellers (as buyers) and the Current Owner (as sellers) in relation to the sale and purchase of the Vessel, as may be amended, supplemented and/or varied from time to time.

"Long Stop Date" means 31 August 2024 or such other date as the Sellers and the Buyers may agree.

"Market Value" means the value of the Vessel ascertained in accordance with Clause 8 (*Determination of Market Value*).

"MOA Termination Event" means each of the events specified in paragraph (a) of Clause 10 (*MOA Termination Events*).

"Owners" means the Buyers in their capacity as owners under the Charter.

"Party" means a party to this Agreement, and **"Parties"** means both of them.

"Payment Notice" means the notice of the amount payable by the Buyers under this Agreement to be issued by the Sellers to the Buyers at least five (5) Business Days prior to the anticipated Prepositioning Date, or such reasonable shorter period as the Buyers may agree to from time to time, in substantially the form set out in Schedule 2 (*Form of Payment Notice*) hereto (or such other form as the Buyers may require).

"Port State" means the jurisdiction in which delivery of the Vessel will take place and/or the jurisdiction which would otherwise have the power under all applicable laws to detain the Vessel before she is delivered by the Sellers to the Buyers.

"Potential MOA Termination Event" means, an event or circumstance which would, with the giving of any notice, the lapse of time, a determination of the Buyers or any combination of the foregoing, be an MOA Termination Event.

"Pre-Delivery Period" means the period commencing from the date of this Agreement up to the delivery of the Vessel by the Buyers on the Delivery Date.

"Prepositioning Date" means the date specified in the Payment Notice as the date on which the Buyers shall pre-position the Purchase Price into the Existing Mortgagee, which shall not be earlier than three (3) Business Days prior to the Delivery Date.

"Purchase Price" means the lower of

- (a) US\$147,050,000; and
- (b) eighty-five per cent (85%) of the Market Value.

"Scheduled Delivery Date" means the date on which the Sellers are ready to deliver the Vessel in accordance with the terms of this Agreement, and in any event not later than the Long Stop Date, which Scheduled Delivery Date the Sellers shall notify to the Buyers in the Payment Notice.

"Sellers' Cancellation Notice" has the meaning given to such term in Clause 30.1.

"Sellers' PDA" means the protocol of delivery and acceptance in respect of the Vessel to be executed by the Sellers and the Buyers (in a form acceptable to the Buyers and the Pre-Approved Flag), evidencing the irrevocable and unconditional physical delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement.

"Sellers' Portion" has the meaning given to such term in Clause 6(a)(ii).

"Valuation Report" means, in relation to the Vessel, a desktop valuation report (without physical inspection) addressed to the Buyers and prepared:

- (a) by an Approved Valuer;
- (b) 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; and
- (c) on a date no earlier than thirty (30) days prior to the Delivery Date.

1.2 Interpretations

- (a) In this Agreement, unless the context otherwise requires, any reference to:
 - (i) to this Agreement includes the Schedules hereto and references to Clauses and Schedules are, unless otherwise specified, references to Clauses of and Schedules to this Agreement and, in the case of a Schedule, to such Schedule as incorporated in this Agreement 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;
 - (iv) **"assets"** includes present and future properties, revenues and rights of every description;
 - (v) the **"Buyers"**, the **"Sellers"**, the **"Charterers"**, any **"Obligor"**, **"Sub-Charterers"** or any other person include any of their respective successors, permitted assignees and permitted transferees;

- (vi) a "**Relevant Document**" or any other 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;
- (vii) "**hereof**", "**herein**" and "**hereunder**" and other words of similar import means this Agreement as a whole (including the Schedules) and not any particular part hereof;
- (viii) "**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;
- (ix) "**month**" means, save as otherwise provided, 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;
- (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) 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;
- (xii) "**protection and indemnity risks**" means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Clubs, including pollution risks, extended passenger cover and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies;
- (xiii) a Potential MOA Termination Event is "**continuing**" if it has not been remedied or waived and an MOA Termination Event is "**continuing**" if it has not been waived; and
- (xiv) 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 Agreement.
- (c) A time of day (unless otherwise specified) is a reference to Shanghai time.

2. Sale and purchase

2.1 Agreement for sale and purchase

Subject to the Buyers entering into the Charter concurrently with the entry into this Agreement, the Sellers hereby agree to sell and the Buyers hereby agree to purchase the Vessel on the terms and conditions hereinafter set forth.

2.2 Delivery

- (a) The Vessel is at the date of this Agreement legally and beneficially owned by the Current Owner. The Vessel will, subject to the terms and conditions of this Agreement, be delivered by the Sellers to the Buyers under this Agreement simultaneously upon the delivery of the Vessel by the Current Owner to the Sellers under the First MOA. The Sellers shall notify the Buyers of the Scheduled Delivery Date by setting out the Scheduled Delivery Date in the Payment Notice.
- (b) The Vessel shall be sold and delivered by the Sellers, with full title guarantee, to the Buyers "as is where is" on the Scheduled Delivery Date, (or such later date which is agreed between the Sellers and the Buyers (in each case the "**Delivery Date**")), free and clear of all Encumbrances.
- (c) On the Delivery Date, the following events are to occur simultaneously:
 - (i) delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement; and
 - (ii) delivery of the Vessel by the Buyers (as owners under the Charter) to the Charterers (as bareboat charterers under the Charter) pursuant to the Charter (such date being, for the avoidance of doubt, the "Actual Delivery Date" as defined under the Charter).
- (d) On the Delivery Date, the Sellers shall deliver to the Buyers an executed Bill of Sale and other documents set out in paragraph (f) below, whereupon all of the title to, interest in and all ownership rights with respect to the Vessel shall pass from the Sellers to the Buyers.
- (e) Upon delivery of the Vessel, the Sellers and the Buyers shall execute the Sellers' PDA, whereupon the Sellers shall be deemed to have given, and the Buyers shall be deemed to have received and accepted, possession of the Vessel.
- (f) Upon delivery of the Vessel, the Sellers shall provide the Buyers with (i) all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto and (ii) electronic copies of all classification certificates, plans, drawings, record books, instruction manuals and other requisite certificates in respect of the Vessel as may be reasonably requested by the Buyers.
- (g) The Vessel shall be delivered safely afloat, having not become an actual, constructive or compromised total loss.

3. Purchase Price

- (a) The purchase price of the Vessel payable by the Buyers to the Sellers under this Agreement shall be an amount equal to the Purchase Price.
- (b) For the avoidance of doubt, the purchase price referred to above shall cover the

purchase of the Vessel and, to the extent owned by the Sellers, everything then belonging to her on board.

4. Currency of payment

- (a) Subject to the remaining provisions of this Clause 4, USD is the currency of account and payment for any sum due from:
 - (i) the Buyers to the Sellers under this Agreement; and
 - (ii) an Obligor to the Buyers under any Transaction 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.

5. Payment Notice

5.1 Delivery of the Payment Notice

The Sellers may request the Buyers to make a payment in respect of the Purchase Price by delivery to the Buyers of the duly completed Payment Notice not fewer than five (5) Business Days prior to the anticipated Prepositioning Date.

5.2 Completion of the Payment Notice

The Payment Notice is irrevocable and will not be regarded as having been duly completed or valid unless:

- (a) it is delivered by the Sellers and received by the Buyers before the Long Stop Date;
- (b) it clearly:
 - (i) identifies the proposed Prepositioning Date and the Scheduled Delivery Date; and
 - (ii) sets out the precise amount of the Existing Mortgagee's Portion and (if applicable) the Sellers' Portion;
- (c) it is signed by an authorised signatory of the Sellers;
- (d) the currency of the Existing Mortgagee's Portion and (if applicable) the Sellers' Portion to be paid is US Dollars;
- (e) the Scheduled Delivery Date is a Business Day and is no later than the Long Stop Date; and
- (f) the proposed Prepositioning Date is earlier than the Delivery Date.

5.3 Buyers' right to suspend payment

- (a) If the Buyers receive a Sellers' Cancellation Notice, then the Buyers shall be entitled to not make any payment in relation to any Payment Notice.

6. Payment

- (a) The Sellers and the Buyers agree that the Purchase Price shall be paid by the Buyers in the following manner:

- (i) the Existing Mortgagee's portion of the Purchase Price (the "**Existing Mortgagee's Portion**") in such amount as the Sellers shall notify the Buyers in the Payment Notice shall be paid by the Buyers by depositing with the Existing Mortgagee the Existing Mortgagee's Portion which shall be subsequently released to the Existing Mortgagee in accordance with paragraph (b)(i) below; and
 - (ii) the remaining balance (if any) of the Purchase Price after deducting the amount of the Existing Mortgagee's Portion (the "**Sellers' Portion**") shall be paid by the Buyers by depositing with the Existing Mortgagee the Sellers' Portion which shall be subsequently released to the Sellers in accordance with paragraph (b)(ii) below.
- (b) On or before the Prepositioning Date:
 - (i) if the Buyers have received evidence (in the form of confirmation that an MT199 message is acceptable to the Existing Mortgagee and the Parties, each acting reasonably) that the Existing Mortgagee's Portion will be held to the order of the Buyers, and only be released to the Existing Mortgagee or to such person(s) as may be nominated by the Existing Mortgagee upon presentation to the Existing Mortgagee of a copy (transmitted by email or otherwise) of the Sellers' PDA which is duly signed by an authorised signatory of the Buyers and an authorised signatory of the Sellers, then the Buyers shall deposit with the Existing Mortgagee the Existing Mortgagee's Portion, to be so held and so released, **provided that** the Buyers' obligation to deposit with the Existing Mortgagee the Existing Mortgagee's Portion is always subject to the Buyers being satisfied that
 - (A) all of the conditions precedent listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto have been satisfied;
 - (B) the Delivery Date CPs will be satisfied on or before the Delivery Date;
 - (C) the conditions precedent to the delivery of the Vessel by the Current Owner to the Sellers under the First MOA have been or will be satisfied on the Delivery Date; and
 - (D) the Buyers have received evidence that the Current Owner has the funding to pay to the Existing Finance Parties any part of the Existing Credit Amount which is not being financed by the Buyers;
 - (ii) if the Buyers have received evidence (in the form of confirmation that an MT199 message is acceptable to the Existing Mortgagee and the Parties, each acting reasonably) that the Sellers' Portion will be held to the order of the Buyers, and only be released to the Sellers or to such person(s) as may be nominated by the Sellers upon presentation to the Existing Mortgagee of a copy (transmitted by email or otherwise) of the Sellers' PDA which is duly signed by an authorised signatory of the Buyers and an authorised signatory of the Sellers, then the Buyers shall deposit with the Existing Mortgagee the Sellers' Portion, to be so held and so released, **provided that** the Buyers' obligation to deposit with the Existing Mortgagee the Sellers' Portion is always subject to the Buyers being satisfied that

- (A) all of the conditions precedent listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto have been satisfied;
 - (B) the Delivery Date CPs will be satisfied on or before the Delivery Date;
 - (C) the conditions precedent to the delivery of the Vessel by the Current Owner to the Sellers under the First MOA have been or will be satisfied on the Delivery Date; and
 - (D) the Buyers have received evidence that the Current Owner has the funding to pay to the Existing Finance Parties any part of the Existing Credit Amount which is not being financed by the Buyers;
- (c) For the avoidance of doubt:
- (i) either the amount of the Existing Mortgagee's Portion or the amount of the Sellers' Portion may be zero;
 - (ii) subject to paragraph (c) (iii) (2) below, if the Sellers fail to notify the Buyers of the amount of the Existing Mortgagee's Portion in accordance with paragraph (a)(i) above, the amount of Existing Mortgagee's Portion will be deemed zero;
 - (iii) if (1) as the Sellers notify the Buyers in accordance with paragraph (a)(i) above, the amount of the Existing Mortgagee's Portion is zero or (2) the amount of the Existing Mortgagee's Portion is deemed zero pursuant to paragraph (c)(ii) above, then the Sellers' Portion will equal the Purchase Price and paragraph (b)(i) above shall not apply; and
 - (iv) if the Sellers' Portion is zero, then the Existing Mortgagee's Portion will equal the Purchase Price and paragraph (b)(ii) above shall not apply.
- (d) The Sellers agree to release, discharge, defend, indemnify, waive and hold harmless the Buyers from and against any liability, obligation or claim which may be asserted, claimed or recovered against the Buyers for any reason directly arising out of the release or the failure to release (as the case may be) of any part of the Purchase Price by the Existing Mortgagee except if the same results from or is a direct consequence of the Buyers' gross negligence or wilful misconduct or failure to perform their obligations under this Agreement or their breach of any provisions under this Agreement.
- (e) Interest on the part of the Purchase Price actually deposited with the Existing Mortgagee at the rate per annum which is the aggregate of the Margin and the Overnight SOFR for the relevant period (the "**Remittance Interest**") shall:
- (i) in the event that the Vessel is delivered to the Buyers on the Delivery Date, accrue from (and including) the Prepositioning Date until (but excluding) the Delivery Date; and
 - (ii) in the event that the Vessel is not delivered to the Buyers on the Delivery Date, accrue from the Prepositioning Date until the date the Purchase Price is

returned by the Sellers to the Buyers in accordance with Clause 9(c) (both dates inclusive),

provided that the calculation of any Remittance Interest for each day during the relevant period shall be by reference to the Overnight SOFR applicable to that day.

The Sellers shall pay to the Buyers the amount of the Remittance Interest (or any part thereof) as notified by the Buyers to the Sellers within three (3) Business Days of the Buyers' demand.

In this Clause, "**Overnight SOFR**" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate) on the relevant date and, if any such rate is below zero, that rate will be deemed to be zero, provided that if no such rate is available:

- (i) the Buyers shall give notice to the Sellers of the occurrence of such event; and
- (ii) the overnight rate shall be the rate notified to the Sellers by the Buyers as soon as practicable, and in any event before the relevant part of the Remittance Interest is due to be paid, to be that which expresses as a percentage rate per annum the cost to the Buyers of funding the Purchase Price from whatever source they may reasonably select.

7. Conditions precedent and subsequent

7.1 Initial conditions precedent

The Sellers may not deliver the Payment Notice unless the Buyers have received all the documents and other evidence listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers.

7.2 Delivery Date conditions precedent

- (a) The Buyers will only be obliged to purchase the Vessel, sign the Sellers' PDA and agree to the release of the pre-positioned Purchase Price and accept the Vessel under this Agreement on the Delivery Date if:
 - (i) on the Delivery Date, the Buyers have received all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (acting reasonably);
 - (ii) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment or release of the Purchase Price; and
 - (iii) the Repeating Representations are true in all material respects as if made on the Delivery Date.
- (b) For the avoidance of doubt, the Sellers must, on or before the Delivery Date, deliver to the Buyers all the documents and other evidence listed in Part II (*Delivery Date*

conditions precedent) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (acting reasonably).

7.3 Conditions subsequent

The Sellers undertake to deliver or caused to be delivered to the Buyers the documents and evidence listed in Part III (*Conditions subsequent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto within the relevant time periods stipulated therein in form and substance satisfactory to the Buyers (acting reasonably).

7.4 No waiver

- (a) The conditions set out in this Clause are for the benefit of the Buyers and may be waived or deferred by the Buyers in whole or in part and with or without conditions. The foregoing is without prejudice to the Buyers' rights to require fulfilment of any such conditions by the Sellers in whole or in part at any time after the date of payment or release of the Purchase Price.
- (b) If the Buyers in their sole discretion agree to advance or release all or any part of the Purchase Price to the Sellers before all of the documents and evidence required by this Clause 7 have been delivered to the Buyers, the Sellers undertake to deliver all outstanding documents and evidence to the Buyers no later than the date specified by the Buyers (acting reasonably).

7.5 Form and content

All documents and evidence delivered to the Buyers under this Clause 7 shall be in form and substance acceptable to the Buyers (acting reasonably).

8. Determination of Market Value

- (a) The Market Value of the Vessel shall be the arithmetic mean of the valuation from two Valuation Reports, each issued by an Approved Valuer designated by the Sellers.
- (b) The Sellers shall arrange, deliver to the Buyers and bear the cost of the issue of the Valuation Reports required under this Clause 8.
- (c) If an Approved Valuer determines that the valuation of the Vessel shall fall within a range, the valuation as determined by such Approved Valuer shall be deemed to be the lower value of such range.
- (d) The valuation shall be provided by an Approved Valuer in US Dollars.

9. Sellers' undertakings

The Sellers hereby undertake to the Buyers that they will comply in full and procure compliance (where applicable) with the following undertakings throughout the Pre-Delivery Period.

- (a) **Notification of MOA Termination Event** The Sellers shall promptly, upon becoming aware of the same, inform the Buyers in writing of the occurrence of any MOA Termination Event (and the steps, if any, being taken to remedy this) and, upon receipt of a written request to that effect from the Buyers, confirm to the Buyers that, save as previously notified to the Buyers or as notified in such confirmation, no MOA Termination Event is continuing or if an MOA Termination

Event is continuing specifying the steps, if any, being taken to remedy it.

- (b) **Delivery costs and expenses** The Sellers shall pay for all delivery costs in relation to the Vessel.
- (c) **Refund of pre-positioned amount** If the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*) but delivery of the Vessel does not occur on or before the Long Stop Date, then the Sellers shall refund to the Buyers the Purchase Price so transferred by the Buyers on demand by the Buyers together with the Remittance Interest, **provided that** the Sellers' obligations under this subparagraph (c) shall be deemed to be complied by any repayment (but only to the extent and amount of such repayment) by the Existing Mortgagee to the Buyers of any part of the Purchase Price so transferred by the Buyers in connection with Clause 6 (*Payment*).
- (d) **Emissions Legislation etc**
 - (i) The Sellers shall:
 - (A) comply with all Emissions Legislation applicable to them prior to the Delivery Date; and
 - (B) whenever requested by the Buyers, promptly provide to the Buyers particulars of all and any outstanding charges due or collectable by the relevant entities charged with administering compliance with Emissions Legislation applicable to them and/or the Vessel or in respect of the Emissions Legislation prior to the Delivery Date; and
 - (ii) The Sellers will pay or cause to be paid all amounts required to be paid by them and/or the Vessel in respect of the Emissions Legislation arising out of or in connection with the Emissions Legislation prior to the Delivery Date, and the Sellers will on demand indemnify the Buyers for any and all amounts paid or required to be paid by the Buyers and/or the Vessel in connection with the Emissions Legislation for voyages taking place prior to the Delivery Date, together with (i) all losses, costs and expenses suffered or incurred by the Buyers and/or the Vessel arising out of or in connection with the Emissions Legislation for voyages taking place prior to the Delivery Date, and (ii) any penalties, charges or other amounts levied against the Buyers and/or the Vessel due to any failure of the Sellers to comply with the Emissions Legislation for voyages taking place prior to the Delivery Date.
 - (iii) **No breach of Sanctions** The Sellers shall not, and shall not permit or authorise any other person to, directly utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds or any other benefits of any transaction(s) contemplated by the Transaction Documents to fund any trade, business or other activities:
 - (A) involving or for the benefit of any Restricted Party if to do so would be prohibited by Sanctions applicable to any Obligor, the Buyers or any Finance Party; and
 - (B) in any other manner that would result in any Obligor, the Owners or any Finance Party (if applicable) being in breach of any applicable Sanctions or becoming a Restricted Party.

- (iv) **Anti-corruption and anti-bribery laws** The Sellers warrant, represent and agree that they and their respective officers, directors, employees, consultants, agents and/or intermediaries have complied with, and shall comply with, all applicable Business Ethics Laws in connection with this Agreement.

10. MOA Termination Events

- (a) Each of the following events shall constitute an MOA Termination Event:

(i) **Conditions precedent and subsequent**

Following the service of the Payment Notice:

- (A) any of the conditions set out in Clause 7 (*Conditions precedent and subsequent*) is not satisfied by the date specified by the Buyers pursuant to Clause 7.4(b) (*No waiver*); or
- (B) any of the conditions referred to in Clause 7.3 (*Conditions subsequent*) is not satisfied by the relevant time specified pursuant to Clause 7.3 (*Conditions subsequent*) or such later time period specified by the Buyers in their discretion, acting reasonably; or

(ii) **Charter and Related MOA termination events**

- (A) the Buyers (as owners under the Charter) served a Termination Notice on the Charterers (as charterers under the Charter); or
- (B) there occurs any event or circumstance referred to in paragraph (a) of clause 10 (*MOA Termination Events*) of a Related MOA; or

(iii) **Late delivery of Vessel** the Vessel is not delivered by the Sellers to the Buyers under this Agreement by the Long Stop Date (including, without limitation, by reason of failure by the Sellers to satisfy any of their obligations under Clause 7 (*Conditions precedent and subsequent*)); or

(iv) **Sellers' undertakings** the Sellers fail duly to perform or comply with any of their obligations under Clause 9 (*Sellers' undertakings*) **provided that** no MOA Termination Event under this paragraph will occur if the failure to perform or comply is capable of remedy (to the extent that the Buyers consider, in their reasonable discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Buyers within three (3) Business Days after the earlier of (A) the Buyers having given notice thereof to the Sellers and (B) the Sellers becoming aware of such failure to perform or comply.

- (b) Upon the occurrence of an MOA Termination Event which is continuing, and without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement, the Buyers may exercise their rights and powers referred to under Clause 11 (*Buyers' powers following cancellation*).

11. Buyers' powers following cancellation

11.1 Powers following cancellation

Without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement and the other Transaction Documents, at any time after the occurrence of an MOA Termination Event which is continuing:

- (a) the Buyers may by notice in writing to the Sellers (such notice being the "**Cancellation Notice**") cancel the Buyers' purchase of the Vessel under this Agreement on the Cancelling Date, whereupon the Buyers shall be relieved from any obligation to pay any part of the Purchase Price (or any other amount) under this Agreement from the Cancelling Date, and the Sellers shall upon demand:
 - (i) if the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*), refund to the Buyers the full amount of the Purchase Price which the Buyers have already paid by the Cancelling Date; and
 - (ii) to the extent that the same has not be recovered by the Buyers under the Charter, pay the Buyers any documented expenses, costs and disbursements (including, without limitation, any legal and other experts' costs) incurred by the Buyers, and any liabilities of the Buyers suffered or incurred by the Buyers, arising out of the transactions contemplated by this Agreement and the other Transaction Documents; and
- (b) if the Sellers have not paid the Buyers in full the amounts payable under paragraph (a) above, the Buyers shall become immediately entitled:
 - (i) to collect, recover, compromise and give a good discharge for, all claims then outstanding or arising subsequently under or in respect of all or any part of such claims, and to take over or institute (if necessary using the names of the Sellers) all such proceedings as the Buyers in their sole and absolute discretion think fit;
 - (ii) to recover from the Sellers on demand all documented costs and expenses (including, without limitation, legal fees) incurred or paid by the Buyers in connection with the exercise of the powers (or any of them) referred to in this Clause 11.1; and
 - (iii) to not make any payment in relation to the Payment Notice.

11.2 Delegation

The Buyers may delegate in any manner to any person any rights exercisable by the Buyers under this Agreement, provided always that any such person to whom rights are delegated is not a Restricted Party. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Buyers (acting reasonably) think fit.

11.3 Survival of Sellers' obligations

The termination of this Agreement for any cause whatsoever shall not affect the right of the Buyers to recover from the Sellers any money due to the Buyers in consequence thereof and all other rights of the Buyers (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Agreement) are reserved hereunder.

12. Changes to parties

The Sellers may not assign or transfer any or all of their rights or obligations under this Agreement.

The Buyers may not assign or transfer any or all of their rights under this Agreement other than (i) by way of security, (ii) where an MOA Termination Event has been continuing for thirty (30) days or more, (iii) after the issuance of a Cancellation Notice by the Buyers or (iv) after the issuance of a Sellers' Cancellation Notice by the Sellers.

13. Cumulative rights

The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.

14. 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 Agreement will operate as a waiver. No waiver of any breach of any provision of this Agreement 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.

15. Entire agreement and amendments

- (a) The written terms of this Agreement comprise the entire agreement between the Buyers and the Sellers in relation to the sale and purchase of the Vessel and supersede all previous agreements whether oral or written between the Parties in relation to this Agreement.
- (b) Each of the Parties acknowledges that in entering into this Agreement, it has not relied on and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether or not made negligently) other than as expressly set out in this Agreement.
- (c) Any terms implied into this Agreement by the Sale of Goods Act 1979 are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud.
- (d) This Agreement may not be amended, altered or modified except by a written instrument executed by each of the Parties.

16. Invalidity

If any term or provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable the remainder of this Agreement 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 Agreement) not be affected thereby and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

17. English language

All notices, communications and financial statements and reports under or in connection with this Agreement 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.

18. No partnership

Nothing in this Agreement 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 Agreement.

19. Notices

(a) Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by letter or email.

(b) The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement are:

(i) in the case of the Sellers:

Arctic LNG Carriers Ltd.

Address: c/o Dynagas Ltd., 97 Poseidonos Avenue and 2 Foivis Street, 166-74 Glyfada, Athens, Greece

Email: lngcoordination@dynagas.com

Attention: Michael Gregos

(ii) in the case of the Buyers:

Tianjin Color-IV Leasing Limited

Address: c/o CDB Leasing Co. Ltd., 3502-03, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai 200122, the People's Republic of China

Email: wangmeng@cdb-leasing.com

Attention: Wang Meng

or any substitute address, email address, department or officer as either Party may notify to the other by not less than five (5) Business Days' notice.

(c) Any communication or document made or delivered by one Party to the other under or in connection with this Agreement will only be effective:

(i) if by way of email, when sent with no error message received; or

(ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under paragraph (b) above, if addressed to that department or officer.

Any communication or document which becomes effective, in accordance with this paragraph (c), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

20. Counterparts

This Agreement 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.

21. Third Parties Act

- (a) Any person which is an Indemnitee or a Finance Party from time to time and is not a Party shall be entitled to enforce such terms of this Agreement as provided for in this Agreement in relation to the obligations of the Sellers to such Indemnitee or (as the case may be) Finance Party, subject to the provisions of Clause 28.1 (*Law and arbitration*) and the Third Parties Act. The Third Parties Act applies to this Agreement as set out in this Clause 21.
- (b) Save as provided above, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Agreement.

22. Spares, bunkers and other items

- (a) To the extent owned by the Sellers, the Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board and on shore.
- (b) All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of delivery used or unused, whether on board or not shall become the Buyers' property.
- (c) Any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and any unused stores and provisions shall be included in the sale and be taken over by the Buyers without extra payment.
- (d) Forwarding charges, if any, shall be for the Sellers' account.
- (e) Concurrent with the delivery of the Vessel under this Agreement, the Buyers shall obtain title and ownership to the classification certificate(s) as well as all plans, drawings and manuals, which are on board the Vessel and shall remain on board the Vessel. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the same are required to be handed over to the Charterers (as bareboat charterers under the Charter), in which case the Buyers have the right to take copies.
- (f) Copies of other technical documentation in respect of the Vessel which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at the Sellers' expense, if the Buyers so request.

23. Encumbrances

The Sellers warrant that the Vessel, at the time of delivery, is free from all charters (other than the Charter and the Sub-Charter), Encumbrances or any other debts whatsoever, and is not subject to any Port State or other administrative detentions. The Sellers hereby

undertake to indemnify the Buyers against, and hold the Buyers harmless from, all direct or indirect consequences of claims made against the Vessel which have been incurred prior to the time of delivery.

24. Taxes, costs and expenses

Any Taxes (save for any taxes levied on the Buyers by competent tax authorities in their place of incorporation by reference to the net income received by the Buyers), costs and reasonable and documented expenses in connection with the purchase and registration in the Pre-Approved Flag and any similar charges incurred in connection with the sale of the Vessel under this Agreement shall be for the Sellers' account.

25. Delivery under Charter

- (a) The Buyers undertake to simultaneously with the delivery of the Vessel under this Agreement deliver the Vessel to the Charterers (as bareboat charterers) pursuant the Charter.
- (b) The Sellers shall be fully responsible for the Buyers' fulfilment of physical delivery as new owner of the Vessel to the Charterers (as charterers) under the Charter. The Buyers' obligation to make or release a payment in respect of the Purchase Price under this Agreement is subject to the Charterers (as charterers) taking delivery of the Vessel under the Charter immediately after the Buyers take delivery of the same from the Sellers under this Agreement.

26. Indemnities

- (a) Whether or not any of the transactions contemplated hereby are consummated, the Sellers shall indemnify, protect, defend and hold harmless the Buyers and their officers, directors, agents and employees (collectively, the "**Indemnitees**") throughout the Pre-Delivery Period from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, fees, tax (save for any taxes levied on the Buyers by competent tax authorities in their place of incorporation by reference to the net income received by the Buyers), claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including documented and reasonable legal fees and expenses, of whatsoever kind and nature imposed on, suffered or incurred by or asserted against any Indemnatee, 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 Agreement and any amendment, supplement or modification thereof or thereto requested by the Sellers;
 - (ii) the delivery (including the Vessel not being delivered on the Scheduled Delivery Date after the Sellers have informed the Buyers of the Scheduled Delivery Date), or registration and purchase of the Vessel by the Buyers, whether or not the Vessel is in the possession or the control of the Sellers;
 - (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 Sellers under this Agreement or the falsity of any representation or warranty of the Sellers in this Agreement or the occurrence of any MOA Termination Event;
 - (iv) funding, or making arrangements to fund, an amount required to be paid by the Buyers pursuant to the Payment Notice but not made by reason of the

operation of any one or more of the provisions of this Agreement (other than by reason of the default or negligence of the Buyers).

- (b) Notwithstanding anything to the contrary herein, the indemnities provided by the Sellers in favour of the Buyers shall continue in full force and effect notwithstanding any breach of the terms of this Agreement or termination of this Agreement pursuant to the terms hereof.

27. Calculations and certificates

- (a) In any litigation or arbitration proceedings arising out of or in connection with this Agreement, the entries made in the accounts maintained by the Buyers are, in the absence of manifest error or any question of law, prima facie evidence of the matters to which they relate excepting in respect of payment of the Purchase Price which shall require independent evidence.
- (b) Any certification or determination by the Buyers of a rate or amount under this Agreement is, in the absence of manifest error or any question of law, conclusive evidence of the matters to which it relates.
- (c) Unless otherwise specified, any interest, commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, where the amount is payable in a currency other than US Dollars, such period as is customary for such currency).

28. Enforcement

28.1 Law and arbitration

- (a) This Agreement and any non-contractual obligations arising from or in connection with it shall in all respects be governed by and interpreted in accordance with English law.
- (b) 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 28.1(b).
 - (i) The arbitration shall be conducted in accordance with the London Maritime Arbitrators' Association ("LMAA") Terms current at the time when arbitration proceedings are commenced.
 - (ii) The reference shall be to three (3) arbitrators, one to be appointed by each Party and the third, subject to the provisions of the LMAA Terms, by the two so appointed. The arbitration proceedings shall be conducted in English.
 - (iii) 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.
 - (iv) 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.

- (v) The award of a sole arbitrator shall be binding on both Parties as if he had been appointed by agreement.
- (vi) Nothing herein shall prevent the Parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
- (vii) In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
- (viii) The seat of the arbitration shall be England, even where any hearing takes place outside England.
- (ix) The law governing this Clause 28.1(b) shall be English law.

28.2 Waiver of immunity

To the extent that the Sellers have acquired or may, after the date of this Agreement, acquire any immunity, with respect to themselves and their revenues and assets (irrespective of their use or intended use), on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of their assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which they or their revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and they irrevocably agree, to the extent permitted by applicable law, that they will not claim any immunity in any such proceedings),

the Sellers irrevocably and expressly waives, to the extent permitted by applicable law, such immunity in respect of their obligations under this Agreement.

29. Conflict with Charter

This Agreement is subject to the terms and provisions of the Charter and to the extent there is any conflict between this Agreement and the Charter, the terms and provisions of the Charter shall prevail.

30. Buyers Event

- 30.1** If (x) the Owners or an Owners' Affiliate become a Restricted Party or (y) the Owners fail to pay the Purchase Price in accordance with this Agreement (otherwise than, for the avoidance of any doubt, as a result of (A) the occurrence of an MOA Termination Event or (B) a failure by the Sellers to comply with the provisions of Clause 7) unless payment is made within five (5) Business Days of its due date (each of (x) and (y) above, a "**Buyers Event**") and that Buyers Event is not remedied within 30 Business Days after the receipt by the Buyers of written notice from the Sellers requesting remedy, the Sellers may give

the Buyers notice (the "**Sellers' Cancellation Notice**") of their intention to do so and pay to the Buyers:

- (a) if the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*), the full amount of the Purchase Price which the Buyers have already paid; and
- (b) to the extent that the same has not been recovered by the Buyers under the Charter, any documented expenses, costs and disbursements (including, without limitation, any legal and other experts' costs) incurred by the Buyers, and any liabilities of the Buyers suffered or incurred by the Buyers, arising out of the transactions contemplated by this Agreement and the other Transaction Documents.

30.2 Following the receipt by the Buyers of all the amounts referred to above in this Clause, the Sellers' sale of the Vessel under this Agreement shall be cancelled and the Sellers and the Buyers shall be relieved from any further obligation under this Agreement.

Schedule 1
Conditions precedent and subsequent

Part I – Initial conditions precedent

1. Obligors

- (a) **Constitutional documents** Certified true copies of the constitutional documents (or equivalent documents) (and all amendments thereto) of each Obligor and any other documents required to be filed or registered or issued under the laws of their jurisdiction of incorporation to establish their incorporation.
- (b) **Written resolutions** Certified true copies of written resolutions or (as the case may be), resolutions passed at separate meetings, in each case, of the board of directors and (if required by any legal advisor to the Buyers) shareholders of each Obligor (or, in the case of the Charter Guarantor, its sole member or general partners), in each case evidencing their respective approvals of the Transaction Documents and authorising appropriate officers or attorneys to execute the same and to sign all notices required to be given hereunder or thereunder on their behalf or other evidence of such approvals and authorisations as shall be acceptable to the Buyers.
- (c) **Certificate of good standing and power of attorney** A certified true copy of a certificate of good standing of each Obligor issued no earlier than ten (10) days prior to its provision to the Buyers and, if applicable, the original power of attorney of each Obligor under which any document (including the Transaction Documents) are to be executed or transactions undertaken by that party.
- (d) **Officer's certificates** A certificate of a duly authorised representative of each Obligor:
 - (i) certifying that each copy document relating to it specified in this Part I of Schedule 1 is correct, complete and in full force and effect;
 - (ii) setting out the names of the directors, officers and shareholders of that Obligor and the proportion of shares held by each shareholder; and
 - (iii) confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on that Obligor to be exceeded.

2. Transaction Documents and related documents

- (a) **Vessel-related documents** Photocopies, certified as true, accurate and complete by a duly authorised representative of the Sellers, of all Relevant Documents (excluding the Transaction Documents).
- (b) **Transaction Documents** A duly executed original of each Transaction Document (other than any Quiet Enjoyment Agreement and any Finance Party Quiet Enjoyment Agreement), in each case together with all other documents required by any of them according to their terms, including, without limitation, all notices of assignment, charge and/or pledge and acknowledgements of all such notices of assignment, charge and/or pledge (other than (i) the acknowledgements from the Sub-Charterers of the notices of assignment given pursuant to the Charterers' Assignment and (ii) the letters of undertaking referred to in the Charterers' Assignment).

- (c) **No disputes** The written confirmation of the Sellers that to the best of their knowledge there is no dispute under any of the Relevant Documents as between the parties to any such document.
 - (d) **Title transfer documents** Agreed forms of the following documents:
 - (i) the Bill of Sale;
 - (ii) the Sellers' PDA; and
 - (iii) the bill of sale (which shall be in a form recordable in the Pre-Approved Flag) pursuant to the First MOA and the protocol of delivery and acceptance (which shall be in a form acceptable to the Pre-Approved Flag) pursuant to the First MOA.
 - (e) **Commercial invoice** An agreed form of the commercial invoice for the Vessel to be issued by the Sellers.
 - (f) **Payment Notice** A copy of the duly completed Payment Notice.
 - (g) **Sellers' contribution** Evidence of full payment to the Existing Mortgagee of any part of the Existing Credit Amount which is due and payable on or before the Payment Date and which is not being financed by the Buyers.
3. **Legal opinions** A legal opinion of the legal advisers to the Buyers in each relevant jurisdiction (including England and Wales, the Marshall Islands, Malta, Switzerland and the PRC or confirmation satisfactory to the Buyers that such an opinion will be given.
4. **Other documents and evidence**
- (a) **Other Authorisation** A copy of any other Authorisation or other document, opinion or assurance which the Buyers consider to be necessary or desirable 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, which, at the date of this Agreement, the Buyers are not aware of, and the Buyers shall to the extent any authorisation becomes necessary after the date of this Agreement, provide reasonable notice to the Seller of such required authorisation.
 - (b) **Fees** Evidence that the fees, costs and expenses due from the Sellers to the Buyers under Clauses 24 (*Taxes, costs and expenses*) and 26 (*Indemnities*) have been paid in accordance with the terms of such Clauses; evidence that the Arrangement Fee under clause 54 (*Fees and expenses*) of the Charter has been paid in accordance with such clause.
 - (c) **"Know your customer" documents** Such documentation and other evidence as is reasonably requested by the Buyers or the Finance Parties in order for the Buyers or the Finance Parties to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Transaction Documents.
 - (d) **Valuation** Copies of the Valuation Reports referred to in Clause 8.
5. **Evidence of insurance**
- (a) Evidence that the Vessel will on the Delivery Date be insured in the manner required by the Transaction Documents.

- (b) Agreed form of an insurance report from BankServe Insurance Services Limited or other insurance consultants approved by the Buyers in form and substance satisfactory to the Buyers on the insurances effected or to be effected on the Vessel pursuant to the Transaction Documents (such approval not to be unreasonably withheld).
- 6. **Evidence of Current Owner's title** Copies of (1) the certificate of registry and (2) a transcript of register issued by the competent authority of the Pre-Approved Flag evidencing the Current Owner's ownership of the Vessel.

Part II – Delivery Date conditions precedent

1 Vessel-related documents

(a) Title transfer documents

- (i) Originals of the Bill(s) of Sale, duly executed, notarially attested and legalised or apostilled, as required by the Pre-Approved Flag; and
- (ii) Original of the duly executed Sellers' PDA;
- (iii) Original of the bill of sale duly executed by the Current Owner in favour of the Sellers (duly notarially attested and legalised or apostilled, as required by the Pre-Approved Flag) pursuant to the First MOA; and
- (iv) A copy of the protocol of delivery and acceptance duly executed by the Current Owner and the Sellers pursuant to the First MOA

(b) Technical documents Copies of the following (or provisional versions thereof):

- (i) the Approved Manager's current Document of Compliance (as such term is defined pursuant to the ISM Code);
- (ii) the Vessel's current IAPPC;
- (iii) the Vessel's current tonnage certificate;
- (iv) the Vessel's classification certificate evidencing that it is free of all recommendations and requirements from the Classification Society;
- (v) the Vessel's current Safety Management Certificate (as such term is defined pursuant to the ISM Code); and
- (vi) the Vessel's current ISSC,
in each case together with all addenda, amendments or supplements.

(c) Evidence of Current Owner's clean title A copy of the transcript of register

issued on the Delivery Date by the competent authority of the Pre-Approved Flag
evidencing the Current Owner's ownership of the Vessel and that the Vessel is free
from registered Encumbrances.

(d) Evidence of Buyers' title Evidence that any Encumbrance registered against the Vessel has been cancelled and evidence that on the Delivery Date the Vessel will be registered under the Pre-Approved Flag in the ownership of the Buyers.

(e) Commercial invoice An original of the commercial invoice for the Vessel issued by the Sellers.

(f) Sellers' letter of confirmation An original of the Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not black listed by any nation or international organisation.

(g) Evidence of Sellers' clean title A copy of the transcript of register issued on the Delivery Date by the competent authority of the Pre-Approved Flag evidencing the Sellers' ownership of the Vessel and that the Vessel is free from registered Encumbrances.

- 2 **Other Authorisation** Such other Authorisation or other document, opinion or assurance which the Buyers consider to be necessary 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 Buyers).
- 3 **Conditions precedent under the Charter** Evidence that all the documents and evidence required as conditions precedent under clause 36 (*Conditions precedent*) of the Charter have been or will be received by the Buyers (as owners under the Charter) on the Delivery Date.

Part III – Conditions subsequent

The Sellers undertake to deliver or cause to be delivered to the Buyers the following documents and evidence within the relevant time period as specified below:

1. **Technical documents**

To the extent that any certificate received by the Buyers and referred to in paragraph 1(c) of Part II (*Delivery Date conditions precedent*) of this Schedule was in provisional form at the time of the receipt, deliver or cause to be delivered to the Buyers the corresponding formal certificate as soon as possible after the Sellers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate.

2. **Insurance Report** Within fifteen (15) Business Days from the Delivery Date, a copy of an insurance report signed by BankServe Insurance Services Limited or other insurance consultants approved by the Buyers on the insurances effected on the Vessel pursuant to this Agreement, in a form approved by the Buyers prior to the Delivery Date (such approval not to be unreasonably withheld).

3. **Evidence of Buyers' title** On the Delivery Date (as evidenced by the Sellers' PDA), the Vessel's certificate of ownership and encumbrance issued by the registry of ships of the Pre-Approved Flag confirming that the Vessel is registered under that flag in the ownership of the Buyers.

4. **Letters of undertaking** Within ten (10) Business Days from the Delivery Date letters of undertaking in respect of the Insurances as required by the Transaction Documents, together with copies of the relevant policies or cover notes or entry certificates in respect of the Insurances duly endorsed with the interest of the Buyers.

5. **Legal opinions** Such of the legal opinions specified in Part I of this Schedule 1 as have not already been provided to the Buyers.

6. **Charge registrations** Within thirty (30) days after the Delivery Date, evidence that the prescribed particulars of any Security Documents have been delivered to the registry of companies/corporations of the relevant Obligor's jurisdiction within the statutory time limit.

**Schedule 2
Form of Payment Notice**

To: **Tianjin Color-IV Leasing Limited**

From: **Artic LNG Carriers Ltd.**

Dear

Sirs

20[●]

**LNG carrier named "Arctic Aurora"
memorandum of agreement dated**

2024 (the "MOA")

1. We refer to the MOA. This is a Payment Notice.
2. Terms defined in the MOA shall have the same meaning in this Payment Notice unless given a different meaning in this Payment Notice.
3. Pursuant to clause 5.2 (*Completion of the Payment Notice*) of the MOA we irrevocably request that you pre-position a sum of US\$[●], being the aggregate of:
 - (i) the Existing Mortgagee's Portion of US\$[●]; and
 - (ii) the Sellers' Portion of US\$[●],

with the Existing Mortgagee on _____ (being the Prepositioning Date), which is a Business Day, by remitting such sum (accompanied by an MT199 message) on that date to the following account:

Beneficiary Bank:	[●]
Beneficiary Bank Swift Code:	[●]
Beneficiary Bank Address:	[●]
Account Number:	[●]
Account Name:	[●]

on terms that (unless returned to you in accordance with that MT199 message) such sum is to be held by the Existing Mortgagee and released by it, in each case according to the terms of that MT199 message.

7. The Scheduled Delivery Date is [●].
8. We warrant that:
 - (a) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment of the Existing Mortgagee's Portion and/or the Sellers' Portion;
 - (b) the Repeating Representations are true in all material respects on the date of this Payment Notice and the actual date of payment; and
 - (c) we shall hold you harmless and keep you indemnified against all consequences of any inaccuracy of any details set out in this Payment Notice or any other payment instructions sent or purported to be sent to you by us or on our behalf.

9. We confirm that to the best of our knowledge there is no dispute under any of the Relevant Documents, as between the parties to any such document as at the date of this Payment Notice.

Yours faithfully

For and on behalf of
Arctic LNG Carriers Ltd.

.....

Name:
Title:

IN WITNESS of which the parties to this Agreement have executed this Agreement the day and year first before written.

SELLERS

Signed by Angelos Chardouvelis /s/ Angelos Chardouvelis
as duly authorised Attorney-in- fact
for and on behalf of
Arctic LNG Carriers Ltd.
in the presence of:

Witness signature: /s/ Daniela Lianou
Name: Daniela Lianou
Address: 2 Foivis Street, 166 74 Glyfada, Greece

BUYERS

Signed by Wang Meng /s/ Wang Meng as duly authorised Legal Representative
for and on behalf of
Tianjin Color-IV Leasing Limited
in the presence of:

Witness signature: /s/ Wang Meng
Name: Wang Meng
Address: Room 3502-03, 35F, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai

Contract number: CDBLV-2024-BC-0602

BARECON 2001



STANDARD BAREBOAT CHARTER

PART 1

1. Shipbroker N/A		2. Place and date 19 June 2024	
3. Owners/Place of business (Cl. 1) Tianjin Color-V Leasing Limited, a company incorporated under the laws of the People's Republic of China (with unified social credit code 91120118MADHEDW87H) Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China		4. Bareboat Charterers/Place of business (Cl. 1) Pegasus Shipholding S.A. Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960	
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: m.v. Clean Energy Call Sign: V7LG8 Flag: The Republic of the Marshall Islands			
6. Type of Vessel LNG carrier		7. GT/NT 100,244/30,073	
8. When/Where built 2007 Hyundai Heavy Industries Co., Ltd.		9. Total DWT (abt.) in metric tons on summer freeboard 85,513	
10. Classification Society (Cl. 3) Lloyd's Register		11. Date of last special survey by the Vessel's classification society N/A	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) N/A			
13. Port or Place of delivery (Cl. 3) As per MOA (as defined in Additional Clause 32 (Definitions))	14. Time for delivery (Cl. 4) See Additional Clause 35 (Delivery)	15. Cancelling date (Cl. 5) N/A	
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) N/A	

18. Running days' notice if other than stated in Cl. 4 N/A	19. Frequency of dry-docking (Cl. 10(g)) In accordance with Classification Society or flag state requirements
20. Trading limits (Cl. 6) Trading worldwide always within International Navigating Limits	
21. Charter period (Cl. 2) Charter Period (as defined in Additional Clause 32 (Definitions))	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)) See Additional Clause 39(c) (Structural changes and alterations)	
24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV See Additional Clause 40 (Hire)	25. Currency and method of payment (Cl. 11) US Dollars (See also Additional Clause 40 (Hire))
26. Place of payment; also state beneficiary and bank account (Cl. 11) See Additional Clause 40 (Hire)	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) N/A
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) Clause 12(b) applies; form of Financial Instrument and name of mortgagee to be determined, subject to Additional Clause 44	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)) See Additional Clause 41 (Insurance)	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)	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) N/A	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) choose an item Clause 30(a) applies
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) No; Part III does not apply	38. Name and place of Builders (only to be filled in if PART III applies) N/A
39. Vessel's Yard Building No. (only to be filled in if PART III applies) N/A	40. Date of Building Contract (only to be filled in if PART III applies) N/A

41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) (a) N/A (b) N/A (c) N/A	
42. Hire/Purchase agreement (indicate with “yes” or “no” whether PART IV applies) (optional) No; Part IV does not apply	43. Bareboat Charter Registry (indicate with “yes” or “no” whether PART V applies) (optional) No; Part V does not apply
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) N/A	45. Country of the Underlying Registry (only to be filled in if PART V applies) N/A
46. Number of additional clauses covering special provisions, if agreed Clause 32 (Definitions) to Clause 74 (FATCA)	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

<u>Signature (Owners)</u>	<u>Signature (Charterers)</u>
---------------------------	-------------------------------

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

“The Owners” shall mean the party identified in Box 3;

“The Charterers” shall mean the party identified in Box 4;

“The Vessel” shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

“Financial Instrument” means the mortgage, deed of covenant or other such financial security instrument ~~as~~ in respect of the Vessel and granted by the Owners in accordance with Additional Clause 44, annexed to this Charter and stated in Box 28.

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (~~“The Charter Period”~~).

3. Delivery - See Additional Clause 35 (Delivery).

(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 (Delivery).

(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 when Part III applies, as indicated in Box 37)

~~(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

~~(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners’ notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

~~(e) 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 (unless such additional insurances as may be reasonably acceptable to the Owners in relation to the trading of the Vessel outside such limits have been obtained and all other insurances in respect of the Vessel remain in full force and effect).

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~~ Insurances (as defined in Additional Clause 32 (Definitions)) (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 in accordance with applicable laws or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery

~~(not applicable when Part III applies, as indicated in Box 37)~~

~~The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.~~

8. Inspection - See paragraph (gg), (Inspection of Vessel) of Additional Clause 47 (Charterers' undertakings)

~~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 log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.~~

9. Inventories, Oil and Stores

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, subject to Additional Clause 43. Without limiting the foregoing, the Charterers shall also provide and the Owners, ~~respectively, shall at the time of~~ delivery and redelivery take over and pay for with a complete inventory of 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~~

- 94 ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the
 95 inventory and used during the Charter Period are replaced at their expense prior to on redelivery of the Vessel. See also Additional Clause 37
(Bunkers and Luboils).
- 96 **10. Maintenance and Operation**
- 97 (a) (i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the
 98 absolute disposal for all purposes of the Charterers and under their complete control in every respect. The
 99 Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of
 100 repair, in efficient operating condition and in accordance with good commercial maintenance practice and,
 101 except as provided for in Clause 14(l), if applicable, at their own expense they shall at all times keep the Vessel's
 102 Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary
 103 certificates in force at all times.
- 104 ~~(ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new~~
 105 ~~equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements~~
 106 ~~or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in~~
 107 ~~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~~
 108 ~~any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between~~
 109 ~~the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the~~
 110 ~~Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence~~
 111 ~~of agreement, be referred to the dispute resolution method agreed in Clause 30.~~
- 112 (iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party
 113 liabilities as required by any government, including federal, state or municipal or other division or authority
 114 thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place,
 115 territorial or contiguous waters of any country, state or municipality in performance of this Charter without any
 116 delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such
 117 government or division or authority thereof.
- 118 The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy
 119 such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all
 120 consequences whatsoever (including loss of time) for any failure or inability to do so.
- 121 (b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual,
 122 navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period Agreement Term and they
 123 shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of
 124 the Vessel under this Charter, including annual flag state fees and any foreign general municipality and/or state
 125 taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes
 126 whatsoever, even if for any reason appointed by the Owners.
- 127 Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's
 128 flag or any other applicable law.
- 129 (c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-
 130 docking and major repairs of the Vessel, as reasonably required. See also Additional Clause 56 (Operational notifiable events).
- 131 (d) Flag and Name of Vessel - During the Charter Period, the Charterers shall have the liberty to paint the Vessel in
 132 their own colours, install and display their funnel insignia and fly their own house flag. For so long as a Sub-Charter is in existence, the word
"their" whenever used in the preceding sentence shall be construed as a reference to the Sub-Charterer. The Charterers shall also
 133 have the liberty, ~~with the Owners' consent, which shall not be unreasonably withheld,~~ to (i) change the flag ~~and/or~~
 134 ~~the name of the Vessel to any Pre-Approved Flag or any other flag approved by the Owners (such approval not to be unreasonably withheld)~~
 during the Charter Period and (ii) with the Owners' prior consent (which consent shall not be unreasonably withheld) to change the name of the
Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment,
 135 ~~registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time.~~
- 136 (e) Changes to the Vessel - See Additional Clause 39 (Structural changes and alterations) ~~Subject to Clause 10(a)(ii), the Charterers shall make no~~
 137 ~~structural changes in the Vessel~~
 138 ~~or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing~~
 139 ~~the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the~~
 140 ~~Vessel to its former condition before the termination of this Charter.~~
- 140 (f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment,
 141 and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent
 142 shall be returned to the Owners on redelivery (in the event that redelivery is required in accordance with this Charter) in the same good order
 and condition as when received, ordinary

143 wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of
 144 equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs
 145 to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards
 146 workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right
 147 to fit additional equipment at their expense and risk but title to such additional equipment shall, unless agreed between the Owners
and the Charterers, be deemed to have passed to the Owners immediately upon such fitting, and the Charterers shall, at the
Charterers' costs, remove such equipment and make good any damage caused by the fitting or removal of such additional
equipment at the end
 148 of the period if requested by the Owners (acting reasonably), unless the title to the Vessel is transferred to the Charterers pursuant
 149 to this Charter. Any equipment including radio equipment on hire on the Vessel at
 150 time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations
 151 and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners
 152 for all expenses incurred in connection therewith, also for any new equipment required in order to comply with
 radio regulations.

153 (g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts
 154 whenever the same may be necessary, but not less than once during the period stated in Box 19 or, if Box 19 has
 155 been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the
 156 Classification Society or flag state.

157 **11. Hire - See Additional Clause 40 (Hire).**

- 158 (a) ~~The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect~~
 159 ~~of which time shall be of the essence.~~
- 160 (b) ~~The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22~~
 161 ~~which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable~~
 162 ~~on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the~~
 163 ~~Charter Period.~~
- 164 (c) ~~Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25~~
 165 ~~and at the place mentioned in Box 26.~~
- 166 (d) ~~Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally~~
 167 ~~according to the number of days and hours remaining before redelivery and advance payment to be effected~~
 168 ~~accordingly.~~
- 169 (e) ~~Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of.~~
 170 ~~The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last~~
 171 ~~reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to~~
 172 ~~be adjusted accordingly.~~
- 173 (f) ~~Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If~~
 174 ~~Box 24 has not been filled in, the three months Interbank offered rate in London (LIBOR or its successor) for the~~
 175 ~~currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due,~~
 176 ~~increased by 2 per cent, shall apply.~~
- 177 (g) ~~Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the~~
 178 ~~Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire~~
 179 ~~payment date.~~

180 **12. Mortgage - See Additional Clause 44 (Owners' mortgage) and paragraph (p) (Further assurance) of Additional Clause 47 (Charterers' undertakings).**

181 ~~(only to apply if Box 28 has been appropriately filled in)~~

182 (a)* ~~The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any~~
 183 ~~mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~

184 (b)* The Vessel chartered under this Charter ~~is~~ may be financed by a mortgage according to the Financial Instrument.

185 The Charterers undertake to comply, and provide such information and documents to enable the Owners to
 186 comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and
 187 maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time
 188 during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The
 189 Charterers confirm that, for this purpose, they will, once such Financial Instrument is available, ~~have acquainted themselves with all relevant~~
terms, conditions

and provisions of the Financial Instrument and agree to acknowledge this such Financial Instrument in writing in any form that may be reasonably required by the mortgagee(s), provided that the Owners will ensure that such Financial Instrument will only impose obligations on the Charterers in line with the provisions contained in this Charter, and, for the avoidance of doubt, shall not result in additional obligations on the part of the Charterers. The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.

*(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28):

13. Insurance and Repairs - See Additional Clause 41 (Insurance).

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.

(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

(d) Subject to the provisions of the Financial 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 the 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

(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.

- 239 (b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection
 240 and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel;
 241 including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall
 242 in writing approve which approval shall not be unreasonably withheld.
- 243 (c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the
 244 Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which
 245 would otherwise have been covered by such insurance.
- 246 (d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs;
 247 and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as
 248 well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for
 249 under the provisions of sub-clause 14(a).
- 250 The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon
 251 presentation of accounts.
- 252 (e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred
 253 thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible
 254 franchise(s) or deductibles provided for in the insurances.
- 255 (f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects
 256 according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of
 257 the Charter Period.
- 258 The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for
 259 such time as may be required to make such repairs.
- 260 (g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall
 261 be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers
 262 as the case may be shall immediately furnish the other party with particulars of any additional insurance effected;
 263 including copies of any cover notes or policies and the written consent of the insurers of any such required
 264 insurance in any case where the consent of such insurers is necessary.
- 265 (h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances
 266 required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall
 267 distribute the moneys between themselves and the Charterers according to their respective interests.
- 268 (i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged
 269 by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.
- 270 (j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to
 271 enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.
- 272 (k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-
 273 clause 14(a), the value of the Vessel is the sum indicated in Box 29.
- 274 (l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if
 275 applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in
 276 Box 10 and maintain all other necessary certificates in force at all times.
- 277 **15. Redelivery - See Additional Clauses 42 (Redelivery) and 43 (Redelivery conditions).**
- 278 At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe
 279 and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The
 280 Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range
 281 of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice
 282 of expected date and port or place of redelivery.
- 283 Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.
- 284 The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding
 285 ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel
 286 within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within
 287 the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per
 288 cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is
 289 exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.
- 290 Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good

291 structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class
 292 excepted.

293 The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at
 294 least the number of months agreed in Box 17.

295 **16. Non-Lien - See also paragraph (z) (Negative pledge) of Additional Clause 47 (Charterers' undertakings)**

296 The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their
 297 agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further
 298 agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the ~~Charter Period~~ **Agreement Term** a notice
 299 reading as follows:

300 "This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of
 301 the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or
 302 permit to be imposed on the Vessel any lien whatsoever."

303 **17. Indemnity**

304 (a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising
 305 out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature
 306 arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by
 307 reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their
 308 own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including
 309 the provision of bail.

310 Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all
 311 consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

312 (b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners
 313 shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released,
 314 including the provision of bail.

315 In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred
 316 by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.

317 **18. Lien**

318 The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any
 319 sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on
 320 the Vessel for all moneys paid in advance and not earned.

321 **19. Salvage**

322 All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing
 323 damage occasioned thereby shall be borne by the Charterers.

324 **20. Wreck Removal**

325 In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the
 326 Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence
 327 of the Vessel becoming a wreck or obstruction to navigation.

328 **21. General Average**

329 The Owners shall not contribute to General Average.

330 **22. Assignment, Sub-Charter and Sale - See Additional Clause 51 (Sub-chartering and assignment)**

331 (a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior
 332 consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and
 333 conditions as the Owners shall approve.

334 (b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of
 335 the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of
 336 this Charter.

337 **23. Contracts of Carriage**

338 (a)* The Charterers are to procure that all documents issued during the ~~Charter Period~~ **Agreement Term** evidencing the terms and
 339 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 Hague Rules (or any successor thereto, including the Rotterdam Rules) or the Hamburg 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

(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~~ Agreement Term 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~~ Agreement Term, 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, in the absence of a Termination Event, 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

(a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.

(b) The Vessel, ~~unless the written consent of the Owners be first obtained,~~ shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks provided that if the Charterers have (at their costs) placed and will maintain the necessary Insurances against the relevant War Risks in accordance with Additional Clause 41 (Insurance) and evidence of such insurance cover (or a written confirmation from the relevant insurers and/or brokers that such insurance has or will, prior to the commencement of the relevant voyage, become effective) has been provided to the Owners then such voyage shall be permitted hereunder. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area.

(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

- 389 (d) If the insurers of the war risks insurance, ~~when Clause 14 is applicable~~, should require payment of premiums
 390 and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within,
 391 any area or areas which are specified by such insurers as being subject to additional premiums because of War
 392 Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as
 393 the next payment of hire is due.
- 394 (e) The Charterers shall have the liberty:
- 395 (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in
 396 convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which
 397 are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or
 398 group whatsoever acting with the power to compel compliance with their orders or directions;
- 399 (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the
 400 authority to give the same under the terms of the war risks insurance;
- 401 (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of
 402 the European Community, the effective orders of any other Supranational body which has the right to issue and
 403 give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey
 404 the orders and directions of those who are charged with their enforcement.
- 405 (f) ~~In the event of outbreak of war (whether there be a declaration of war or not)~~
 406 ~~(i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom;~~
 407 ~~France; and the People's Republic of China;~~
 408 ~~(ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have~~
 409 ~~the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance~~
 410 ~~with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this~~
 411 ~~Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has~~
 412 ~~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~~
 413 ~~the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all~~
 414 ~~other provisions of this Charter shall apply until redelivery.~~
- 415 **27. Commission**
- 416 ~~The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid~~
 417 ~~under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the~~
 418 ~~actual expenses of the Brokers and a reasonable fee for their work.~~
 419 ~~If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall~~
 420 ~~indemnify the Brokers against their loss of commission.~~
 421 ~~Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of~~
 422 ~~commission but in such case the commission shall not exceed the brokerage on one year's hire.~~
- 423 **28. Termination - See Additional Clauses 50 (Termination Events) and 53 (Total Loss).**
- 424 (a) ~~Charterers' Default~~
- 425 ~~The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter~~
 426 ~~with immediate effect by written notice to the Charterers if:~~
- 427 ~~(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual~~
 428 ~~payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers,~~
 429 ~~the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as~~
 430 ~~recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such~~
 431 ~~number of days following the Owners' notice, the payment shall stand as regular and punctual.~~
- 432 ~~Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners'~~
 433 ~~notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and~~
 434 ~~terminate the Charter without further notice;~~
- 435 ~~(ii) the Charterers fail to comply with the requirements of:~~
- 436 ~~(1) Clause 6 (Trading Restrictions)~~
 437 ~~(2) Clause 13(a) (Insurance and Repairs)~~
- 438 ~~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 compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

In the event of the termination of this Charter in accordance with the applicable provisions of ~~Clause 28~~ this Charter, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners and the Charterers 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

(a)*This Contract and any non-contractual obligations arising from or in connection with it shall in all respects be governed by and ~~construed/interpreted~~ 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. The arbitration proceedings shall be conducted in English. 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.

490 In cases where neither the claim nor any counterclaim exceeds the sum of US\$~~5~~100,000 (or such other sum as the
 491 parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure
 492 current at the time when the arbitration proceedings are commenced.

493 (b) ~~*This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the~~
 494 ~~Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be~~
 495 ~~referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the~~
 496 ~~two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any~~
 497 ~~award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be~~
 498 ~~conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

499 In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the
 500 parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure
 501 of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.

502 (c) ~~*This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by~~
 503 ~~the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a~~
 504 ~~mutually agreed place, subject to the procedures applicable there.~~

505 (d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference
 506 and/or dispute arising out of or in connection with this Contract.

507 In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the
 508 following shall apply:

509 (i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation
 510 by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to
 511 mediation.

512 (ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they
 513 agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days;
 514 failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal
 515 ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted
 516 in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event
 517 of disagreement, as may be set by the mediator.

518 (iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and
 519 may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

520 (iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers
 521 necessary to protect its interest.

522 (v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall
 523 continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account
 524 when setting the timetable for steps in the arbitration.

525 (vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in
 526 the mediation and the parties shall share equally the mediator's costs and expenses.

527 (vii) The mediation process shall be without prejudice and confidential and no information or documents
 528 disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law
 529 and procedure governing the arbitration.

530 (Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

531 (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~~
 532 ~~apply in all cases.~~

533 ~~*Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.~~

534 31. Notices - See Additional Clause 67 (Notices)

535 (a) ~~Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex,~~
 536 ~~registered or recorded mail or by personal service.~~

537 (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 Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.
- Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties.
- The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2. Time and Place of Delivery

- (a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.
- (b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.
- (c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon
- (i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or
- (ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the

54 Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and
55 deliver her to the Charterers;

56 (iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to
57 reject the Vessel from the Builders;

58 (iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be
59 liable to the Charterers for any claim under or arising out of this Charter or its termination.

60 (d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a
61 claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared
62 equally between the parties.

63 3. Guarantee Works

64 If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be
65 performed in accordance with the building contract terms, and hire to continue during the period of guarantee
66 works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

67 4. Name of Vessel

68 The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be
69 painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

70 5. Survey on Redelivery

71 The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing
72 the condition of the Vessel at the time of redelivery.

73 Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any,
74 including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall
75 also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be
76 paid at the rate of hire per day or pro rata.

PART IV

1 On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and
2 H as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the
3 Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.

4 In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

5 The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

6 The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens
7 or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing
8 mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to
9 the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all
10 consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any
11 taxes, notarial, consular and other charges and expenses connected with the purchase and registration under
12 Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with
13 closing of the Sellers' register, shall be for Sellers' account.

14 In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale
15 duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On
16 delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a
17 certificate of deletion to the Buyers.

18 The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors,
19 chains, etc.), as well as all plans which may be in Sellers' possession.

20 The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra
21 payment.

22 The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the
23 Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be
24 delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for
25 possible faults or deficiencies of any description.

26 The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the
27 Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent
28 cost for their journey to any other place.

PART V

1. Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

“The Bareboat Charter Registry” shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

“The Underlying Registry” shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

2. Mortgage

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.

3. Termination of Charter by Default

If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.

In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

Execution version

Contract number: CDBLV-2024-BC-0602

CONTENTS

	Page
32. Definitions	3
33. Interpretations	20
34. MOA, Quiet Enjoyment Agreement	22
35. Delivery	23
36. Conditions precedent	24
37. Bunkers and luboils	27
38. Further maintenance and operation	27
39. Structural changes and alterations	28
40. Hire	29
41. Insurance	35
42. Redelivery	41
43. Redelivery conditions	42
44. Owners' mortgage	43
45. Diver's inspection at redelivery	44
46. Charterers' representations and warranties	45
47. Charterers' undertakings	49
48. Earnings Account	55
49. Value maintenance	56
50. Termination Events	57
51. Sub-chartering and assignment	63
52. Purchase Option, Purchase Obligation and transfer of title	64
53. Total Loss	67
54. Fees and expenses	68
55. Stamp duties, Taxes	68
56. Operational notifiable events	69
57. Further indemnities	69
58. Set-off	71
59. Further assurances and undertakings	71
60. Cumulative rights	71
61. Day count convention	71
62. No waiver	71
63. Entire agreement	72
64. Invalidity	72
65. English language	72
66. No partnership	72

67.	Notices	72
68.	Conflicts	73
69.	Survival of Charterers' obligations	73
70.	Counterparts	73
71.	Confidentiality	73
72.	Third Parties Act	74
73.	Waiver of immunity	74
74.	FATCA	74
	SCHEDULE 1 RELATED VESSELS AND RELEVANT INFORMATION	78
	SCHEDULE 2 FORM OF PROTOCOL OF DELIVERY AND ACCEPTANCE	79
	SCHEDULE 3 FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE	80
	SCHEDULE 4 PERCENTAGE FOR CALCULATING PURCHASE OPTION FEE AND PREPAYMENT FEE	81
	SIGNATURE PAGE	82

ADDITIONAL CLAUSES
TO BAREBOAT CHARTER FOR
THE LNG CARRIER
NAMED "CLEAN ENERGY"

32. Definitions

In this Charter:

"2018 Withdrawal Act" means the European Union (Withdrawal) Act 2018.

"2020 Withdrawal Act" means the European Union (Withdrawal Agreement) Act 2020.

"Account Bank" means UBS AG (or such other bank or financial institution as the Owners may approve);

"Account Charge" means the account charge over the Earnings Account and all amounts from time to time standing to the credit to the Earnings Account from the Charterers in favour of the Security Trustee.

"Actual Delivery Date" means the date of delivery of the Vessel by the Owners to the Charterers under this Charter.

"Actual Owners' Costs" means the Purchase Price (as defined in the MOA).

"Affiliate" means, in relation to any entity, a Subsidiary of that entity, a Holding Company of that entity or any other Subsidiary of that Holding Company.

"Agreed Charter Period" means the period of sixty (60) months commencing from the Actual Delivery Date.

"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 Obligors 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 Obligors of any nature to the Owners or otherwise in connection with the Transaction Documents or with the Vessel remain unperformed or undischarged excluding, for the avoidance of doubt, any obligations included in the definition of "Indebtedness" in any Transaction Document expressed to be owed in respect of the Related Vessels rather than the Vessel.

"Applicable Rate" means, subject to Clause 40(o) (*Cost of funds*), for any Hire Period, the Reference Rate applicable to that Hire Period.

"Approved Manager" in relation to the Vessel, means the Dynagas Manager or any other internationally recognised and reputable management company with the prior written consent of the Owners (acting reasonably) and appointed by the Charterers.

"Approved Valuer" means each of Clarkson Platou, Fearnleys LNG, Braemar, Nordic Shipping, Poten & Partners and Associated Shipbrokers Monaco.

"Arrangement Fee" has the meaning given to such term in paragraph (a) (*Arrangement fee*) of Clause 54 (*fees and expenses*).

"Assigned Documents" means together, Initial Time Charter, the Next Decade Time Charter and the Replacement Time Charter, and **"Assigned Document"** means either one (1) of them.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Balloon" has the meaning given to such term in paragraph (a) of the definition of **"Purchase Obligation Price"** as set out below.

"Break Costs" means all costs, losses, premiums or penalties (excluding the Margin) incurred by the Owners (including any hedging or swap-related costs) as a result of the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the original due date for payment of the sum in question, or as a result of the Termination Sum or the Purchase Option Price being paid, or as a result of the relevant payment made by the Charterers under Clause 49(c)(ii)(B), or as a result of the relevant payment made by the Charterers under Clause 40(p).

"Breakfunding Gain" means all additional amounts received by the Owners as a result of the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the original due date for payment of the sum in question, or as a result of the Termination Sum or the Purchase Option Price being paid, or as a result of the relevant payment made by the Charterers under Clause 49(c)(ii)(B), or as a result of the relevant payment made by the Charterers under Clause 40(p).

"Business Day" means:

- (a) (in relation to the determination of the Actual Delivery Date) a day (other than a Saturday or Sunday) on which banks are open for general business in Marshall Islands; and
- (b) in any other cases, a day (other than a Saturday or Sunday) on which banks are open for general business in Athens, Hong Kong, New York and Shanghai.

"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 any relevant person or entity or to any jurisdiction where activities of such relevant person or entity are performed and which shall include: (i) the United Kingdom Bribery Act 2010, (ii) the United States Foreign Corrupt Practices Act 1977 and (iii) any United States, United Nations or European Union sanctions.

"Change of Control" occurs at any time if:

- (a) the Charterers cease to be a direct wholly-owned Subsidiary of the Shareholder; and/or
- (b) the Charter Guarantor (i) ceases to own (legally and/or beneficially, directly and/or indirectly) 100% of total share capital, total common partnership interest or units or the total limited liability company interest (as the case may be) in the Shareholder or the Charterers; and/or (ii) ceases to have the ability to control, either directly or indirectly, the affairs or composition of the majority of the board of directors or board of managers or single manager or sole member (as the case may be) of the Shareholder or the Charterers; and/or
- (c) any person (i) owns (legally and/or beneficially, directly and/or indirectly) a higher

percentage of the total common partnership interest or units in the Charter Guarantor than Dynagas Holding Ltd; and/or (ii) has the ability to control, either directly or indirectly, the affairs or composition of the majority of the board of directors or the board of managers of the Charter Guarantor; and/or

- (d) No Permitted Holder is a member of the board of managers and/or the Chairman of the board of managers of the Charter Guarantor; and/or
- (e) Dynagas GP LLC ceases to be the general partner of the Charter Guarantor; and/or
- (f) Permitted Holders (i) cease to control, directly or indirectly, the affairs or the composition of the board of directors or board of managers (or equivalent, as applicable) of Dynagas GP LLC or Dynagas Holding Ltd or the Dynagas Manager; and/or (ii) cease to own (legally and/or beneficially, directly and/or indirectly) 100% of the total limited liability company interest of Dynagas GP LLC.

"Charter Guarantee" means the guarantee and indemnity made or to be made by the Charter Guarantor in favour of the Owners in respect of the Charterers' obligations under the Transaction Documents.

"Charter Guarantor" means Dynagas LNG Partners LP, a limited partnership formed under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"Charter Period" means, subject to paragraph (i) (*Illegality*) of Clause 40 (*Hire*), Clause 50 (*Termination Events*), paragraph (a) Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) and Clause 53 (*Total Loss*), the Agreed Charter Period.

"Charterers Group" means, collectively, the Charterers and the Charter Guarantor.

"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 relation to certain of the Charterers' rights and interest in and to (amongst other things) (a) the Earnings, (b) the Insurances, (c) the Requisition Compensation and (d) the Assigned Documents.

"Classification Society" means the vessel classification society referred to in Box 10 (*Classification Society*) of this Charter, or such other reputable classification society which the Owners may approve from time to time.

"Core Obligors" means the Charterers, the Charter Guarantor and (during the Pre-Delivery Period) the Sellers, and **"Core Obligor"** means any one of them.

"Cost Balance" means, at any relevant time during the Agreement Term, an amount equal to the aggregate of the Actual Owners' Costs as may be reduced by payment, prepayment, or deemed payment of Fixed Hire or Cost Balance pursuant to paragraph (a) of Clause 40 (*Hire*), Clause 40(p) or Clause 49(c)(ii)(B).

"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 the Charterers to the Owners under all or any of the Transaction Documents.

"Default Termination" means a Termination pursuant to the provisions of Clause 50 (*Termination Events*).

"Dynagas Manager" means Dynagas Ltd., a company incorporated under the laws of The Republic of Liberia whose registered office is at 80 Broad Street, Monrovia, Liberia.

"Earnings" means:

- (a) all hires, freights and other sums payable to or for the account of the Charterers in respect of the Vessel including (without limitation) all earnings received or to be received from any Sub-Charter, 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; and
- (b) whenever the Vessel is employed on terms whereby any moneys falling within (i) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangements which is attributable to the Vessel.

"Earnings Account" means the US Dollar account in the name of the Charterers (with account number 73155001542000 opened with the Account Bank, 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.

"Emissions Legislation" means:

- (a) the EU-ETS Regulations; and
- (b) any other laws, directives or regulations to which the Owners or the Charterers are subject in respect of greenhouse gas emissions (including any related emissions trading schemes),

as amended from time to time and in each case as applicable to the Owners or the Charterers.

"Encumbrance" means a mortgage, charge, assignment, pledge, lien, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Environmental Approvals" means any present or future permit, licence, approval, ruling, variance, exemption or other Authorisation required under the applicable Environmental Law.

"Environmental Claim" means any claim, proceeding or investigation by any person in respect of any Environmental Law.

"Environmental Incident" means:

- (a) any release, emission, spill or discharge from the Vessel or into or upon the air, sea, land or soils (including the seabed) or surface water of Environmentally Sensitive Material within or from the Vessel in connection with which the Vessel is actually or reasonably likely to be potentially liable to be arrested, attached, detained or enjoined and/or the Vessel and/or the Charterers and/or the Approved Manager is at fault or allegedly at fault or otherwise reasonably likely to be liable to any legal or administrative action; or
- (b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water from a vessel other than the Vessel and which involves a collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, in connection with which the Vessel is actually arrested,

attached, detained or injuncted and/or the Vessel and/or the Charterers and/or any Approved Manager of the Vessel is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or

- (c) any other incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water otherwise than from the Vessel and in connection with which the Vessel is actually arrested and/or the Charterers and/or any Approved Manager 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 applicable law and regulation in any applicable jurisdiction in which the Charterers and/or Approved Manager conducts business which relates to the pollution or protection of the environment (to the extent relating to exposure to Environmentally Sensitive Material) or harm to or the protection of human health or the health of animals or plants (to the extent relating to exposure to Environmentally Sensitive Material).

"Environmentally Sensitive Material " means (i) oil and oil products and (ii) any other waste, pollutant, contaminant or other toxic substance (including any chemical, gas or hazardous or noxious substance) that is harmful to human health or other life or the environment.

"EU ETS Mandate Letter" means the mandate letter in respect of the Vessel addressed to the relevant entities charged with administering compliance with Emissions Legislation and duly executed by the Owners and the Dynagas Manager, mandating the Dynagas Manager as the party required to comply with and be responsible for compliance with the Emissions Legislation 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 (the **"Implementing Regulation"**) 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.

"EUR", "€" and "euro" denote the single currency of the Participating Member States.

"Fair Market Value" means the fair market value of the Vessel ascertained in accordance with paragraph (b) (*Valuations*) of Clause 49 (*Value maintenance*).

"FATCA Deduction" has the meaning given to such term in Clause 74 (*FATCA*).

"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 financing or refinancing all or any part of the Actual Owners' Costs and/or any "Actual Owners' Costs" under any Related Charter.

"Finance Party" means any bank or financial institution which is or will be party to a Finance Document (other than the Owners, the Related 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.

"Finance Party Quiet Enjoyment Agreement" means, in relation to the Vessel, either:

- (a) an agreement which the Finance Parties and the Owners (or, if any, their authorised agent on their behalf) shall execute in favour of the Charterers (or, as the context may require, a Sub-Charterer), such agreement to be in a form reasonably acceptable to the Charterers (or, as the context may require, the relevant Sub-Charterer) and the Finance Parties, or
- (b) the relevant Quiet Enjoyment Agreement as acceded to by the Finance Parties.

"Financial Half-Year" means, in respect of the Charterers and the Charter Guarantor, their interim semi-annual accounting period ending on 30 June in any calendar year that falls within the Agreement Term.

"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 obligations under any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including any actual amount is due as a result of the termination or close-out of that derivative transaction);
- (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 Year" means, in respect of the Charterers and the Charter Guarantor, their annual accounting period ending on 31 December in each calendar year during the Agreement Term.

"Fifth Anniversary Date" means the date falling 60 months after the Actual Delivery Date.

"First Anniversary Date" means the date falling 12 months after the Actual Delivery Date.

"Fixed Hire" has the meaning given to such term under paragraph (a)(i) of Clause 40 (*Hire*).

"GAAP" means generally accepted accounting principles in the United States of America or IFRS.

"Hire" means each or any combination or aggregate of (a) Fixed Hire and (b) Variable Hire.

"Hire Payment Date" means the last day of each and any Hire Period.

"Hire Period" means each and every three (3)-month period during the Charter Period, the first Hire Period to commence on the Actual Delivery Date and each successive Hire Period to commence on the last day of the immediately previous Hire Period **provided that** if a Hire Period would otherwise extend beyond the last day of the Charter Period, then such Hire Period shall end on the last day of the Charter Period, and, in relation to an Unpaid Sum, each period determined in accordance with Clause 40(g) (*Default interest*).

"Holding Company" means, in relation to any entity, any other entity in respect of which it is a Subsidiary.

"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).

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

"Indemnitee" has the meaning given to such term in Clause 57 (*Further indemnities*).

"Initial Charter Quiet Enjoyment Agreement" means in relation to the Initial Time Charter, the quiet enjoyment deed made or to be made between (a) the Owners (as lessor), (b) the Charterers (as lessee), and (c) the Initial Time Charterer, in such form as agreed between the parties thereto.

"Initial Time Charter " means the time charter dated 24 April 2017 and made between the Charterers (as owner) and the Initial Time Charterer (as charterer) in respect of the chartering of the Vessel, as may be amended, supplemented, extended, novated and/or replaced from time to time.

"Initial Time Charterer" means SEFE Marketing & Trading Singapore Pte. Limited (formerly known as "Gazprom Marketing & Trading Singapore Pte. Ltd.") of 10 Collyer Quay #10-01 Ocean Financial Centre, Singapore, 049315.

"Innocent Owners' Interest Insurances" means all policies and contracts of innocent owners' interest insurance and innocent owners' additional perils (oil pollution) 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.

"Interpolated Term SOFR" means, in relation to a Hire Period, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either
 - (A) the applicable Term SOFR (as of the relevant Specified Time) for the longest period (for which Term SOFR is available) which is less than three (3) months; or
 - (B) if no such Term SOFR is available for a period which is less than three (3) months, Overnight SOFR for the day which is two (2) US Government Securities Business Days before the relevant Variable Hire Determination Date; and
- (b) the applicable Term SOFR (as of the relevant Specified Time) 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).

"ISM Company " means, at any given time, the company responsible for the Vessel's compliance with the ISM Code under paragraph 1.1.2 of 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).

"ISPS Company" means, at any given time, the company responsible for the Vessel's compliance with the ISPS Code.

"ISSC" means a valid international ship security certificate for the Vessel 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 Act 1980 and the Foreign Limitation Periods Act 1984;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and;
- (d) any reservations as to matters of law (but excluding at all times any reservations or qualifications as to matters of fact) referred to in the legal opinions delivered to the Owners under Clause 36 (*Conditions precedent*) of this Charter.

"Long Stop Date" has the meaning given to such term in the MOA.

"Major Casualty Amount" means three million US Dollars (US\$3,000,000) or the equivalent in any other currency or currencies.

"Management Agreement" means, in relation to the Vessel and if applicable, the technical and/or commercial ship management agreement executed or to be executed (as the case may be) between the Approved Manager and the Charterers.

"Manager's Undertaking" means, in relation to the Vessel, the deed of undertaking executed or to be executed by the Approved Manager in favour of the Owners and the Security Trustee.

"Margin" means two point one per cent. (2.1%) per annum.

"Market Disruption Rate" means the percentage rate per annum which is the Reference Rate.

"MARPOL" means the International Convention for the Prevention of Pollution from Ships adopted by the International Maritime Organisation (as the same may be amended, supplemented or superseded from time to time).

"Material Adverse Effect" means a material adverse change in, or a material adverse effect on:

- (a) the business, financial condition or operations of the Obligors; or
- (b) the validity, legality or enforceability of the Transaction Documents; or
- (c) the ability of any Obligor to perform its obligations under any Transaction Document,

which adversely affects the ability of each of the Obligors to perform its respective obligations under the Transaction Documents to which it is a party.

"MOA" has the meaning given to such term in Clause 34 (*MOA, Quiet Enjoyment Agreement*).

"Mortgagees' Interest Insurances" means all policies and contracts of mortgagees' interest insurance and mortgagees' additional perils (oil pollution) insurance from time to time taken out by the Finance Parties in relation to the Vessel.

"Necessary Authorisations" means all Authorisations of any person including any government or other regulatory authority required by applicable law to enable it to:

- (a) lawfully enter into and perform its obligations under the Transaction Documents to which it is party;
- (b) ensure the legality, validity, enforceability or admissibility in evidence in England and, if different, its jurisdiction of incorporation, of such Transaction Documents to which it is party; and
- (c) carry on its business from time to time.

"Negative Share Pledge" means the negative pledge over all issued shares of the Charterers executed or (as the case may be) to be executed by the Shareholder in favour of the Owners.

"Net Sale Proceeds" means the proceeds of a sale of the Vessel received, net of any reasonable and documented fees, commissions, costs, disbursements or other expenses incurred by the Owners as a result of the Owners arranging the proposed sale.

"Next Decade Time Charter" means the time charter dated 31 January 2023 and made between the Charterers (as owner) and the Next Decade Time Charterer (as charterer) in respect of the chartering of the Vessel, as may be amended, supplemented, extended, novated and/or replaced from time to time.

"Next Decade Time Charterer" means Rio Grande LNG, LLC, a limited liability company organized under the laws of the state of Texas with its principal executive offices at 1000 Louisiana St., Suite 3900, Houston, TX 77002.

"Obligors" means, together:

- (a) (during the Pre-Delivery Period) the Sellers;
- (b) the Charterers;
- (c) the Dynagas Manager;
- (d) the Shareholder;
- (e) the Charter Guarantor; and
- (f) and any person designated as such by the Owners and the Charterers from time to time),

and in each case an **"Obligor"**.

"Owners' Account" has the meaning given to such term in paragraph (d) (*Payment account information*) of Clause 40 (*Hire*).

"Overnight SOFR" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"Party" means a party to this Charter.

"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 Protocol of Delivery and Acceptance*) hereto.

"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.

"Permitted Holder" means Mr. George Prokopiou (being the Chairman of the board of managers of the Charter Guarantor as at the date of this Charter) and any of his direct lineal descendants.

"Permitted Encumbrance" means:

- (a) any Encumbrance created or to be created in accordance with the Security Documents;

- (b) liens for unpaid master's and crew's wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime practice;
- (c) liens for salvage;
- (d) liens for master's disbursements incurred in the ordinary course of trading;
- (e) any other liens securing obligations incurred in the ordinary course of trading and/or operating the Vessel and not more than sixty (60) days overdue;
- (f) any Encumbrance created or to be created by the Owners in favour of the Finance Parties in accordance with the relevant Finance Documents (but subject to any Finance Party Quiet Enjoyment Agreement);
- (g) other liens arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Vessel where the Charterers are contesting the claim giving rise to such lien in good faith by appropriate steps and for the payment of which adequate reserves have been made in case the Charterers finally have to pay such claim so long as any such proceedings shall not, and may reasonably be considered unlikely to lead to the arrest, sale, forfeiture or loss of the Vessel, or any interest in the Vessel;
- (h) Encumbrances arising by operation of law in respect of Taxes which are not overdue for payment or Taxes which are overdue for payment but which are being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made so long as any such proceedings or the continued existence of such Encumbrance shall not and may reasonably be considered unlikely to lead to the arrest, sale, forfeiture or loss of the Vessel, or any interest in the Vessel; and
- (i) any Encumbrance which has the prior written approval of the Owners.

"Potential Termination Event " means an event or circumstance which, with the expiry of any permitted grace period, the giving of any notice, the lapse of time or any combination of the foregoing is a Termination Event.

"Pre-Approved Flag" means Marshall Islands.

"Pre-Delivery Period" has the meaning given to such term in the MOA.

"Prepaid Amount" has the meaning given to such term in Clause 40(p).

"Prepayment Fee" means an amount that is calculated by multiplying (x) the Prepaid Amount by (y) the percentage applicable to the relevant period in which the Purchase Option Date falls, as set out in Schedule 4 (*Percentage for calculating Purchase Option Fee and Prepayment Fee*).

"Purchase Obligation" means the Charterers' obligation to purchase the Vessel at the applicable Purchase Obligation Price in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Obligation Price" means the amount due and payable by the Charterers to the Owners pursuant to paragraph (c) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*), being the aggregate of:

- (a) an amount (the **"Balloon"**) which is twenty per cent (20%) of the Actual Owners' Costs;

- (b) any difference by which the then current Cost Balance exceeds the Balloon;
- (c) any Variable Hire accrued and remains unpaid, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (d) Break Costs (if any) net of Breakfunding Gain (if any);
- (e) any costs and expenses (including legal fees) reasonably incurred or suffered by the Owners as a result of the implementation of the Purchase Obligation;
- (f) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (g) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Purchase Option" means the option to purchase the Vessel at the applicable Purchase Option Price which the Charterers may exercise in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Date" has the meaning given to such term in paragraph (a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Fee" means an amount that is calculated by multiplying (x) the then current Cost Balance by (y) the percentage applicable to the relevant period in which the Purchase Option Date falls, as set out in Schedule 4 (*Percentage for calculating Purchase Option Fee and Prepayment Fee*).

"Purchase Option Notice" has the meaning given to such term in paragraph (a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Price" means the aggregate of:

- (A) (where the Purchase Option is exercised other than pursuant to Clause 44(iv) or Clause 52(h)), the applicable Purchase Option Fee;
- (B) the then current Cost Balance;
- (C) any Variable Hire accrued and remains unpaid, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (D) (if the Purchase Option Date does not fall on a Hire Payment Date) Break Costs (if any) net of Breakfunding Gain (if any);
- (E) any reasonable and documented costs and expenses (including legal fees) incurred or suffered by the Owners as a result of the implementation of the Purchase Option (excluding any costs and expenses (including legal fees) incurred or suffered by the Owners under the Finance Documents as a result of the implementation of the Purchase Option);
- (F) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and

- (G) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Quiet Enjoyment Agreement" means any one (1) of the following:

- (a) in relation to the Initial Time Charter, the Initial Charter Quiet Enjoyment Agreement; or
- (b) in relation to the Next Decade Time Charter, such quiet enjoyment agreement as required by the Next Decade Time Charter; or
- (c) in relation to the Replacement Time Charter, such quiet enjoyment agreement as may be required by the Replacement Time Charter; or
- (d) if any such quiet enjoyment agreement is replaced by a Finance Party Quiet Enjoyment Agreement, that Finance Party Quiet Enjoyment Agreement,

and **"Quiet Enjoyment Agreements"** means any two (2) or more of them.

"Relevant Jurisdictions" means, in relation to an Obligor:-

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to any Encumbrance to be created by it pursuant to the relevant Security Document is situated;
- (c) any jurisdiction where it is licensed to conduct its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"Reference Rate" means, in relation to a Hire Period,

- (i) the Term SOFR as of the relevant Specified Time and for a period of three (3) months; or
- (ii) as otherwise determined pursuant to Clause 40(m) (*Unavailability of Term SOFR*),

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

"Related Charter" means, in relation to each Related Vessel, a bareboat charter (as the same may be amended, supplemented, extended, replaced and/or novated from time to time) entered into between the relevant Related Owners (as owners) and the relevant Related Charterers (as bareboat charterers), as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related Charterers" means, in relation to each Related Vessel, her charterers as listed under the column headed "Related Charterers", as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related MOA" means, in relation to each Related Vessel, the memorandum of agreement pursuant to which the relevant Related Owners acquired or will acquire title (as the case may be) to that Related Vessel.

"Related Obligor" means any "Obligor" as defined in any Related Charter.

"Related Owners" means, in relation to each Related Vessel, her owner as listed under the column headed "Related Owners", as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related Vessel" means each vessel listed in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related Vessel Total Loss Proceeds Surplus" means the "Vessel Total Loss Proceeds Surplus" defined in any Related Charter and paid to the Owners by the relevant Related Owners pursuant to clause 53(d) of that Related Charter.

"Relevant Documents" means, together, the Transaction Documents, any Assigned Document and any EU ETS Mandate Letter.

"Relevant Party" means each of the Obligors and the parties to the Relevant Documents (other than the Owners, the Related Owners, any Finance Party and the Account Bank).

"Repeating Representations" means the representations and warranties referred to in Clause 46 (*Charterers' representations and warranties*), save in respect of sub-clauses (x), (xi), (xii), (xiii), (xviii), (xxi), (xxii), (xxiii), (xxiv) and (xxv).

"Replacement Time Charter" has the meaning given to such term in Clause 50(a)(xxiii)(B).

"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 Party" means a person or entity that is (a) listed on, or fifty per cent. (50%) owned or controlled by a person listed on any Sanctions List; or (b) a national of, located in, incorporated under the laws of, or fifty per cent. (50%) or more owned or (directly or indirectly) controlled by a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions.

"Sanctions" means the economic sanction laws, regulations, embargoes or restrictive measures administered, enacted or enforced by: (a) the United States government; (b) the United Nations; (c) the European Union; (d) the United Kingdom; (e) the People's Republic of China or (f) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("**OFAC**"), the United States Department of State and His Majesty's Treasury ("**HMT**"); (together, the "**Sanctions Authorities**").

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by the OFAC, the Consolidated List of Financial Sanctions Targets 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 the following:

- (a) the Account Charge;
- (b) the Charterers' Assignment;
- (c) the Charter Guarantee;

- (d) the Negative Share Pledge;
- (e) the Manager's Undertaking;
- (f) the Security Trust Deed; and
- (g) any other document that may at any time be executed by any person creating, evidencing or perfecting any Encumbrance to secure all or part of the Obligors' obligations under or in connection with the Transaction Documents,

and "**Security Document**" means any one of them.

"**Security Trust Deed**" means the deed executed or to be executed by the Security Trustee, the Owners, the Related Owners, the Charterers, the Related Charterers and the Approved Manager.

"**Security Trustee**" means Tianjin Color-IV Leasing Limited.

"**Sellers**" means the Shareholder in its capacity as sellers in respect of the Vessel under the MOA.

"**Settlement Date**" means, following a Total Loss of the Vessel, the earlier of:

- (a) the date which falls one hundred and eighty (180) 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.

"**Shareholder**" means Arctic LNG Carriers Ltd., a corporation incorporated under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"**SMC**" means a valid safety management certificate issued for the Vessel by or on behalf of the Administration under paragraph 13.7 of the ISM Code.

"**Specified Time**" means, in relation to any Hire Period, the Variable Hire Determination Date prior to 5:00 p.m. (New York time).

"**Sub-Charter**" means any one of:

- (a) the Initial Time Charter;
- (b) the Next Decade Time Charter; and
- (c) the Replacement Time Charter.

"**Sub-Charterer**" means any one of:

- (a) the Initial Time Charterer;
- (b) the Next Decade Time Charterer; and
- (c) the charterer under the Replacement Time Charter.

"**Subsidiary**" means a subsidiary undertaking within the meaning of section 1162 of the

Companies Act 2006.

"**Tax**" or "**tax**" means 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", "taxes", "Taxation" and "taxation" shall be construed accordingly.

"**Tax Payment**" means either the increase in a payment made by the Charterers to the Owners under paragraph (ii) of Clause 40 (*Hire*) or a payment by the Charterers under paragraph (n) of Clause 47 (*Taxation*).

"**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**" means the termination at any time of the chartering of the Vessel under this Charter.

"**Termination Event**" means each of the events specified in paragraph (a) of Clause 50 (*Termination Events*).

"**Termination Notice**" has the meaning given to such term in (as the context may require):

- (a) paragraph (i) (*Illegality*) of Clause 40 (*Hire*); and
- (b) paragraph (c) of Clause 50 (*Termination Events*).

"**Termination Payment Date**" means, as the context may require:

- (a) in respect of a Termination in accordance with paragraph (i) (*Illegality*) of Clause 40 (*Hire*), the date specified as such in the Termination Notice served on the Charterers pursuant to that Clause;
- (b) in respect of a Default Termination, the date specified in the Termination Notice served on the Charterers pursuant to paragraph (c) of Clause 50 (*Termination Events*) in respect of such Default Termination; and
- (c) 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 Termination prior to the expiry of the Agreed Charter Period (other than by virtue of the Charterers exercising the Purchase Option in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*)), 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)
 - (i) (if the Termination occurs on or after the Actual Delivery Date but before the First Anniversary Date) an amount equivalent to one hundred and two per cent (102%) of the then current Cost Balance;

- (ii) (if the Termination occurs on or after the First Anniversary Date but before the Third Anniversary Date) an amount equivalent to one hundred and one point five per cent (101.5%) of the then current Cost Balance;
 - (iii) (if the Termination occurs on or after the Third Anniversary Date) an amount equivalent to then current Cost Balance;
- (b) any Variable Hire accrued before the relevant Termination Payment Date and which remains unpaid at such Termination Payment Date, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (c) Break Costs (if any) net of Breakfunding Gain (if any);
- (d) any documented costs and expenses (including legal fees) incurred or suffered by the Owners as a result of the Termination (including any costs and expenses (including legal fees) incurred or suffered by the Owners under the Finance Documents as a result of the Termination);
- (e) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (f) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Third Anniversary Date" means the date falling 36 months after the Actual Delivery Date.

"Third Parties Act" means the Contracts (Rights of Third Parties) Act 1999.

"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 3 (*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;
- (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);
- (c) the capture, seizure, arrest, detention, 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 thirty (30) days after the capture, seizure, arrest, detention, hijacking, theft, condemnation as prize, confiscation or forfeiture in question, or in the case of piracy, the shorter of (i) twelve (12) months and (ii) such period as stipulated in the relevant insurance policy (which period according to the policy has to expire in order for there to be a total loss of the Vessel as a result of piracy),

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 pursuant to the provisions of paragraph (a) of Clause 53 (*Total Loss*).

"Transaction Documents" means, together, this Charter, the MOA, the Security Documents, any Quiet Enjoyment Agreement, any Finance Party Quiet Enjoyment Agreement, and such other documents as may be designated as such by the Owners and the Charterers 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.

"US Government Securities Business Day" means a day other than:

- (a) a Saturday or Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"US Tax Obligor" means a person:

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

"Valuation Report" means, in relation to the Vessel, a desktop valuation report (without physical inspection) addressed to the Owners from an Approved Valuer on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer.

"Variable Hire" has the meaning given to such term under paragraph (a)(ii) of Clause 40 (*Hire*).

"Variable Hire Determination Date" means, in relation to a Hire Period, the date falling five (5) US Government Securities Business Days prior to the first day of such Hire Period.

"Vessel" means the LNG carrier named "Clean Energy" with IMO number 9323687 as more particularly described in Boxes 5 (*Vessel's name, call sign and flag*) to 10 (*Classification Society*) of this Charter.

33. Interpretations

- (a) In this Charter, unless the context otherwise requires, any reference to:
 - (i) this Charter includes 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;
- (iv) the "**Owners**", the "**Charterers**", any "**Obligor**", the "**Related Owners**", the "**Related Charterers**", the "**Charter Guarantor**", any "**Relevant Party**" 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) "**control**" over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the cast of, more than fifty per cent. (50%), of the maximum number of votes that might be cast at a general meeting of such company;
 - (B) appoint or remove all, or the majority of the directors or other equivalent officers of such company; or
 - (C) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;
- (vii) 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' bank at or about 11:00 a.m. (Beijing time) 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 purpose of the first currency with the second currency for delivery and value on such date;
- (viii) "**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;
- (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) "**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;

- (xi) 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;
 - (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 Clubs, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02 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 or a Termination Event which is "**continuing**" is a reference to (respectively) a Potential Termination Event or Termination Event which 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. **MOA, Quiet Enjoyment Agreement**

MOA

- (a) By a memorandum of agreement (the "**MOA**") of even date herewith made between the Owners (as buyers thereunder) and the Sellers (as sellers thereunder), the Owners have agreed to purchase and the Sellers have agreed to sell the Vessel subject to the terms and conditions therein.
- (b) Accordingly the parties hereby agree that the Owners' obligations to charter the Vessel to the Charterers under this Charter are subject to the effective transfer of ownership of the Vessel to the Owners pursuant to the MOA.

Quiet Enjoyment Agreement

- (c) 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 Agreement or any Finance Party Quiet Enjoyment Agreement (as applicable)) will:

- (i) provided that no Termination Event has occurred and is continuing, interfere with the Charterers' quiet use and possession of the Vessel throughout the Charter Period; or
- (ii) fail to transfer title to the Vessel to the Charterers or their nominee when obliged to do so by the terms of this Charter.

35. Delivery

- (a) **Owners' conditions** The obligation of the Owners to charter the Vessel to the Charterers pursuant to this Charter shall be subject to the following conditions:
 - (i) delivery of the Vessel by the Sellers (as sellers) to the Owners (as buyers) pursuant to the terms of the MOA;
 - (ii) the Owners obtaining full title to the Vessel pursuant to the terms of the MOA;
 - (iii) no Termination Event or Potential Termination Event having occurred which is continuing on or prior to the date of this Charter or the Actual Delivery Date;
 - (iv) the Repeating Representations being true and correct on the date of this Charter and the Actual Delivery Date;
 - (v) the Actual Delivery Date falling on or before the Long Stop Date (or such later date as may be agreed between the Owners (as buyer under the MOA) and the Sellers); and
 - (vi) the Owners having received the documents and evidence referred to in Clause 36 (*Conditions precedent*), in each case in all respects in form and substance satisfactory to them on or before the Actual Delivery Date.
- (b) **Delivery and acceptance** Provided that the conditions referred to in paragraph (a) 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;
 - (ii) the Charterers shall take delivery of the Vessel from the Owners under this Charter (such delivery to be conclusively evidenced by a duly executed PDA) simultaneously with the acceptance of delivery of the Vessel by the Owners from the Sellers pursuant to the MOA;
 - (iii) the Charterers will accept the Vessel:
 - (A) on an "as is where is" basis in exactly the same form and state as the Vessel is delivered by the Sellers to the Owners pursuant to the MOA; and
 - (B) in such form and state with any faults, deficiencies and errors of description; and

- (C) for the avoidance of doubt, no underwater inspection shall be performed at the time of commencement of the Charter Period on the basis that any repairs required at the next scheduled dry-docking are the responsibility of the Charterers; and
- (iv) 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 (as buyers) from the Sellers (as sellers) pursuant to the MOA; and
- (v) the Charterers shall have no right to refuse acceptance of delivery of the Vessel under this Charter if the Vessel is delivered to the Owners pursuant to the MOA, notwithstanding and without prejudice to the foregoing, the Owners and the Charterers each agree to enter into and execute the PDA on delivery of the Vessel under this Charter.
- (c) ***No representation or warranty from Owners*** 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. The Charterers 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, or arising out of design, materials, workmanship, construction, quality, classification, condition, operation, performance, capacity of the Vessel, fitness for use of the Vessel and the chartering thereof under this Charter (including, without limitation, in respect of the seaworthiness, merchantability or eligibility for particular trade or operation or otherwise of the Vessel).
- (d) ***No liability from Owners*** In particular, and without prejudice to the generality of paragraph (c) 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 (d), "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

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 the following documents and evidence (in each case in form and substance acceptable to the Owners) on or before the Actual Delivery Date:

- (a) an original of each of the following:
 - (i) the duly executed Charter;
 - (ii) the other duly executed Transaction Documents (other than any Quiet Enjoyment Agreement and any Finance Party Quiet Enjoyment Agreement), together with all documents required by any of them other than:
 - (A) the acknowledgements from the Sub-Charterers of the notices of assignment given pursuant to the Charterers' Assignment; and

- (B) the letters of undertaking in respect of the Insurances required under the Charterers' Assignment;
- (b) certified true copies of the constitutional documents (or equivalent documents) (and all amendments thereto) of each Obligor and any other documents required to be filed or registered or issued under the laws of their jurisdiction of incorporation to establish their incorporation;
 - (c) certified true copies of written resolutions or (as the case may be), resolutions passed at separate meetings, in each case, of the board of directors and (if required by any legal advisor to the Owners) shareholders of each Obligor (or its sole member or general partners), in each case evidencing their respective approvals of the Transaction Documents and authorising appropriate officers or attorneys to execute the same and to sign all notices required to be given hereunder or thereunder on their behalf or other evidence of such approvals and authorisations as shall be acceptable to the Owners;
 - (d) a certified true copy of a certificate of good standing of each Obligor issued no earlier than ten (10) days prior to its provision to the Owners and, if applicable, the original power of attorney of each Obligor under which any documents (including the Transaction Documents) are to be executed or transactions undertaken by that party;
 - (e) a certificate of a duly authorised representative of each Obligor:
 - (i) certifying that each copy document relating to it specified in this Clause 36 is correct, complete and in full force and effect;
 - (ii) setting out the names of the directors, officers and shareholders of that Obligor and the proportion of shares held by each shareholder; and
 - (iii) confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on that Obligor to be exceeded;
 - (f) if applicable, copies of all governmental and other consents, licences, approvals and authorisations as may be necessary to authorise the performance by each Obligor of its obligations under the Transaction Documents to which it is a party, and the execution, validity and enforceability of such Transaction Documents;
 - (g) a copy of the following:
 - (i) the duly executed Management Agreement;
 - (ii) the duly executed Relevant Documents (other than the Transaction Documents);
 - (iii) the Vessel's current Safety Management Certificate;
 - (iv) the Approved Manager's current Document of Compliance;
 - (v) the Vessel's current ISSC;
 - (vi) the Vessel's current IAPPC;
 - (vii) the Vessel's current tonnage certificate; and

- (viii) the Vessel's classification certificate evidencing that it is free of all overdue recommendations and requirements from the Classification Society,

in each case (A) together with all addenda, amendments or supplements, and (B) in respect of any of the Safety Management Certificate, ISSC, IAPPC and classification certificate, such document may be issued in provisional form (where applicable);

- (h) evidence that:
 - (i) all the conditions precedents under clause 7 (*Conditions precedent and subsequent*) of the MOA have been satisfied by the Sellers or, in the Owners' opinion, will be satisfied by the Sellers on the Actual Delivery Date;
 - (ii) on or immediately after the Actual Delivery Date, the Vessel will be registered under the laws and flag of the flag state as set out in Box 5 of this Charter (or any other flag state approved by the Owners in writing) and in the name of the Owners as legal owner; and
 - (iii) the Vessel is insured in the manner required by the Transaction Documents (such evidence to be provided ten (10) days prior to the Actual Delivery Date), together with the written approval of the Insurances (in the form of an insurance opinion) by an insurance adviser appointed by the Owners.
- (i) evidence that the Arrangement Fee and all other fees, costs and expenses then due from the Charterers pursuant to Clauses 54 (*Fees and expenses*) and 57 (*Further indemnities*) have been paid pursuant to such Clauses or (where applicable) will be paid on or by the Actual Delivery Date;
- (j) a legal opinion issued by legal advisers to the Owners in the following jurisdictions, each in form and substance satisfactory to and agreed by the Owners prior to the Actual Delivery Date (or confirmation satisfactory to the Owners that such an opinion will be given):
 - (i) England and Wales;
 - (ii) the Republic of the Marshall Islands;
 - (iii) Switzerland; and
 - (iv) the PRC
- (k) such other Authorisation or other document, opinion or assurance which the Owners (acting reasonably) consider to be necessary 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; and
- (l) such documentation and other evidence as is requested by the Owners (acting reasonably) in order for the Owners to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Transaction Documents.

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 by 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 evidence required by this Clause 36.

Prior to delivery, the Owners will provide the Charterers with (1) a copy of the Owners' articles of association, (2) a copy of a power of attorney of the Owners appointing one or more representatives to act on behalf of the Owners in the execution of this Charter and the other Transaction Documents and (3) the names of the directors, officers and shareholders of the Owners and the proportion of shares held by each shareholder (if appropriate).

37. Bunkers and luboils

- (a) At delivery the Charterers shall take over all bunkers, lubricating oil, hydraulic oil, greases, water, paints, ropes and unbrokeed stores and provisions in the Vessel without cost.
- (b) To the extent that Clause 42 (*Redelivery*) applies, at redelivery the Owners shall take over all bunkers, unused lubricating oil, hydraulic oil, greases, water, paints, ropes and unbrokeed provisions and other consumable stores in the said Vessel without cost.

38. Further maintenance and operation

- (a) **Maintenance** 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;
 - (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) Charterers' operations and maintenance manuals;
 - (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) **Online access to class records** In addition to the above, the Charterers covenant

with the Owners to arrange online access to class records for the Owners as available to the Charterers.

- (c) **Extra equipment** Any equipment that is found not to be required on board as a result of regulation or operational experience is either to be removed at the Charterers expense or to be maintained in operable condition.
- (d) **Maintenance by Charterers** Without prejudice to any other provisions under this Charter, the Charterers shall maintain, use and operate the Vessel with reasonable care as if the Charterers were the owner of the same.

39. Structural changes and alterations

- (a) Unless required by the Classification Society or compulsory legislation or pursuant to the provision of the Sub-Charter (in relation to which any costs incurred shall, for the avoidance of doubt, be on the account of the Charterers), the Charterers may only make structural changes in the Vessel or changes in the machinery, engines, or appurtenances thereof without in each instance first securing the Owners' consent (such consent not to be unreasonably withheld or delayed) if the following conditions are satisfied:
 - (i) any such changes do not have a material adverse effect on the Vessel's certification or the Vessel's fitness for purpose;
 - (ii) none of such 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;
 - (iii) the Charterers shall bear all time, costs and expenses in relation to any such changes; and
 - (iv) the Charterers shall furnish the Owners with:
 - (A) copies of all plans in relation to such changes; and
 - (B) if applicable, confirmation from the Classification Society that such changes will not adversely affect the class of the Vessel, provided always that such Classification Society agrees to issue such confirmation.
- (b) Upon the occurrence of any Termination Event which is continuing, if the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date, and the Owners decide to retake possession of the Vessel, the Charterers shall at their expense restore the Vessel to its former condition as at the Actual Delivery Date unless the changes made are carried out:
 - (i) to improve the performance, operation or marketability of the Vessel; or
 - (ii) as a result of a regulatory compliance; or
 - (iii) otherwise with the prior written consent of the Owners.
- (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 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, to

the extent that Clause 42 (*Redelivery*) applies, 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 during Charter Period** In consideration of the Owners' agreement to charter the Vessel to the Charterers during the Charter Period pursuant to the terms hereof, the Charterers agree to pay to the Owners each of the following sums on the relevant date as follows:

- (i) on each and every Hire Payment Date, by way of fixed hire (each a "**Fixed Hire**") an amount equal to 1/20th of the amount by which the Actual Owners' Costs exceeds the Balloon;
- (ii) on each and every Hire Payment Date, by way of variable hire (each a "**Variable Hire**") the variable hire then payable on the corresponding Hire Payment Date. The amount of Variable Hire payable on each Hire Payment Date is calculated in accordance with the following formula:

$A \times B \times C$

whereby

A = (in relation to the first Hire Payment Date) the Actual

Owners' Costs or (in relation to any other Hire Payment Date) the Cost Balance immediately after the immediately preceding Hire Payment Date

B = the aggregate of (i) the Margin and (ii) the Applicable Rate for the Hire Period ending on that Hire Payment Date

C = a fraction whose denominator is three hundred and sixty

(360) and numerator is the number of days which have elapsed from (in respect of the first Hire Payment Date) the Actual Delivery Date (including that date) to the first Hire Payment Date (not including that date), (in respect of all other Hire Payment Dates except the last Hire Payment Date) the immediately preceding Hire Payment Date (including that date) to that Hire Payment Date (not including that date) and (in respect of the last Hire Payment Date) the immediately preceding Hire Payment Date (including that date) to the last Hire Payment Date (including that date).

- (b) **Payment of Hire** All payments of Hire shall be paid in arrears on each Hire Payment Date (Beijing time) (in respect of which time is of the essence).
- (c) **Non- Business Days** Any payment under this Charter which is due to be made on a day that is not a Business Day shall be made on the immediately preceding Business Day.
- (d) **Payment account information** All payments under this Charter shall be made to:
- (i) the account opened in the name of the Owners with Bank of China, the details of which shall be notified by the Owners to the Charterers prior to the first Hire Payment Date, or

- (ii) such other account as the Owners may thereafter upon notice notify the Charterers from time to time which the Charterers may approve (acting reasonably),

(the "Owners' Account") for credit to the account of the Owners.

- (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 shall be absolute irrespective of any contingency whatsoever including but not limited to:

- (i) any set-off, counterclaim, recoupment, defence or other right which the Charterers may have against the Owners, the Finance Parties or any other third party;
- (ii) the occurrence of a Total Loss or any other occurrence including the loss, destruction, confiscation, seizure, damage to the Vessel, or the interruption or cessation in or prohibition of the use, possession or enjoyment of the Vessel by the Charterers for any reason whatsoever;
- (iii) any unavailability of the Vessel, for any reason, including but not limited to 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 or any dry-docking of the Vessel;
- (iv) any lack or invalidity of title or any other defect in title, provided such lack or invalidity of title or defect does not affect the quiet and peaceful use, possession and enjoyment of the Vessel;
- (v) 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;
- (vi) any insolvency, bankruptcy, reorganisation, arrangement, readjustment of debt, dissolution, administration, liquidation or similar proceedings by or against the Owners, any Obligor or the Sub-Charterer or any change in the constitution of the Owners, any Obligor or the Sub-Charterer;
- (vii) any invalidity or unenforceability or lack of due authorisation of or any defect in this Charter or the Sub-Charter;
- (viii) 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, 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. For the avoidance of doubt, the obligation of Charterers to pay Hire under this Charter shall not be affected by any breach of this Charter by the Owners, but shall be without prejudice to any claim for compensation for their documented losses, damages or expenses solely

caused by such breach (excluding Hire paid under this Charter).

(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 and any Taxes (other than a FATCA Deduction).
- (ii) In the event that the Charterers are required by any law or regulation to make any deduction or withholding (other than a FATCA Deduction) 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 three (3) Business Days or any other applicable shorter time limits and in any event prior to the date on which penalties attach thereto; and
 - (C) unless payment has been effected in accordance with paragraph (B) above, 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 satisfactory to the Owners (acting reasonably) 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 them 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 which is two per cent. (2.00%) per annum higher than the aggregate of the Margin and the Applicable Rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted the Actual Owners' Costs or the Cost Balance (for the purpose of calculating Variable Hire) for successive Hire Periods, each of a duration selected by the Owners (acting reasonably). 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 that Unpaid Sum at the end of each Hire Period applicable to that Unpaid Sum 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 the Charterers shall notify the other party of the relevant event and negotiate in good faith for a period of thirty (30) days (or such longer period as may be agreed by the Owners (acting reasonably)) from the date of the receipt of the relevant notice by the other party to agree an alternative. If such agreement is not reached within such thirty (30)-day or longer period, the Parties agree that, in such circumstances:

- (i) the Owners shall have the right to terminate this Charter by delivering to the Charterers a Termination Notice specifying a Termination Payment Date that falls, to the extent permitted by law, no earlier than thirty (30) days after the date of such Termination Notice, whereupon the Charterers shall be obliged to pay to the Owners the Termination Sum in accordance with paragraph (d) of Clause 50 (*Termination Events*) and/or such other terms and conditions as may be specified in such Termination Notice; and
- (ii) the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).

(j) ***Increased Costs***

- (i) Subject to paragraphs (ii) and (iii) below, the Charterers shall, within ten

(10) 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, or (iii) the implementation or application of or compliance with Basel III or CRD-IV or any other law or regulation which implements Basel III or CRD-IV (whether such implementation, application or compliance is by a government, regulator or the Owners) made after the date of this Charter.

In this Clause:

- (A) **"Basel III"** means:

- (1) 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;
- (2) 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
- (3) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

- (B) **"CRD IV"** means EU CRD IV and UK CRD IV.

(C) **"EU CRD IV"** means:

- (i) 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; and
- (ii) 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.

(D) **"UK CRD IV"** means:

- (i) 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 it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act;
- (ii) the law of the United Kingdom or any part of it, which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented 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 and its implementing measures; and
- (iii) direct EU legislation (as defined in the 2018 Withdrawal Act), which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act.

(E) **"Increased Costs"** means:

- (1) a reduction in the rate of return from the Hire or on the Owners' overall capital;
- (2) an additional or increased cost; or
- (3) 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, excluding, for the avoidance of doubt, any such loss or reduction resulting in connection with a Finance Document.

- (ii) The Owners shall notify the Charterers of any claim arising from paragraph (j)(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, such confirmation to include (in reasonable details) an explanation and calculations regarding such Increased Costs. The Owners agree to use reasonable endeavours to mitigate any losses connected with any such claim.
- (iii) Paragraph (j)(i) above does not apply to the extent any Increased Costs is:
 - (A) compensated for by a payment made under paragraph (f)(ii)(C) above; or
 - (B) attributable to a FATCA Deduction required to be made by either Party, an Obligor or a Finance Party (if applicable); or
 - (C) attributable to the wilful or negligent breach by the Owners of any law or regulation; or
 - (D) attributable to the implementation or application of, or compliance with, the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Charter (but excluding any amendment arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator or the Owners).
- (k) **Break Costs** The Charterers shall, within three (3) Business Days of demand by the Owners, pay to the Owners the Break Costs net of Breakfunding Gain (if any) where such Break Costs have been agreed to be paid pursuant to this Charter.
- (l) **Certificates and determinations** In any litigation or arbitration proceedings arising out of or in connection with a Transaction Document, the entries made in the accounts maintained by the Owners are, in the absence of manifest error or any question of law, prima facie evidence of the matters to which they relate. Any certification or determination by the Owners of a rate or amount under any Transaction Document is, in the absence of manifest error or any question of law, conclusive evidence of the matters to which it relates.
- (m) **Unavailability of Term SOFR**
 - (A) If as of the Specified Time in respect of the relevant Hire Period, no Term SOFR for a period of three (3) months is available, the applicable Reference Rate shall be the Interpolated Term SOFR for a period of three (3) months.
 - (B) If paragraph (A) above applies but it is not possible to calculate the Interpolated Term SOFR, Clause 40(o) (*Cost of funds*) shall apply to the Cost Balance for the relevant Hire Period.
- (n) **Market disruption** If before 5 p.m. in Shanghai on the Business Day immediately following the Variable Hire Determination Date for the relevant Hire Period, the Charterers receive notifications from the Owners that the cost to them of funding the Cost Balance would be in excess of the Market Disruption Rate, then Clause

40(o) (*Cost of funds*) shall apply to the Cost Balance for the relevant Hire Period.

(o) ***Cost of funds***

- (i) If this Clause 40(o) applies, the Applicable Rate for the relevant Hire Period shall be the rate certified by the Owners to the Charterers (such certification to include (in reasonable details) an explanation and calculations of such rate) as soon as practicable, and in any event before the first day of that Hire Period, to be that which expresses as a percentage rate per annum the cost to the Owners of funding the Cost Balance (as the Owners may reasonably determine) and if such rate is less than zero then it shall be deemed to be zero.
- (ii) If this Clause 40(o) applies, and either the Owners or the Charterers so require, the Owners and the Charterers shall enter into good faith negotiations (for a period of not more than 30 days) with a view to agreeing to the use of an alternative basis for determining the rate of interest used to calculate the Variable Hire, taking into account the then current market standards.
- (iii) If an alternative basis is not agreed pursuant to sub-paragraph (ii) above by the first day of the relevant Hire Period, the Applicable Rate shall continue to be determined in accordance with sub-paragraph (i) above and the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).

(p) ***Voluntary prepayment*** After the First Anniversary Date, the Charterers may prepay any part of the remaining Fixed Hire and the Balloon (being an amount (the "**Prepaid Amount**") that reduces the remaining Fixed Hire and the Balloon by an amount which is an integral multiple of five million US Dollars (US\$5,000,000)) subject as follows:

- (i) they give the Owners not less than twenty (20) Business Days' prior written notice;
- (ii) the proposed prepayment date shall fall on a Hire Payment Date;
- (iii) any prepayment under this paragraph (p) shall be applied in prepayment of the remaining Fixed Hire and the Balloon pro rata;
- (iv) any prepayment under this paragraph (p) shall be made together with accrued Variable Hire, the Prepayment Fee and any Break Costs;
- (v) any amount which is prepaid in accordance with this paragraph (p) shall not be refundable in any circumstance whatsoever.

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 and excess risks) (on terms of cover not less wide than Institute Time Clauses (Hulls) 1.10.83), oil pollution liability risks, war (including, if applicable, "War Risks" as defined in paragraph (a) of Clause 26 (*War*)), protection and indemnity risks, any other risks against which it is compulsory to insure for the operation of the Vessel and any other risks which the Owners reasonably consider necessary having regard to then available insurance

cover and market standard practice in the operation of LNG carriers:

- (i) in US Dollars;
 - (ii) in such market and on such terms as are customary for reputable and prudent owners of vessels similar to the Vessel; and
 - (iii) with such insurers acceptable to the Owners.
- (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 Finance Parties, and the Charterers shall be at liberty to protect under such insurances the interests of any Approved Manager.
- (c) **Scope of Insurance** Insurance policies shall cover the Owners, the Charterers, the Approved Manager and (if any) the Finance Parties according to their respective interests. Subject to the approval of 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.
- (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, at any time during the Agreement Term, the hull and machinery and war risks insurance (including increased value insurance, general average, salvage and sue & labour cover) shall be in an amount not less than one hundred and ten per cent. (110%) of the then current Cost Balance.
- (f) **Protection and indemnity coverage** The Vessel shall be entered in a P&I Club which is a member of the International Group Association on customary terms and shall include freight, demurrage and defence insurances, Running Down Clause (RDC) and Fixed or Floating Objects (FFO), and shall be covered against liability for pollution claims in an amount not less than the maximum amount available, which is currently one thousand million US Dollars (US\$1,000,000,000). All insurances shall include customary protection in favour of the Owners, the Approved Manager and (if any) the Finance Parties as notice of cancellation and exclusion from liability for premiums or calls.
- (g) **Insurance undertakings** Without prejudice to paragraph (e) (*H&M and war risks coverage*) and paragraph (f) (*Protection and indemnity coverage*) above, the Charterers:
- (i) undertake to place the Insurances in such markets, in such currency, on such terms and conditions as are customary for reputable and prudent owners of vessels similar to the Vessel, and with such brokers, underwriters and associations acceptable to the Owners;
 - (ii) shall not significantly 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 will supply the Owners from time to time on request with such information as the Owners 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

- (iii) shall reimburse the Owners on demand for all costs and expenses reasonably incurred by the Owners in obtaining a report on the adequacy of the Insurances from an insurance adviser instructed by the Owners, where such report was obtained (i) on or around the Actual Delivery Date and (ii) where the Owners determine that there have been material changes in the requirement to insure the Vessel.
- (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 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.
- (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 in all respects to the satisfaction of the Owners, and the Charterers will promptly notify the Owners of any new requirement imposed by any broker, underwriter or association in relation to any of the Insurances.
- (j) ***Renewal of Insurances*** The Charterers shall:
 - (i) no later than ten (10) days before the Actual Delivery Date, give the Owners the details of the proposed insurers and the proposed main terms of the Insurances;
 - (ii) no later than seven (7) days before the expiry of any of the Insurances renew them; and
 - (iii) no later than three (3) days of such renewals, give the Owners, and, if applicable, the Finance Parties such details of those renewals (including identity of insurers and main terms of the Insurances) as the Owners and, if applicable, the Finance Parties may require.
- (k) ***Delivery of documents relating to Insurances*** The Charterers shall:
 - (i) 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 reasonably 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);

- (ii) procure that a loss payable clause (substantially in the form attached to the Charterers' Assignment) or, in the case of entries in a protection and indemnity association, a note of the Owners' interest in such form as the Owners may reasonably approve, shall be endorsed on or attached to the policies, cover notes or certificates of entry relating to the Insurances; and
 - (iii) procure that letters of undertaking (in such form 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, accident or damage** The Charterers shall promptly upon the same being available provide the Owners with full information regarding any casualty or other accident or damage to the Vessel which is likely to result in damages, liabilities, claims or repairs exceeding the Major Casualty Amount, including, without limitation, any communication with all parties involved in case of a claim under any of the Insurances.
- (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) pay collecting brokers the customary commission on all sums collected in respect of those claims;
 - (iii) compromise all such claims or refer them to arbitration or any other form of judicial or non-judicial determination; and
 - (iv) otherwise 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) **Disputes with brokers, underwriters or associations** In the event of any claim in respect of any of the Insurances (other than in respect of a Total Loss), if the

Charterers shall fail to reach agreement with any of the brokers, underwriters or associations for the immediate restoration of the Vessel, or for payment to third parties, within such time as the Owners and, if applicable, the Finance Parties may reasonably stipulate, the Owners and, if applicable, the Finance Parties shall be entitled to require payment to themselves. In the event of any dispute arising between the Charterers and any broker, underwriter or association with respect to any obligation to make any payment to the Charterers or to the Owners and/or (if applicable) the Finance Parties under or in connection with any of the Insurances, or with respect to the amount of any such payment, the Owners and/or (if applicable) the Finance Parties shall be entitled to settle that dispute directly with the broker, underwriter or association concerned. Any such settlement shall be binding on the Charterers.

(q) ***Payment of insurance proceeds***

- (i) The Owners agree that any amounts which may become due under any protection and indemnity entry or insurance 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 is continuing, in which event the Owners shall be entitled to receive the amounts in question and to apply them either:
 - (A) towards reduction of the Termination Sum owed by the Charterers pursuant to paragraph (d) of Clause 50 (*Termination Events*); or
 - (B) at the option of the Owners, to the Charterers and/or other third parties in discharge of the liability in respect of which such amounts were paid.
- (ii) Without prejudice to the foregoing, all other claims in relation to the Insurances (other than in respect of a Total Loss), shall, unless and until the occurrence of a Termination Event which is continuing, 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 insurers does not exceed the Major Casualty 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; and
 - (B) a claim in respect of any one casualty where the aggregate claim against all insurers exceeds the Major Casualty Amount prior to adjustment for any franchise or deductible under the terms of the relevant policy shall be payable directly to the Owners unless the Owners have, by prior written consent, agreed for such claim to 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 insurers may with such consent make payment on account of repairs in the course of being effected. Without prejudice to the foregoing, in respect of any claim paid to the Owners pursuant to this paragraph (B), the Owners shall, upon the written request of the

Charterers and subject to the Owners being satisfied (acting reasonably) that the Charterers have restored the Vessel to her former state and condition and the liability in respect of which the insurance loss is payable is discharged, pay to Charterers an amount equal to such claim so received.

- (r) ***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 a claim of less than the Major Casualty Amount arising other than from a Total Loss) without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed).
- (s) ***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 on demand for all such premiums, calls or contributions paid by the Owners, together with interest calculated in accordance with paragraph (g) of Clause 40 (*Hire*) from the date of payment by the Owners until the date of reimbursement.
- (t) ***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
 - (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
 - (iv) implement any recommendations contained in the reports issued following the surveys referred to in subparagraph (t)(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 upon request 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) procure the Approved Manager to 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.
- (u) ***Innocent Owners' Interest Insurance*** The Owners shall be at liberty to, in relation to the Vessel, take out an Innocent Owners' Interest Insurance on such terms and conditions as the Owners may from time to time decide but always within prevailing market practice. The Charterers shall from time to time within seven (7) Business Days of the Owners' demand reimburse the Owners for all premiums, reasonable and documented costs and expenses paid or incurred by the Owners in connection with such Innocent Owners' Interest Insurance, but only to the extent corresponding to an Innocent Owners' Interest Insurance for an amount not exceeding one hundred and ten per cent. (110%) of the then current Cost Balance.
- (v) ***Mortgagees' Interest Insurance*** Any Finance Party shall be at liberty to, in relation to the Vessel, take out a Mortgagees' Interest Insurance on such terms and conditions as that Finance Party may, acting reasonably, from time to time decide, but always within prevailing market practice. The Charterers shall from time to time within seven (7) Business Days of the Owners' demand reimburse the Owners or that Finance Party for all costs, premiums and expenses paid or incurred by the Owners or that Finance Party in connection with such Mortgagees' Interest Insurance, but only to the extent corresponding to a Mortgagees' Interest Insurance for an amount not exceeding one hundred and ten per cent. (110%) of the then current Cost Balance.
- (w) ***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) at the request of the Owners and at the cost of the Charterers, place any other insurance (to the extent commercially reasonable and in line with international industry standards) as may be requested by the Owners, subject to the opinion(s) of international reputable and independent insurance consultants; and
 - (iv) 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 reasonably 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).

42. Redelivery

Upon:

- (a) the Owners delivering a Termination Notice to the Charterers under paragraph (i) (*Illegality*) of Clause 40 (*Hire*) but the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date; or
- (b) the Owners delivering a Termination Notice to the Charterers under paragraph (c) (*Owners' options after occurrence of a Termination Event*) of Clause 50 (*Termination Events*) but the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date; or
- (c) the Charterers delivering a Purchase Option Notice to the Owners under paragraph
 - (a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) but the Charterers fail to pay the relevant Purchase Option Price on the Purchase Option Date; or
- (d) the expiry of the Agreed Charter Period (and subject to no Total Loss having occurred, no Purchase Option being exercised and no Purchase Obligation being fulfilled),

the Charterers shall, at their own cost and expense, redeliver or cause to be redelivered the Vessel to the Owners at a safe, ice free port (at the Owners' option) where the Vessel would be afloat at all times in a ready safe berth or anchorage, in accordance with Clauses 43 (*Redelivery conditions*) and 45 (*Diver's inspection at redelivery*), provided however that upon the Charterers' payment of the Termination Sum (in the case of (a) and (b) above), the Purchase Option Price (in the case of (c) above) or the Purchase Obligation Price (in the case of (d) above) and any other amounts due under this Charter, in each case pursuant to the terms of this Charter, the Charterers shall no longer be obliged to comply with the requirements under Clauses 42 (*Redelivery*), 43 (*Redelivery conditions*) and 45 (*Diver's inspection at redelivery*).

43. Redelivery conditions

- (a) If the Vessel is to be redelivered pursuant to Clause 42 (*Redelivery*), in addition to what has been agreed in Clause 42 (*Redelivery*), the condition of the Vessel shall at redelivery be as follows:
 - (i) 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) 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;
 - (ii) 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 for a period of at least three (3) months beyond the redelivery date;
 - (iii) 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;
 - (iv) 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;

- (v) 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, clean and free of infestation and odours; 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;
 - (vi) the Vessel shall be free and clear of all liens (other than any Permitted Encumbrance);
 - (vii) at the costs and expenses of the Charterers, a final joint report from the surveyors appointed by the Owners and the Charterers respectively shall be carried out as to the condition of the Vessel and a list of agreed deficiencies if any shall be drawn up; and
 - (viii) recently taken lube oil samples for all major machinery shall be made available within one (1) week of redelivery and results forwarded to Owners' technical management for review.
- (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 equipment controlling the habitability of the accommodation and service areas to be in proper working order, fair wear and tear excepted; and
 - (ii) available deadweight to be within one per cent. (1.00%) 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 shall be entitled to appoint (at the cost of the Charterers) one independent surveyor for the purpose of determining and agreeing in writing the condition of the Vessel at redelivery. 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 prepared by the surveyor and the Charterers shall be obliged to repair/remedy prior to redelivery all deficiencies identified in such list.
- (d) 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.
- (e) Until such time as any compensatory amount in respect of any repairs/remedial work outstanding as at redelivery has been paid in accordance with the terms of this Charter and the Vessel has been redelivered, the Charterers shall continue to pay Hire in accordance with the terms of this Charter.

44. Owners' mortgage

The Charterers:

- (i) acknowledge that the Owners and the Related 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 Actual Owners' Costs and the "Actual Owners' Costs" under the Related Charters, 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** simultaneous with the Owners' execution of any such ship mortgages, the relevant Finance Parties shall execute and deliver to the Charterers a Finance Party Quiet Enjoyment Agreement;
- (ii) consent to any assignment in favour of the Finance Parties pursuant to the relevant Finance Documents of the Owners' rights under any Transaction Document;
- (iii) without limiting the generality of paragraph (p) (*Further assurance*) of Clause 47 (*Charterers' undertakings*), undertake to execute, provide or procure the execution or provision (as the case may be) of such further information or document as in the reasonable opinion of the Owners are necessary to effect the assignment referred to in sub-paragraph (ii) above; and
- (iv) in the event a Finance Party which is the mortgagee of the Vessel serves a notice on the Charterers that an event of default has occurred and is continuing under and in accordance with the Finance Documents and where such event of default is not in any way resulting from a Termination Event or a breach by any Obligor of any Transaction Document, the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).

45. Diver's inspection at redelivery

- (a) For the avoidance of doubt, the requirements of this Clause 45 will not apply if:
 - (i) after the occurrence of a Termination Event, the Charterers have paid:
 - (A) the Termination Sum; and
 - (B) any other amounts due under this Charter; or
 - (ii) the Charterers have paid the Purchase Option Price or the Purchase Obligation Price and the Vessel has been redelivered to the Charterer pursuant to Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).
- (b) Unless the Vessel is returned in dry-dock, a diver's inspection is required to be performed at the time of redelivery.
- (c) 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.
- (d) 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.
- (e) If damage to the underwater parts is found, the Charterers shall arrange, at their time and costs, for the Vessel to be dry-docked and repairs carried out to the satisfaction of the Classification Society.
- (f) If the conditions at the port of redelivery are unsuitable for such diver's inspection, the Charterers shall take the Vessel (in Owners' time but at Charterers' expense) to

a suitable alternative place nearest to the redelivery port unless an alternative solution is agreed.

- (g) Without limiting the generality of sub-paragraph (b)(iii) of Clause 54 (*Fees and expenses*), all costs relating to any diver's inspection shall be borne by the Charterers.

46. Charterers' representations and warranties

The Charterers represent and warrant to the Owners, subject to the Legal Reservations (where relevant), on (A) the date of this Charter and (by reference to the facts and circumstances then pertaining), and in respect of the Repeating Representations, (B) the Actual Delivery Date and (C) each Hire Payment Date as follows:

- (i) **Status and due authorisation:** each Obligor is a corporation, limited partnership or limited liability company duly incorporated or formed under the laws of its jurisdiction of incorporation or formation (as the case may be) with power to enter into the Transaction Documents and to exercise its rights and perform its obligations under the Transaction Documents and all corporate and other action required to authorise its execution of the Transaction Documents and its performance of its obligations thereunder has been duly taken;
- (ii) **No deductions or withholding:** under the laws of the Obligors' respective jurisdictions of incorporation or formation in force at the date hereof, none of the Obligors will be required to make any deduction or withholding from any payment it may make under any of the Transaction Documents;
- (iii) **Claims pari passu:** under the laws of the Obligors' respective jurisdictions of incorporation or formation in force at the date hereof, the payment obligations of each Obligor under each Transaction Document to which it is a party, rank at least *pari passu* with the claims of all other unsecured and unsubordinated creditors of such obligor save for any obligations which are preferred solely by any bankruptcy, insolvency or other similar laws of general application;
- (iv) **No immunity:** in any proceedings taken in any of the Obligors' respective jurisdictions of incorporation or formation in relation to any of the Transaction Documents, none of the Obligors will be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
- (v) **Governing law and judgments:** in any proceedings taken in any of the Obligors' jurisdiction of incorporation or formation in relation to any of the Transaction Documents in which there is an 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;
- (vi) **Validity and admissibility in evidence:** as at the date hereof, all acts, conditions and things required to be done, fulfilled and performed in order

(A) to enable each of the Obligors lawfully to enter into, exercise its rights under and perform and comply with the 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, and (C) to make the Transaction Documents admissible in evidence in the jurisdictions of

incorporation or formation of each of the Obligors, have been done, fulfilled and performed;

- (vii) **No filing or stamp taxes:** under the laws of the Obligors' respective jurisdictions of incorporation or formation in force at the date hereof, it is not necessary that any of the Transaction Documents be filed, recorded or enrolled with any court or other authority in its jurisdiction of incorporation or formation (other than the relevant maritime registry, to the extent applicable) or that any stamp, registration or similar tax be paid on or in relation to any of the Transaction Document;
- (viii) **Binding obligations:** the obligations expressed to be assumed by each of the Obligors in the Transaction Documents are legal and valid obligations, binding on each of them in accordance with the terms of the Transaction Documents 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;
- (ix) **No misleading information:** to the best of their knowledge, any factual information provided by any Obligor to the Owners in connection with the Transaction Documents was true and accurate in all material respects as at the date it was provided and is not misleading in any material respect;
- (x) **No winding-up:** none of the Obligors has taken any corporate, limited liability company or limited partnership action nor have any other steps been taken or legal proceedings been started or (to the best of the Charterers' knowledge and belief) threatened against any Obligor for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its assets or revenues;
- (xi) **Solvency:**
 - (A) none of the Obligors nor the Charterers Group taken as a whole is unable, or admits or has admitted its inability, to pay its debts or has suspended making payments in respect of any of its debts;
 - (B) none of the Obligors by reason of actual or anticipated financial difficulties, has commenced, or intends to commence, negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (C) the value of the assets of each Obligor (other than the Dynagas Manager) is not less than the liabilities of such entity and the value of the assets of the Charterers Group taken as a whole is not less than the liabilities of the Charterers Group taken as a whole (in each case taking into account contingent and prospective liabilities); and
 - (D) no moratorium has been, or may, in the reasonably foreseeable future be, declared in respect of any indebtedness of any Obligor.
- (xii) **No defaults:**
 - (A) without prejudice to paragraph (B) below, none of the Obligors is in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets which would have or is

likely to have a Material Adverse Effect; and

- (B) no Potential Termination Event or Termination Event is continuing or might be expected to result from each Obligor's entry into and performance of each Transaction Document to which such Obligor is a party;
- (xiii) **No proceedings:** no action or administrative proceeding of or before any court, arbitral body or agency has been commenced, is pending or has been threatened against any Obligor which if adversely determined, would have or is likely to have a Material Adverse Effect;
- (xiv) **Accounts:** all financial statements relating to the Charterers and the Charter Guarantor required to be delivered under paragraphs (a) (*Financial statements*) and (c) (*Interim financial statements*) of Clause 47 (*Charterers' undertakings*) were each prepared in accordance with GAAP, give (in respect of the annual audited financial statements, in conjunction with the notes thereto) a true and fair view of (in the case of annual financial statements) or fairly represent (in the case of semi-annual financial statements) the financial condition of the Charterers and the Charter Guarantor (as the case may be) at the date as of which they were prepared and the results of their operations during the financial period then ended;
- (xv) **No obligation to create Encumbrance:** the execution of the Transaction Documents by the Obligors and their exercise of their rights and performance of their obligations thereunder will not result in the existence of nor oblige any Obligor to create any Encumbrance over all or any of their present or future revenues or assets, other than pursuant to the Security Documents;
- (xvi) **No breach:** the execution of the Transaction Documents by each of the Obligors and their exercise of their rights and performance of their obligations under any of the Transaction Documents do not constitute and will not result in any breach of any agreement or treaty to which any of them is a party;
- (xvii) **Security:** each of the Obligors is the legal and beneficial owner of all assets and other property which it purports to charge, mortgage, pledge, assign or otherwise secure pursuant to each Security Document and those Security Documents to which it is a party create and give rise to valid and effective security having the ranking expressed in those Security Documents;
- (xviii) **Necessary Authorisations:** the Necessary Authorisations required by each Obligor are in full force and effect, and each Obligor is in compliance with the provisions of each such Necessary Authorisation relating to it and, to the best of its knowledge, none of the Necessary Authorisations relating to it are the subject of any pending or threatened proceedings or revocation which are reasonably likely to have a Material Adverse Effect;
- (xix) **No money laundering:** the performance of the obligations of the Obligors under the Transaction Documents, will be for the account of members of the Charterers Group and will not involve any breach by any of them of any law or regulatory measure relating to "money laundering" as defined in Article 1 of the Directive ((EU) 2015/849) of the European Parliament and of the Council of the European Communities (as it forms part of the domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act);

- (xx) **Disclosure of material facts:** the Charterers are not aware of any material facts or circumstances which have not been disclosed to the Owners;
- (xxi) **No breach of laws:**
- (A) none of the Obligors has breached any law or regulation which is reasonably likely to have a Material Adverse Effect; and
 - (B) no labour disputes are current or (to the best of the Charterers' knowledge and belief) threatened against any member of the Charterers Group;
- (xxii) **Environmental Law:**
- (A) each member of the Charterers Group is in compliance with paragraph (i) (*Environmental compliance*) of Clause 47 (*Charterers' undertakings*) and (to the best of the Charterers' knowledge and belief) no circumstances have occurred which would prevent such compliance; and
 - (B) no Environmental Claim has been commenced or (to the best of the Charterers' knowledge and belief) is threatened against any member of the Charterers Group which is reasonably likely to have a Material Adverse Effect.
- (xxiii) **Taxation:**
- (A) no Obligor is overdue in the filing of any Tax returns and no Obligor is overdue in the payment of any amount in respect of Tax which is reasonably likely to have a Material Adverse Effect; and
 - (B) no claims or investigations are being made or conducted against any Obligor with respect to Taxes which is reasonably likely to have a Material Adverse Effect;
- (xxiv) **No Restricted Party:** to the best of the Charterers' knowledge and belief (having conducted reasonable due diligence), none of the Obligors is a Restricted Party nor has any Obligor received notice or are aware of any claim, action, suit, proceeding against any of them with respect to Sanctions by a Sanctions Authority;
- (xxv) **No Material Adverse Effect:** no event or circumstance has occurred which had, has or is likely to have a Material Adverse Effect; and
- (xxvi) **Copies of Relevant Documents:** the copies of the Relevant Documents provided or to be provided by the Charterers to the Owners in accordance with Clause 36 (*Conditions precedent*) are, or will be, true and accurate copies of the originals and represent, or will represent, the full agreement between the parties to those Relevant Documents in relation to the subject matter of those Relevant Documents and there are no commissions, rebates, premiums or other payments due or to become due in connection with the subject matter of those Relevant Documents other than in the ordinary course of business or as disclosed to, and approved in writing by, the Owners.
- (xxvii) **Tax** the Obligors and the Related Charterers are not US Tax Obligors and have not established a place of business in the United States of America.

47. Charterers' undertakings

The undertaking and covenants in this Clause 47 remain in force for the duration of the Agreement Term.

- (a) **Financial statements:** The Charterers shall supply to the Owners:
 - (i) as soon as the same become available, but in any event within one hundred and fifty (150) days after the end of each of the Charterers' Financial Years, the Charterers' audited financial statements for that Financial Year; and
 - (ii) as soon as the same become available, but in any event within one hundred and fifty (150) days after the end of each of the Charter Guarantor's Financial Years, the Charter Guarantor's audited consolidated financial statements for that Financial Year.
- (b) **Requirements as to financial statements:** Each set of financial statements delivered to the Owners under paragraph (a) (*Financial statements*) above in relation to the Charterers and the Charter Guarantor (each a "Notifying Party"):
 - (i) shall be certified by an authorised signatory of the relevant Notifying Party as fairly representing its financial condition as at the date as at which those financial statements were drawn up; and
 - (ii) shall be prepared in accordance with GAAP.
- (c) **Interim financial statements** The Charterers shall supply to the Owners, as soon as the same become available, but in any event within ninety (90) days after the end of each relevant Financial Half-Year:
 - (i) the unaudited management prepared financial statements (excluding notes) of the Charterers for that Financial Half-Year; and
 - (ii) the unaudited consolidated financial statements of the Charter Guarantor for that Financial Half-Year; and
- (d) **Intentionally left blank**
- (e) **Information: miscellaneous** The Charterers shall:
 - (i) supply to the Owners promptly upon becoming aware of them, details of any material litigation, arbitration or administrative proceedings which are current, threatened or pending against any Obligor and are likely to have a Material Adverse Effect;
 - (ii) supply to the Owners promptly, such further information and explanations regarding the financial condition, business and operations of any Obligor as the Owners may request;
 - (iii) notify the Owners in writing promptly upon becoming aware of any Environmental Claim against the Charterers (or any Sub-Charterer or any Approved Manager) which is current, or pending in writing in relation to the Vessel;
 - (iv) notify the Owners in writing promptly upon becoming aware of any Transaction Document being terminated, repudiated, cancelled or otherwise ceasing to remain in full force and effect;

- (v) notify the Owners in writing promptly if a Sub-Charter is terminated, cancelled, repudiated, or expires, or otherwise ceases to remain in full force and effect;
 - (vi) *intentionally left blank*
 - (vii) disclose all relevant information in relation to any Sub-Charter, including (but not limited to) any information in relation to any Sub-Charterer's fulfilment of its obligations pursuant to the relevant Sub-Charter, the delivery, redelivery and withdrawal of the Vessel under any Sub-Charter and any other information which the Owners may reasonably request and without prejudice to the foregoing, the Charterers shall deliver or procure the delivery to the Owners of the employment status together with (if requested by the Owners) the relevant contract of employment in respect of the Vessel which the Owners may request.
- (f) **Notification of Termination Event** The Charterers shall 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 it) and, upon receipt of a written request to that effect from the Owners, confirm to the Owners that, save as previously notified to the Owners or as notified in such confirmation, no Termination Event is continuing or, if a Termination Event is continuing, specifying the steps, if any, being taken to remedy it.
- (g) **Claims pari passu** The Charterers shall ensure that at all times the claims of the Owners against them under the Transaction Documents rank at least *pari passu* with the claims of all their other unsecured and subordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation, winding-up or other similar laws of general application.
- (h) **Necessary Authorisations** Without prejudice to any specific provision of the Transaction Documents relating to a Necessary Authorisation, the Charterers shall
- (i) obtain, comply with and do all that is necessary to maintain in full force and effect all Necessary Authorisations to enable them lawfully to enter into and perform their obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of the Transaction Documents in their jurisdiction of incorporation or formation and all other applicable jurisdictions, (ii) ensure that no failure to obtain, comply with or maintain any Necessary Authorisation may cause a Material Adverse Effect; and (iii) promptly upon request, supply certified copies to the Owners of all Necessary Authorisations.
- (i) **Compliance with applicable laws** Each Obligor shall comply with all applicable laws, including Environmental Laws, to which it may be subject (except as regards Sanctions to which paragraph (j) (*No breach of Sanctions*) below applies, and anti-corruption and anti-bribery laws to which paragraph (k) (*Anti-corruption and anti-bribery laws*) below applies), the non-compliance of which is reasonably likely to have a Material Adverse Effect.
- (j) **No breach of Sanctions** The Charterers shall not, and shall not permit or authorise any other person to, directly utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds or any other benefits of any transaction(s) contemplated by the Transaction Documents to fund any trade, business or other activities:
- (i) involving or for the benefit of any Restricted Party if to do so would be prohibited by Sanctions applicable to any Obligor, the Owners or any

Finance Party; and

- (ii) in any other manner that would result in any Obligor, the Owners or any Finance Party (if applicable) being in breach of any applicable Sanctions or becoming a Restricted Party.
 - (k) **Anti-corruption and anti-bribery laws** The Charterers warrant, represent and agree that they and their Affiliates and their respective officers, directors and employees have complied with, and shall comply with, all applicable Business Ethics Laws in connection with this Charter. For the purpose of this Clause only, an "Affiliate" means any member of the Charterers Group.
 - (l) **Environmental compliance** The Charterers shall, and shall procure that each of the Obligors will:
 - (i) comply with any Environmental Law;
 - (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.
 - (m) **Environmental Claims** The Charterers shall promptly upon becoming aware of the same, inform the Owners in writing of:
 - (i) any Environmental Claim against any member of the Charterers Group which is current, pending or threatened; and
 - (ii) any facts or circumstances which are likely to result in any Environmental Claim being commenced or threatened against any member of the Charterers Group.
 - (n) **Taxation** The Charterers shall pay and discharge any Tax imposed upon them or their assets within the time period allowed without incurring penalties unless and only to the extent that such payment is being contested by the Charterers in good faith.
 - (o) **Loans or other financial commitments** The Charterers shall not make any loan or enter into 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 loans made in the ordinary course of business.
 - (p) **Further assurance** The Charterers shall at their own expense, 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 created or evidenced (or intended to be created or evidenced) by the Security Documents.
 - (q) **Inspection of records** The Charterers will permit the inspection of their financial records and accounts on prior notice from time to time during business hours by the Owners or their nominee.
 - (r) **Insurance** The Charterers shall procure that all of the assets, operation and liability of the Charterers are insured against such risks, liabilities and for amounts as normally adopted by the industry for similar assets and liabilities and, in the case of the Vessel, in accordance with the terms of this Charter.
-

- (s) **Merger and demerger** The Charterers shall not, and shall procure that the Charter Guarantor shall not, enter into any amalgamation, merger, demerger or corporate restructuring without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed if the Owners (acting reasonably) are satisfied that such amalgamation, merger, demerger or corporate restructuring will neither (i) have a Material Adverse Effect nor (ii) have a negative financial impact on the obligations of the Core Obligors under the Transaction Documents).
- (t) **Transfer of assets** The Charterers shall not sell or transfer any of its material assets other than:
 - (i) on arm's length terms to third parties where the net proceeds of sale are used as a prepayment hereunder; or
 - (ii) on arm's length terms to its Affiliates, which are and remain members of the Charterers Group.
- (u) **Change of business** The Charterers shall not without the prior written consent of the Owners, make any substantial change to the general nature of their shipping business from that carried on at the date of this Charter.
- (v) **Acquisitions** The Charterers shall not make any acquisitions or investments without the prior written consent of the Owners (such consent not to be unreasonably withheld).
- (w) **"Know your customer" checks** 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 Charter;
 - (ii) any change in the status of the Charterers after the date of this Charter; or
 - (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 in order for 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.
- (x) **No borrowings** The Charterers shall not incur any liability or obligation except (i) liabilities and obligations under the Transaction Documents to which they are parties, and (ii) liabilities or obligations reasonably incurred in the ordinary course of operating, chartering, repairing and maintaining the Vessel.
- (y) **No dividends** The Charterers shall not pay any dividends or make other distributions to its shareholders whilst a Termination Event is continuing.
- (z) **Negative pledge** The Charterers shall not create, or permit to subsist, any Encumbrance (other than a Permitted Encumbrance) over all or any part of the Vessel, their other assets or undertakings nor dispose of the Vessel or any of those assets or all or any part of those undertakings other than, in the case of a sale of the Vessel, where such sale complies with the requirements of the MOA, this Charter,

including, without limitation, to Clause 50 (*Termination Events*), or any other Transaction Documents.

- (aa) **Management of the Vessel** The Charterers shall ensure that:
- (i) the Vessel is at all times technically managed by an Approved Manager;
 - (ii) unless (A) the Charterers have promptly informed the Owners in writing of any proposed change of an Approved Manager, and (B) the Owners (acting reasonably) have granted their prior written consent to such proposed change, the Approved Manager shall not be changed **provided that** upon the occurrence of an event of default (however described) that is continuing under the Management Agreement, the Owners shall have the right to appoint a substitute manager in respect of the Vessel (but if the Vessel is delivered to the relevant Sub-Charterer under the relevant Sub-Charter and remains under the employment of that Sub-Charter, such appointment shall be acceptable to that Sub-Charterer); and
 - (iii) a Manager's Undertaking (in form and content satisfactory to the Owners) from the Approved Manager confirming that, among other things, all claims of the Approved Manager against the Charterers shall be subordinated to the claims of the Owners or the Finance Parties (if applicable) under the Transaction Documents.
- (bb) **Classification** The Charterers shall ensure that the Vessel maintains the highest classification required for the purpose of the relevant trade of the Vessel which shall be with the Vessel's Classification Society, in each case, free from any overdue recommendations and conditions, and adverse notations affecting that the Vessel's class.
- (cc) **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.
- (dd) **Registration** The Charterers shall not change or permit a change to the flag of the Vessel throughout the duration of this Charter other than to a Pre-Approved Flag or under such other flag with the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed). Any change to the flag of the Vessel shall be at the cost and expense of the Charterers (which shall include, without limitation, any Taxes payable in the state or jurisdiction of such Pre-Approved Flag and costs of the Finance Parties (if applicable)).
- (ee) **ISM and ISPS Compliance** The Charterers shall ensure that each ISM Company and ISPS Company complies in all 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.
- (ff) **Change of ownership** The Charterers shall, and shall procure that the Charter Guarantor will, ensure that throughout the Charter Period, there shall not occur any Change of Control, except with the prior written consent of Owners (such consent not to be unreasonably withheld, if the Owners (acting reasonably) are satisfied that such Change of Control will neither (i) have a Material Adverse Effect nor (ii) have a negative financial impact on the obligations of the Core Obligors under the

Transaction Documents).

- (gg) **Inspection of Vessel** In the absence of a Potential Termination Event or Termination Event, subject to there being no undue interference with the operation of the Vessel, the Owners shall have the right to inspect the Vessel once in each calendar year at the Charterers' cost, **provided always however** that if a Potential Termination Event or Termination Event has occurred, the Owners may at any time and at the Charterers' cost conduct such inspection 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.
- (hh) **Relevant Documents** In relation to the Relevant Documents, the Charterers undertake that:
- (i) there shall be no (A) termination by the Charterers of any Relevant Document without the prior written consent of the Owners (such consent to not be unreasonably withheld or delayed), or (B) alteration to or waiver of any material term of any Relevant Document, unless, in either case, the prior written consent of the Owners is obtained (such consent to not be unreasonably withheld or delayed);
 - (ii) without limiting the generality of sub-paragraph (i) above, the Charterers will not, without the prior written consent of the Owners, effect any sale of the Vessel;
 - (iii) without prejudice to the foregoing, the Charterers shall, where applicable, forthwith execute and deliver any and all such other agreements, instruments and documents (including any novation agreement) as may be required by law or deemed necessary to ensure that the Relevant Documents which are in effect on the date of this Charter shall remain in effect, so that all obligations previously owed by the applicable Relevant Party to the Charterers under such Relevant Documents shall continue to be owed to the Charterers throughout the Agreement Term (provided that this shall not be applicable to expiration of such Relevant Document through effluxion of time or where such Relevant Document is novated (in accordance with the terms of this Charter) and the Charterers are no longer a party to that Relevant Document after such novation); and
 - (iv) no right or purported right to withdraw the Vessel from service under any Sub-Charter may be exercised by them without the prior written consent of the Owners.
- (ii) **Conditions subsequent** The Charterers shall:
- (i) to the extent that any certificate received by the Owners pursuant to paragraph (g) of Clause 36 (*Conditions precedent*) was in provisional form at the time of the receipt, deliver or cause to be delivered to the Owners the corresponding formal certificate as soon as possible after the Charterers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate;
 - (ii) within ten (10) Business Days from the Actual Delivery Date, deliver or cause to be delivered to the Owners letters of undertaking in respect of the Insurances as required by the Transaction Documents, together with copies of the relevant policies or cover notes or entry certificates duly endorsed with the interest of the Owners; and

- (iii) within five (5) Business Days after the execution of the Charterers' Assignment, deliver or cause to be delivered to the Owners acknowledgements by the Initial Time Charterer and the Next Decade Time Charterer of the notice(s) of assignment given pursuant to the Charterers' Assignment in the form attached to the relevant notice(s);
- (jj) **Emissions Legislation**
 - (i) the Charterers shall:
 - (A) 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 to the relevant administering authority and take such action as the Owners may reasonably require for such EU ETS Mandate Letter to be submitted to and recorded by the relevant administering authority;
 - (B) comply with all Emissions Legislation applicable to them; and
 - (C) whenever reasonably requested by the 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 Emissions Legislation applicable to them or in respect of the Vessel; and
 - (ii) the Charterers will pay or cause to be paid all amounts required to be paid by them or the Owners in respect of the Vessel arising out of or in connection with the Emissions Legislation, and the Charterers will on demand indemnify the Owners for any and all documented amounts actually paid by the Owners in connection with the Emissions Legislation 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 the Emissions Regulations in respect of the Vessel (save for those losses, costs or expenses solely caused by the gross negligence or wilful default of the Owners and not caused by any direct action, omission, contributory negligence by any Obligor, any manager of the Vessel or any charterer of the Vessel) and (ii) any penalties, charges or other amounts levied against the Owners due to any breach by the Charterers of their obligations under this Clause 47(jj) and the Owners shall inform the Charterers of any relevant claims to which such charges relate in a timely manner.
- (kk) **Intentionally left blank**
- (ll) **Intentionally left blank**
- (mm) **Related Vessels** the Charterers agree that the Owners may at their sole discretion and at any time during the Agreement Term apply towards any Unpaid Sum any Related Vessel Total Loss Proceeds Surplus and any other amounts received by the Owners from any Related Owners pursuant to the terms of any Related Charter.

48. Earnings Account

- (a) In addition to Clause 47 (*Charterers' undertakings*), the Charterers hereby undertake to the Owners that, throughout the Agreement Term, they will deposit all of the Earnings received by the Charterers into the Earnings Account, free and clear of any costs, fees, expenses, disbursements, withholdings or deductions.

- (b) Provided that no Termination Event has occurred and is continuing and subject to payment of any Hire that has become due and payable, the Charterers may freely withdraw any amount standing to the credit of the Earnings Account.

49. Value maintenance

- (a) **Definitions** In this Clause 49:

"**Test Date**" means any day during the Agreement Term on which the Owners may test the Value Maintenance Ratio, it being acknowledged and agreed that, prior to the occurrence of a Termination Event or a Potential Termination Event, there will be no more than one (1) Test Date in any twelve (12) months period.

"**Value Maintenance Ratio**" means the ratio (expressed as a percentage) of:

- (i) the Fair Market Value of the Vessel plus any cash already provided to restore the Value Maintenance Threshold to
- (ii) the aggregate of the then applicable Cost Balance.

"**Value Maintenance Threshold** " means the ratio (expressed as a percentage) of one hundred and twenty per cent. (120%).

- (b) **Valuations**

- (i) In order to determine the Fair Market Value on a Test Date for the purposes of testing the Value Maintenance Ratio, the Fair Market Value shall be determined by the Owners to be the arithmetic mean of the valuation from two Valuation Reports, each issued by an Approved Valuer designated by the Charterers, provided that:

- (A) in the absence of a Termination Event, the Charterers shall arrange, deliver to the Owners and bear the cost of the issuance of such Valuation Reports once every twelve (12) months during the Agreement Term, and any additional Valuation Report shall be at the Owners' cost; and
- (B) upon the occurrence of a Termination Event, the Charterers shall arrange, deliver to the Owners and bear the cost of the issuance of all Valuation Reports as may be required by the Owners (acting in their sole discretion).

provided further that if the Charterers fail to deliver such Valuation Reports pursuant to this Clause 49, the Owners shall be entitled to arrange such Valuation Reports at the Charterers' cost.

- (ii) Each Valuation Report to be provided for the purpose of sub-paragraph (b)(i) above shall:
 - (A) be issued by an Approved Valuer, if for the purpose of testing the Value Maintenance Ratio, no earlier than forty-five (45) days before the relevant Test Date;
 - (B) be made without physical inspection of the Vessel and on a desktop basis;
 - (C) on the basis of a sale for prompt delivery for cash at arm's length

on normal commercial terms as between a willing seller and a willing buyer; and

(D) be delivered to the Owners within forty-five (45) days from the day on which the Owners make a request for valuation of the Vessel pursuant to paragraph (b)(i) above .

(iii) If an Approved Valuer determines that the Fair Market Value shall fall within a range, the valuation as determined by such Approved Valuer should be the lower value of such range.

(iv) Each valuation shall be provided by an Approved Valuer in US Dollars.

(c) ***Value Maintenance Ratio***

(i) The Owners may test the Value Maintenance Ratio on any Test Date in accordance with the methodology described in sub-paragraph (b) (*Valuations*) above.

(ii) If, after conducting testing the Value Maintenance Ratio on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is lower than the Value Maintenance Threshold, then the Charterers shall, within thirty (30) days of the Owners' request, undertake any of the following at the Charterers' option (but always subject to Owners' prior approval which shall not be unreasonably withheld):

(A) provide cash collateral in the amount of the shortfall (the "**Cash Collateral**") and deposit the same in the Owners' Account; or

(B) prepay such part of the Fixed Hire in inverse order of maturity (or, if no Fixed Hire is payable any more, to prepay such part of the Cost Balance) in the amount of the shortfall (together with any Break Costs or other associated costs, expenses or penalties) (it being understood and the Owners and the Charterers hereby agree and acknowledge that any amount prepaid in accordance with this sub-paragraph (B) shall, once so applied by the Owners, not be refundable in any circumstance whatsoever),

in each case in order to restore the Value Maintenance Ratio to comply with the Value Maintenance Threshold.

(iii) If, after testing the Value Maintenance Ratio on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is higher than the Value Maintenance Threshold for a consecutive period of more than 120 days, the Owners shall release to the Charterers such part of the Cash Collateral provided by the Charterers to the Owners pursuant to sub-paragraph (A) above, as shall reduce the Value Maintenance Ratio to the Value Maintenance Threshold, subject to the Owners being satisfied that (1) no Termination Event and no Potential Termination Event will occur before or after such release and (2) immediately following such release, the Value Maintenance Ratio will not be less than the Value Maintenance Threshold.

50. Termination Events

(a) Each of the following events shall constitute a Termination Event:

- (i) **Failure to pay** an Obligor fails to pay any amount due from it under any Transaction Document to which it is a party at the time, in the currency and otherwise in the manner specified therein unless payment is made within five (5) Business Days of its due date, provided that no Termination Event shall occur under this sub-paragraph (i) in relation to a failure to pay any amount on the relevant date if such failure is solely and directly caused by the Owners or an Owners' Affiliate becoming a Restricted Party (an "**Owners Sanctions Event**") and payment of such amount is made as soon as such Owners Sanctions Event is no longer continuing ; or
- (ii) **Misrepresentation** any representation or statement made by any Obligor in any Transaction Document to which it is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto or in connection therewith is or proves to have been incorrect or misleading in any material respect, **provided that** no Termination Event will occur under this sub-paragraph if the circumstances giving rise to such misrepresentation are capable of remedy (to the extent that the Owners consider, in their absolute discretion, that such circumstances are capable of remedy) and are remedied to the satisfaction of the Owners within twenty
 - (20) days of the date of the circumstances giving rise to the misrepresentation having occurred; or
- (iii) **Specific covenants** an Obligor fails duly to perform or comply with any of the obligations expressed to be assumed by or procured by the Charterers under paragraphs (i) (*Compliance with applicable laws*), (j) (*No breach of Sanctions*), (r) (*Insurance*), (z) (*Negative pledge*), (dd) (*Registration*) and (ff) (*Change of ownership*) of Clause 47 (*Charterers' undertakings*) and under Clause 48 (*Earnings Account*); or
- (iv) **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 paragraph (iii) (*Specific covenants*) above). No Termination Event under this paragraph will occur if the failure to comply is capable of remedy (to the extent that the Owners consider, in their absolute discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Owners within twenty (20) days after the earlier of (A) the Owners having given notice thereof to the relevant Obligor, and (B) any Obligor becoming aware of such failure to perform or comply; or
- (v) **Cross Default** any Financial Indebtedness of any Obligor is not paid when due (or within any applicable grace period) or any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity where (in either case) the aggregate of all such unpaid or accelerated indebtedness of:
 - (A) the Charter Guarantor is equal to or greater than ten million US Dollars (US\$10,000,000) or its equivalent in any other currency or currencies; or
 - (B) each of the other Obligors (other than the Dynagas Manager) is equal to or greater than five million US Dollars (US\$5,000,000) or its equivalent in any other currency or currencies; or
- (vi) **Insolvency and rescheduling** a Core Obligor is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness

or makes a general assignment for the benefit of its creditors or a composition with its creditors; or

(vii) ***Winding-up*** a Core Obligor:

- (A) files for initiation of formal restructuring proceedings; or
- (B) is wound up or declared bankrupt; or
- (C) takes any steps or legal proceedings are started for its winding-up, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues or assets which is not permanently stayed or dismissed within twenty one (21) days; or
- (D) declares any moratorium or any moratorium is declared or sought, in each case, in respect of any of its indebtedness; or

(viii) ***Execution or distress***

- (A) a Core Obligor fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court or other official body of a competent jurisdiction, being a judgement or order against which there is no right of appeal,
- (B) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertaking or assets of a Core Obligor other than any execution or distress which is being contested in good faith and which is either discharged within thirty (30) days or in respect of which adequate security has been provided within thirty (30) days to the relevant court or other authority to enable the relevant execution or distress to be lifted or released; or

(ix) ***Similar event*** any event occurs which, under the laws of any jurisdiction, has a similar or analogous effect to any of those events mentioned in paragraphs (vi) (*Insolvency and rescheduling*), (vii) (*Winding-up*) or (viii) (*Execution or distress*) 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) ***Unlawfulness and invalidity*** 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 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 Encumbrance created or purported to be created by the Security Documents ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to such Security Document (other than the Owners) to be ineffective,
- (xiii) ***Material adverse change*** at any time there shall occur any event or change in respect of the Charter Guarantor which the Owners reasonably believe has a Material Adverse Effect and if such event or change is capable of remedy, it is not remedied within thirty (30) days of the delivery of a notice confirming such event or change by the Owners to the Charterers; or
- (xiv) ***Conditions precedent and subsequent*** if any of the conditions set out in clauses 7.1 to 7.5 of the MOA, Clause 36 (*Conditions precedent*) or paragraph (ii) (*Conditions subsequent*) of Clause 47 (*Charterers' undertakings*) is not satisfied by the relevant time or such other time period specified by the Owners in their discretion; or
- (xv) ***Revocation or modification of consents etc.*** if any Necessary Authorisation which is now or which at any time during the Agreement Term becomes necessary to enable any of the Obligors to comply with any of their obligations in or pursuant to any of the Transaction Documents is revoked, withdrawn or withheld, or modified in a manner which the Owners (acting reasonably) consider is, or may be, prejudicial to the interests of Owners, or if such Necessary Authorisation ceases to remain in full force and effect; or
- (xvi) ***Curtailment of business*** if the business of any of the Obligors is wholly or materially curtailed by any intervention by or under authority of any government, or if all or a substantial part of the undertaking, property or assets of any of the Obligors is seized, nationalised, expropriated or compulsorily acquired by or under authority of any government or any Obligor disposes or threatens to dispose of a substantial part of its business or assets; or
- (xvii) ***Environmental matters***
 - (A) any Environmental Claim is pending or made against the Charterers or in connection with the Vessel, where such Environmental Claim has a Material Adverse Effect;
 - (B) any actual Environmental Incident occurs in connection with the Vessel, where such Environmental Incident has a Material Adverse Effect; or

- (xviii) **Loss of property** all or a substantial part of the business or assets of any Obligor is destroyed, abandoned, seized, appropriated or forfeited for any reason; or
 - (xix) **Sanctions** any Obligor, any Affiliate of any Obligor or any of its or their directors, officers and employees becomes a Restricted Party, rendering the sale of the Vessel under the MOA or the chartering of the Vessel under this Charter unlawful or otherwise in breach of any Sanctions; or
 - (xx) **Arrest** the Vessel is arrested or seized for any reason whatsoever unless the Vessel is released and returned to the possession of the Charterers within thirty (30) days of such arrest or seizure unless otherwise agreed by the Owners, **provided that** no Termination Event will occur under this sub-paragraph (xx) if such arrest or seizure is caused solely and directly by an Owners Event or any action or omission from the Owners (other than any action from the Owners which takes place following the occurrence of a Termination Event specified in paragraph (a) (except this sub-paragraph (xx)) of Clause 50); or
 - (xxi) **Related Charters** there occurs any event or circumstance referred to in paragraph (a) of clause 50 (*Termination Events*) of any Related Charter; or
 - (xxii) **Obligor cessation of business** any Obligor ceases or threatens to cease, to carry on all or, in the opinion of the Owners, any material part of such Obligor's business; or
 - (xxiii) **Repudiation, termination or cancellation of Relevant Documents** any Relevant Document is repudiated, terminated, cancelled or otherwise ceases to remain in full force and effect (other than by expiration through effluxion of time), **provided that**, in respect of a Sub-Charter, no Termination Event will occur under this sub-paragraph (xxiii) if:
 - (A) such repudiation, termination, cancellation or cessation of effectiveness will not, in the reasonable opinion of the Owners, materially impair the Charterers' ability to perform their obligations under this Charter; and
 - (B) within 90 days of such repudiation, termination, cancellation or cessation of effectiveness, the Sub-Charter is replaced by another time charter of the Vessel (with such time charterer of such credit rating and on terms and conditions acceptable to the Owners, acting reasonably) which is entered into with the Charterers (each a "**Replacement Time Charter**") and the Charterers' rights under such Replacement Time Charter are assigned to the Owners (to the Owners' satisfaction);
 - (xxiv) **intentionally left blank**
 - (xxv) **intentionally left blank**
 - (xxvi) **MOA Termination Event** any "MOA Termination Event" (as such term is defined in the MOA) occurs under the MOA.
- (b) **Effect of a Termination Event** The Owners and the Charterers agree that:
- (i) it is a fundamental term and condition of this Charter that no Termination Event shall occur during the Agreement Term; and

- (ii) without prejudice to the foregoing, a Termination Event which is continuing shall constitute an agreed terminating event, the occurrence of which will entitle the Owners to exercise all or any of the remedies set out below in this Clause 50.
- (c) **Owners' options after the occurrence of Termination Event** Throughout the period commencing on the Actual Delivery Date and terminating on the last day of the Agreement Term, at any time after a Termination Event shall have occurred and be continuing following the lapse of any applicable grace period, the Owners may at their option:
 - (i) (subject to the terms of the relevant Quiet Enjoyment Agreement or, as applicable, the Finance Party Quiet Enjoyment Agreement (in each case, insofar as the rights of Owners and the relevant Sub-Charterer thereunder are concerned)) by delivering to the Charterers a Termination Notice, terminate this Charter with immediate effect or on the date specified in such Termination Notice;
 - (ii) apply any amount then standing to the credit of any Earnings Account against any Unpaid Sum or such other amounts which the Owners or other Obligor may owe under the Transaction Documents and apply any cash collateral provided to the Owners pursuant to Clause 49(c)(ii)(A) ; and/or
 - (iii) (without prejudice to sub-paragraph (ii) above) enforce any Encumbrance created pursuant to the relevant Transaction Documents.
- (d) **Payment of Termination Sum** On the Termination Payment Date in respect of any Default Termination, the Charterers shall pay to the Owners an amount equal to the Termination Sum plus any Break Cost net of Breakfunding Gain (if any).
- (e) **Owners' application of Terminations Sum** Following any termination to which this Clause 50 applies, all sums payable in accordance with paragraph (d) above shall be paid to such account or accounts as the Owners may direct and shall be applied towards settlement of the Termination Sum (or part thereof) and any other sums due and payable under the Transaction Documents.
- (f) **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 (d) above to the satisfaction of the Owners, whereupon the Owners shall promptly transfer title to the Vessel to the Charterers (or its nominee) in accordance with paragraphs (d) to (e) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).
- (g) **Owners' right to repossess** At any time on or after the Actual Delivery Date, following a Termination in accordance with paragraph (c) (*Owners' options after the occurrence of Termination Event*) above, **and provided that** the Charterers have failed to pay the Termination Sum in accordance with paragraph (d) (*Payment of Termination Sum*) above, the Owners may (but without prejudice to the Charterers' obligations under Clause 42 (*Redelivery*) and 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) **Charterers have no right to terminate** Save as otherwise expressly provided in this Charter, the Charterers shall not have the right to terminate this Charter any time prior to the expiration of the Agreement Term. The rights conferred upon the Owners by the provisions of this Clause 50 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.
- (i) **Owners' right to sell the Vessel** Following any termination to which this Clause applies, if the Charterers have not paid to the Owners the Termination Sum in full by the applicable Termination Payment Date (and consequently the Owners have not transferred title to the Vessel to the Charterers (or their nominee) in accordance with paragraph (f) above), the Owners shall be entitled (but not obliged) to sell the Vessel and apply the Net Sale Proceeds against the Termination Sum and claim from the Charterers for any shortfall. In the event that the Owners have determined to proceed with a sale of the Vessel, the Charterers may for a period of not exceeding sixty (60) days from the Termination Payment Date (the "**Nomination Period**") nominate or identify a purchaser for the Vessel (including the Charterers, a "**Nominated Purchaser**"). During the Nomination Period, the Owners and the Charterers shall use their reasonable endeavours to market the Vessel and the Owners shall, subject to customary closing conditions and clearance of "know your customer", anti-money laundering and sanctions investigations by the Owners, sell the Vessel to the Nominated Purchaser if (A) the Nominated Purchaser is acceptable to the Owners (acting reasonably) and (B) the price to be paid by the Nominated Purchaser (after deducting any fees, commissions, taxes, disbursements and other costs and expenses which would be likely to be incurred in connection with a sale of the Vessel) is equal to or more than the applicable Termination Sum (unless otherwise agreed by the Owners in their absolute discretion) and not lower than the price offered by any other potential purchaser during the Nomination Period.

The Charterers' obligation to pay the Termination Sum (and perform any of their other obligations under the Transaction Documents) shall not be affected irrespective of the Owners' ability to complete the sale of the Vessel. Following the completion of the sale the Owners shall then apply the Net Sales Proceeds as follows:

- (A) firstly, in or towards satisfaction or reduction of the Charterers' obligation to pay the Termination Sum in any manner the Owners deem fit, to the extent that the Termination Sum or any portion of it remains unpaid;
- (B) secondly, if there are moneys owing by any Related Obligor at the relevant time under any Transaction Document (as defined in any Related Charter) or there exists a Termination Event (as defined in any Related Charter) in or towards payment to the relevant Related Owners of any amount owing by that Related Obligor; and
- (C) thirdly, in payment of any surplus to the Charterers.

51. Sub-chartering and assignment

- (a) **Restrictions on other sub-chartering** The Charterers shall not without the prior written consent of the Owners (which shall not be unreasonably withheld or delayed):
- (i) let the Vessel on demise charter for any period;
- (ii) de-activate or lay up the Vessel (other than as permitted and in accordance

with the terms and conditions of the Sub-Charter);

- (iii) assign their rights under this Charter; or
 - (iv) enter into any sub-charter for the Vessel (other than the Sub-Charters and any other time charter in respect of the Vessel with a charter period of less than twelve (12) months and entered into by the Charterers (as disponent owner)).
- (b) **Condition to Owners' consent** The Charterers acknowledge that the Owners' consent to any sub-bareboat chartering shall be subject (amongst other things) to the Owners being satisfied as to the intended flag and the classification society during such sub-bareboat chartering.

52. Purchase Option, Purchase Obligation and transfer of title

Purchase Option

- (a) The Charterers may at any time during the Charter Period on or after:
- (i) the First Anniversary Date; or
 - (ii) (where the Purchase Option is exercised pursuant to any of Clauses 40(i), 40(o)(iii), 44(iv) and 52(h)) the Actual Delivery Date,

notify the Owners by serving a written notice (such notice shall hereinafter be referred to as the "**Purchase Option Notice**") and following the service of such notice the Charterers shall pay to the Owners the Purchase Option Price on the proposed Purchase Option Date) of the Charterers' intention to terminate the chartering of the Vessel under this Charter on the date to be specified in such Purchase Option Notice (such date being the "**Purchase Option Date** ") and purchase the Vessel from the Owners for the applicable Purchase Option Price, **provided that** the following conditions are satisfied:

- (i) no Total Loss under Clause 53 (*Total Loss*) having occurred;
- (ii) no Termination Event having occurred and being continuing;
- (iii) the Owners having not delivered a Termination Notice in accordance with paragraph (i) (*Illegality*) of Clause 40 (*Hire*);
- (iv) the Purchase Option Date falling on or after:
 - (A) (where the Purchase Option is exercised pursuant to any of Clauses 40(i), 40(o)(iii), 44(iv) and 52(h)) the Actual Delivery Date; or
 - (B) otherwise, the First Anniversary Date.
- (v) the Charterers' delivery of the Purchase Option Notice to the Owners at least:
 - (A) (where the Purchase Option is exercised pursuant the Purchase Option according to any of Clauses 40(i), 40(o)(iii), 44(iv) and 52(h)) thirty (30) days prior to the proposed Purchase Option Date; and
 - (B) otherwise, sixty (60) days prior to the proposed Purchase Option

Date.

- (b) In exchange for the full payment of the Purchase Option Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49) on the Purchase Option Date, the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (e) below. For the avoidance of doubt the Charter Period will end immediately upon the Purchase Option Price being paid.

Purchase obligation

- (c) Subject to the other provisions of this Charter, the Charterers shall (unless the Charterers have served the Purchase Option Notice and the Purchase Option Price has been paid in accordance with the terms of this Charter) be obliged to purchase the Vessel or cause their nominee to purchase the Vessel upon the expiration of the period of sixty (60) months commencing from the Actual Delivery Date by payment of the Purchase Obligation Price. Upon payment of the Purchase Obligation Price in accordance with this paragraph to the Owners' satisfaction, the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (e) below.

Transfer of title

- (d) **Title transfer** In exchange for the full payment of:

- (i) in each case as applicable:

- (A) (in the case of the circumstances described in paragraph (a) above) the applicable Purchase Option Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49); or
- (B) (in the case of the circumstances described in paragraph (c) above) the Purchase Obligation Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49); and

- (ii) all sums due and payable to the Owners under the Transaction Documents and subject to compliance with the other conditions set out in this Clause,

the Owners shall:

- (1) transfer title to and ownership of the Vessel to the Charterers (or their nominee) by delivering to the Charterers (in each case at the Charterers' costs):
- (x) a duly executed and notarised, legalised and/or apostilled (as applicable) bill of sale; and
- (y) the Title Transfer PDA; and
- (2) procure the deletion of any mortgage or other registered Encumbrance in relation to the Vessel created under the Finance Documents at the Charterers' cost,

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 (f) below from the Charterers, 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 legal fees) in relation to the Vessel. Concurrently with the transfer of title to and ownership of the Vessel, the Owners shall furnish the Charterers with a deed of release, discharge and reassignment in respect of the Account Charge, the Charterers' Assignment, the Charter Guarantee, the Negative Share Pledge and the Manager's Undertaking.

- (e) **"As is, where is" title transfer** 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, unless required by the laws or regulations of the Charterers' nominated flag state (but without prejudice to the contractual agreed position between the Charterers and the Owners under the rest of this paragraph (e)) to be included in the relevant bill of sale, give the Charterers (or their nominee) 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.
- (f) **Charterers' letter of indemnity** The Charterers shall, immediately prior to the receipt of the bill of sale, furnish the Owners with a letter of indemnity (in a form satisfactory to the Owners) duly executed by the Charterers and the Charter Guarantor and which shall provide (among other things) that:
 - (i) the Owners and/or the Finance Parties (if any) have and will have no interest, concern or connection with the Vessel after the date of such letter; and
 - (ii) the Charterers and the Charter Guarantor shall jointly and severally indemnify the Owners and keep the Owners indemnified against any claims made by any person arising in connection with the Vessel whether arising prior to, on or after the date of such letter, other than a claim arising out of or in connection with the Finance Documents that is not a result of:
 - (A) a Termination Event; or
 - (B) any non-compliance by any Obligor of any provision of the Transaction Documents to which such Obligor is a party.
- (g) *intentionally left blank*
- (h) It is agreed between the Owners and the Charterers that, upon occurrence of any of the following circumstances (each an **"Owners Event"**) where the same is not remedied within thirty (30) Business Days after receipt by the Owners of written notice from the Charterers requesting remedy, the Charterers are entitled to exercise the Purchase Option subject to paragraph (a) above:
 - (i) the Vessel is under arrest, detention, seizure or confiscation solely caused by a claim against the Owners or as a direct result solely resulting from the Owners' or an Owners' Affiliate's actions or omissions (other than as a result of (x) a Termination Event under this Charter, (y) any direct action, omission, contributory negligence by any Obligor, any manager of the Vessel or any charterer of the Vessel and (z) any breach of any Transaction Document by any Obligor), and the Owners fail to procure the release of the Vessel within thirty (30) days of her arrest, detention, seizure or

confiscation (unless such failure is caused by any Obligor, a manager of the Vessel or a charterer of the Vessel);

- (ii) the Owners have mortgaged their title in the Vessel other than in accordance with the provisions of this Charter;
or
 - (iii) the Owners or an Owners' Affiliate becomes a Restricted Party.
- (i) In circumstances where either the Owners or an Owners' Affiliate becomes a Restricted Party, the Parties undertake to each other to work together in order to find a solution to ensure payment of the relevant Purchase Option Price to the Owners as speedily as possible without breach of any relevant Sanctions.

53. Total Loss

- (a) **Total Loss Termination** 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.
- (b) **Occurrence of Total Loss** 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) **Payment on Settlement Date** On the Settlement Date, the Charterers shall (in the event that the Owners have not yet received any insurance proceeds in respect of such Total Loss at such time or where such insurance proceeds are not sufficient to satisfy the applicable Termination Sum in full) pay to the Owners an amount equal to the Termination Sum as at the Settlement Date (or, in the case where insurance proceeds have been applied towards paying part of the Termination Sum, the remaining portion of the Termination Sum) provided that it is hereby agreed that any insurance proceeds in respect of the Vessel received by the Owners and/or the Finance Parties shall be applied in or towards discharging the Charterers' obligation to pay the Termination Sum and any interest accrued thereon (and such application shall be deemed satisfaction of the Charterers' obligation to pay the Termination Sum to the extent so satisfied).
- (d) **Payment of Total Loss Proceeds** All Total Loss Proceeds shall be paid to such account or accounts as the Owners may direct and shall be applied towards satisfaction of the Termination Sum and any other sums due and payable under the Transaction Documents. To the extent that there is any surplus after such application (the "**Vessel Total Loss Proceeds Surplus**"), such surplus shall be paid to the Charterers by way of rebate hire, unless before such payment there occurs any event or circumstance referred to in paragraph (a) of clause 50 (*Termination Events*) of any Related Charter, upon which such Vessel Total Loss Proceeds Surplus shall be paid by the Owners to the relevant Related Owners which may be applied in the sole discretion of such Related Owners in accordance with the terms of the relevant Related Charter.
- (e) **Constructive Total Loss** 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) **Payment unconditional** 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 required by paragraph (c) above.

54. Fees and expenses

- (a) **Arrangement Fee** The Charterers shall, on the date of this Charter, pay to the Owners an arrangement fee in an amount equal to 0.675% of the Actual Owners' Costs (the "**Arrangement Fee**") not less than seven (7) Business Days prior to the Prepositioning Date (as defined in the MOA), provided that if this Charter is terminated or cancelled before the Arrangement Fee has been paid, the Arrangement Fee shall become immediately due and payable upon such termination or cancellation and the Charterers shall pay the Arrangement Fee to the Owners immediately upon the Owners' demand. The Arrangement Fee shall be non-refundable and without any set-off, except in circumstances where the purchase of the Vessel by the Owners under the MOA fails as a result of the Owners' wilful or negligent breach of the MOA or this Charter, in which case the Arrangement Fee shall be refunded by the Owners to the Charterers.
- (b) **Other costs and expenses** The Charterers shall bear all reasonably incurred and documented costs, fees (including legal fees) and disbursements incurred by the Owners, whether or not any of the transactions contemplated is completed, in connection with:
- (i) the negotiation, preparation and execution of this Charter, the other Transaction Documents;
 - (ii) the delivery and redelivery of the Vessel under the MOA and this Charter;
 - (iii) preparation or procurement of any survey, inspections, valuation, tax or insurance advice, registration fees;
 - (iv) all legal fees and other expenses arising out of or in connection with the exercising of the Purchase Option and implementing of the Purchase Obligation by the Charterers pursuant to paragraphs (a) and (c) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) of this Charter;
 - (v) such other activities relevant to the transaction contemplated herein other than any financing activities undertaken by the Owners, whether or not such financing activities are undertaken for the purposes of entering this Charter, the MOA or any of the Transaction Documents and other than any incorporation, setting up or continued operation of the Owners in their place of incorporation; and
 - (vi) any amendment to, or any waiver or consent under, this Charter, any other Transaction Documents or any Finance Documents requested by the Charterers.

55. Stamp duties, Taxes

The Charterers shall pay promptly 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 on demand against any and all liabilities with respect to or resulting from any delay on the part of the Charterers to pay such duties or taxes.

56. Operational notifiable events

The Owners are to be advised as soon as reasonably possible after the occurrence of any of the following events:

- (a) when a condition of class is applied by the Classification Society;
- (b) whenever the Vessel is arrested, confiscated, seized, requisitioned, impounded, forfeited or detained by any government or other competent authorities or any other persons for more than five (5) consecutive Business Days;
- (c) whenever a class or flag authority refuses to issue or withdraws trading certification;
- (d) whenever the Vessel is planned for dry-docking in accordance with Clause 10(g) (Part II) and whether routine or emergency;
- (e) the Vessel is taken under tow;
- (f) any (i) death, or (ii) serious injury on board which would require the Vessel to be diverted from its then trading route;
- (g) any damage to the Vessel the repair costs of which (whether before or after adjudication) are likely to exceed the Major Casualty Amount; or
- (h) any actual Environmental Incident occurs in connection with the Vessel.

57. Further indemnities

- (a) **Further indemnities** Whether or not any of the transactions contemplated hereby are consummated, the Charterers shall indemnify, protect, defend and hold harmless the Owners and their officers, directors, agents and employees (collectively, the "**Indemnitees**") throughout the Agreement Term from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, taxes (save for any taxes levied on the Owners by the tax authorities in their place of incorporation), fees, claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including legal fees and expenses, of whatsoever kind and nature, 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 requested by the Charterers;
 - (ii) the Vessel or any part thereof, including with respect to:
 - (A) the ownership of, 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 or any Sub-Charterer;
 - (C) death or property damage of shippers or others;
 - (D) any liens in respect of the Vessel or any part thereof; or
 - (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, including, without limitation, any registration fees and annual registration fees in connection with registering and maintaining the Owners as a foreign maritime entity (or its equivalent) in the jurisdiction of a Pre-Approved Flag for the purpose of registering and maintaining the Owners' title with such Pre-Approved Flag;
- (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 they are a party or the falsity of any representation or warranty of the Charterers in any Transaction Document to which they are a party or the occurrence of any Termination Event;
- (iv) in connection with:
- (A) preventing or attempting to prevent the arrest, confiscation, seizure, taking and execution, requisition, impounding, forfeiture or detention of the Vessel; or
 - (B) in securing or attempting to secure the release of the Vessel,
- in each case 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) recovering possession of the Vessel following termination of this Charter under Clause 50 (*Termination Events*);
 - (C) arranging for a transfer of the title of the Vessel in accordance with paragraphs (d) to (e) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*);
 - (D) the registration of the Vessel at any registry of ships; and
- (vi) 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 Charterers Group, together with any 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.

Nothing in this Clause 57 will require the Charterers to indemnify the Owners against or pay to the Owners any amount in respect of any liabilities, obligations, losses, damages, penalties, claims, actions, suits, fees, costs, expenses and disbursements incurred by the Owners solely and directly as a result of any wilful breach of this Charter by the Owners.

- (b) **Cost indemnities** The Charterers shall pay to the Owners 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 including (without limitation) (i) any 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) **Run-off indemnities** 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 in full force and effect for a period of twelve (12) months after the Agreement Term.

58. Set-off

The Owners may set off any matured obligation due from the Charterers or the Sellers under the Transaction Documents (to the extent beneficially owned by the Owners) against any obligation (whether matured or not) owed by the Owners to the Charterers or the Sellers, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, the Owners may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

59. Further assurances and undertakings

Each party shall 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.

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. Day count convention

Unless otherwise specified, any Variable Hire, interest, commission or fee accruing under a Transaction Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, where the amount is payable in a currency other than US Dollars, such period as is customary for such currency).

62. 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 accepted 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.

63. Entire agreement

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.

64. 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.

65. 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.

66. 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.

67. Notices

- (a) Any notices to be given to the Owners under this Charter shall be sent in writing by registered letter or email and addressed to:

Tianjin Color-V Leasing Limited

Address: c/o CDB Leasing Co. Ltd., 3502-03, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai 200122, the People's Republic of China

Email: wangmeng@cdb-leasing.com

Attention: Wang Meng

or to such other address or email address as the Owners may notify to the Charterers in accordance with this Clause 67.

- (b) Any notices to be given to the Charterers under this Charter shall be sent in writing by registered letter, facsimile or email and addressed to:

Pegasus Shipholding S.A

Address: c/o Dynagas Ltd., 97 Poseidonos Avenue and 2 Foivis Street, 166-74 Glyfada, Athens, Greece

Email: lngcoordination@dynagas.com

Attention: Michael Gregos

or to such other address or email address as the Charterers may notify to the Owners in accordance with this Clause 67.

- (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 a registered letter). A notice or other such communication received on a non-working day or after 5:00 pm in the place of receipt shall be deemed to be served on the following working day in such place.

68. 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 74 (*FATCA*), the provisions of Clauses 32 (*Definitions*) to 74 (*FATCA*) shall prevail.

69. Survival of Charterers' obligations

The termination of this Charter for any cause whatsoever shall not affect the right of the Owners to recover from the Charterers any money due to the Owners in consequence thereof and all other rights of the Owners (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Charter) are reserved hereunder.

70. 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.

71. 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, to 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);

- (iv) in the case of the Charterers, (A) to the Relevant Parties in respect of obtaining any consent required under the terms of any Relevant Documents or (B) as may be required in connection with public disclosure requirements arising from the issuance of securities by any member of the Charterers Group or any of its Affiliates that is publicly listed; and
- (v) any Approved Manager, the Classification Society and flag authorities, in each case as may be necessary in connection with the transactions contemplated hereunder.

(b) Any other disclosure by each Party shall be subject to the prior written consent of the other Party.

72. Third Parties Act

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.

73. Waiver of immunity

- (a) To the extent that either Party 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 such Party or its assets or revenues, each Party agrees not to claim and irrevocably waive such immunity to the full extent permitted by the laws of such jurisdiction.
- (b) The Charterers 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 Charterers 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.

74. FATCA

- (a) **Definitions** For the purpose of this Clause 74, 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 to 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 IRS, the US

government or any governmental or taxation authority in any other jurisdiction;

"FATCA Deduction" means a deduction or withholding from a payment under this Charter or the other Transaction Documents required by or under FATCA;

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

"FATCA Non-Exempt Party" means any Relevant FATCA Party who is not a FATCA Exempt Party;

"Relevant FATCA Party" means any Obligor.

"IRS" means the United States Internal Revenue Service or any successor taxing authority or agency of the United States government.

(b) ***FATCA Information***

- (i) Subject to paragraph (iii) below, the Charterers shall procure that each Relevant FATCA Party shall, on the date of this Charter, and thereafter within ten (10) Business Days of a reasonable request by another Relevant FATCA Party:
 - (A) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party; and
 - (B) supply to the requesting party (with a copy to all other Relevant FACTA Parties) such other form or forms (including IRS Form W-8 or Form W-9 or any successor or substitute form, as applicable) and any other documentation and other information relating to its status under FATCA (including its applicable "pass thru percentage" or other information required under FATCA or other official guidance including intergovernmental agreements) as the requesting party reasonably requests for the purpose of the requesting party's compliance with FATCA.
- (ii) If a Relevant FATCA Party confirms to any other Relevant FATCA Party that it is a FATCA Exempt Party or provides an IRS Form W-8 or W-9 showing that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, or that the said form provided has ceased to be correct or valid, the Charterers shall procure that that party shall so notify all other Relevant FATCA Parties or provide the relevant revised form, as applicable, reasonably promptly.
- (iii) Nothing in this clause shall oblige any Relevant FATCA Party to do anything which would or, in its reasonable opinion, might constitute a breach of any law or regulation, any policy of that party, any fiduciary duty or any duty of confidentiality, or to disclose any confidential information (including, without limitation, its tax returns and calculations); provided, however, that nothing in this paragraph shall excuse any Relevant FATCA Party from providing a true, complete and correct IRS Form W-8 or W-9 (or any successor or substitute form where applicable). Any information provided on such IRS Form W-8 or W-9 (or any successor or substitute forms) shall not be treated as confidential information of such party for purposes of this paragraph.

- (iv) If a Relevant FATCA Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with the provisions of this Charter or the provided information is insufficient under FATCA, then:
 - (A) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of this Charter and the other Transaction Documents as if it is a FATCA Non-Exempt Party; and
 - (B) if that party failed to confirm its applicable passthru percentage then such party shall be treated for the purposes of this Charter and the other Transaction Documents (and payments made thereunder) as if its applicable passthru percentage is 100%,

until (in each case) such time as the party in question provides sufficient confirmation, forms, documentation or other information to establish the relevant facts.

(c) ***FATCA Deduction and gross-up by Charterers***

- (i) If the representation made by the Charterers under paragraph (xxvii) (*Tax*) of Clause 46 (*Charterers' representations and warranties*) proves to be untrue or misleading such that the Charterers are required to make a FATCA Deduction, the Charterers shall make the FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (ii) If the Charterers are required to make a FATCA Deduction then the Charterers shall increase the payment due from them to the Owners to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (iii) The Charterers shall promptly upon becoming aware that they must make a FATCA Deduction (or that there is any change in the rate or basis of a FATCA Deduction) notify the Owners accordingly. Within thirty (30) days of the Charterers making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Charterers shall deliver to the Owners evidence reasonably satisfactory to the Owners that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

(d) ***FATCA Deduction by Owners*** The Owners may make any FATCA Deduction they are required by FATCA to make, and any payment required in connection with that FATCA Deduction, and the Owners shall not be required to increase any payment in respect of which they make such a FATCA Deduction or otherwise compensate the recipient for that FATCA Deduction.

(e) ***FATCA Mitigation*** Notwithstanding any other provision to this Charter, if a FATCA Deduction is or will be required to be made by any party under paragraph (c) (*FATCA Deduction and gross-up by Charterers*) in respect of a payment to the Owners as a result of the Owners not being a FATCA Exempt Party, the Owners shall have the right to transfer their interest in the Vessel (and this Charter) to any person nominated by the Owners and approved by the Charterers and all costs in relation to such transfer shall be for the account of the Charterers.

SCHEDULE 1

RELATED VESSELS AND RELEVANT INFORMATION

Name of Vessel	Owners	Charterers
m.v. "Arctic Aurora"	Tianjin Color-IV Leasing Limited	Fareastern Shipping Limited
m.v. "Ob River"	Tianjin Color-VI Leasing Limited	Lance Shipping S.A.
m.v. "Amur River"	Tianjin Color-VII Leasing Limited	Seacrown Maritime Ltd.

SCHEDULE 2
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 **Tianjin Color-V Leasing Limited** (the "**Owner**") as owner and **Pegasus Shipholding S.A.** (the "**Bareboat Charterer**") as bareboat charterer (as maybe amended and supplemented from time to time, the "**Bareboat Charter**") in respect of one (1) LNG carrier named "Clean Energy" and registered under the laws and flag of the Republic of the Marshall Islands with IMO number 9323687 (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 _____ 20 [●] in [●].

THE OWNER

THE BAREBOAT CHARTERER

Tianjin Color-V Leasing Limited

Pegasus Shipholding S.A.

by:

by:

Name:

Title:

Date:

Name:

Title:

Date:

SCHEDULE 3
FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE

PROTOCOL OF DELIVERY AND ACCEPTANCE

m.v. "Clean Energy"

Tianjin Color-V Leasing Limited of Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China (the "**Owner**") deliver to **Pegasus Shipholding S.A.** of Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Bareboat Charterer**") the Vessel described below and the Bareboat Charterer accept delivery of, title and risk to the Vessel pursuant to the terms and conditions of the bareboat charterer dated [●] 20 [●] (as may be amended and supplemented from time to time) and made between (1) the Owner and (2) the Bareboat Charterer.

Name of Vessel:	m.v. "Clean Energy"
Flag:	the Republic of the Marshall Islands
Place of Registration:	Majuro
IMO Number:	9323687
Gross Registered Tonnage:	100,244
Net Registered Tonnage:	30,073
Dated:	20[●]
At:	hours (Beijing time)
Place of delivery:	

THE OWNER

THE BAREBOAT CHARTERER

Tianjin Color-V Leasing Limited

Pegasus Shipholding S.A.

by:

by:

Name:
Title:
Date:

Name:
Title:
Date:

SCHEDULE 4
PERCENTAGE FOR CALCULATING PURCHASE OPTION FEE AND PREPAYMENT FEE

the day on which the Purchase Option Date falls or the Prepaid Amount is payable	Percentage of Cost Balance or the Prepaid Amount to be utilised for calculating Purchase Option Fee or Prepayment Fee (%)
commencing on the Actual Delivery Date and ending on (and inclusive of) the date immediately preceding the Third Anniversary Date	1.5
commencing on the Third Anniversary Date	0

SIGNATURE PAGE

TO BAREBOAT CHARTER FOR THE LNG CARRIER
NAMED "CLEAN ENERGY"

THE OWNERS
Tianjin Color-V Leasing Limited

by:

/s/ Xiong Jianfeng

Name: Xiong Jianfeng
Title: Legal Representative
Date: 19 June 2024

THE CHARTERERS
Pegasus Shipholding S.A.

by:

/s/ Angelos Chardouvelis

Name: Angelos Chardouvelis
Title: Attorney-in- fact
Date: 19 June 2024

Execution version

Contract number: CDBLV-2024-MA-0602

Arctic LNG Carriers Ltd.
(as Sellers)

Tianjin Color-V Leasing Limited
(as Buyers)

Memorandum of Agreement
in respect of one (1) LNG carrier named "Clean Energy"

Stephenson Harwood

罗夏信律师事务所

43/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

香港鲗鱼涌英皇道979号太古坊一座43楼

电话 T: +852 2868 0789 | 传真 F: +852 2868 1504

www.shlegal.com

**STEPHENSON
HARWOOD**

WEI TU CHINA ASSOCIATION

罗夏信-伟途 联营

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATIONS	4
2.	SALE AND PURCHASE	7
3.	PURCHASE PRICE	8
4.	CURRENCY OF PAYMENT	8
5.	PAYMENT NOTICE	9
6.	PAYMENT	9
7.	CONDITIONS PRECEDENT AND SUBSEQUENT	12
8.	DETERMINATION OF MARKET VALUE	13
9.	SELLERS' UNDERTAKINGS	13
10.	MOA TERMINATION EVENTS	15
11.	BUYERS' POWERS FOLLOWING CANCELLATION	15
12.	CHANGES TO PARTIES	16
13.	CUMULATIVE RIGHTS	17
14.	NO WAIVER	17
15.	ENTIRE AGREEMENT AND AMENDMENTS	17
16.	INVALIDITY	17
17.	ENGLISH LANGUAGE	17
18.	NO PARTNERSHIP	17
19.	NOTICES	18
20.	COUNTERPARTS	18
21.	THIRD PARTIES ACT	19
22.	SPARES, BUNKERS AND OTHER ITEMS	19
23.	ENCUMBRANCES	19
24.	TAXES, COSTS AND EXPENSES	19
25.	DELIVERY UNDER CHARTER	20
26.	INDEMNITIES	20
27.	CALCULATIONS AND CERTIFICATES	20

28.	ENFORCEMENT	21
29.	CONFLICT WITH CHARTER	22
30.	BUYERS EVENT	22
SCHEDULE 1 CONDITIONS PRECEDENT AND SUBSEQUENT		24
SCHEDULE 2 FORM OF PAYMENT NOTICE		30

THIS AGREEMENT is made on 19 June 2024

BETWEEN:

- (1) **Arctic LNG Carriers Ltd.**, a corporation incorporated under the laws of the Marshall Islands with registration number 77480 whose registered address is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Sellers**"); and
- (2) **Tianjin Color-V Leasing Limited**, a company incorporated under the laws of the People's Republic of China (with unified social credit code 91120118MADHEDW87H) whose registered address is Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China (the "**Buyers**").

BACKGROUND:

- (A) The Sellers have agreed to sell one (1) LNG carrier named "Clean Energy" (with IMO number 9323687) (the "**Vessel**") to the Buyers upon the terms and conditions set forth in this Agreement.
- (B) The Buyers (as owners) have agreed to let the Vessel to the Charterers (as bareboat charterers) and the Charterers have agreed to hire the Vessel from the Buyers immediately upon the acceptance of the Vessel by the Buyers from the Sellers under this Agreement, pursuant to the terms and conditions set forth in a bareboat charter agreement (as amended and or supplemented from time to time) (the "**Charter**") entered or to be entered into between the Buyers (as owners) and the Charterers (as bareboat charterers) on or about the date of this Agreement.

IT IS AGREED as follows:

1. Definitions and interpretations

1.1 Definitions

Words and expressions having defined meanings in the Charter shall, except where otherwise defined herein, have the same meanings when used in this Agreement, and in this Agreement:

"**Approved Valuer**" each of Poten & Partners, Lorentzen & Co, Arrow Valuations, BRS Shipprokers, Fearnleys LNG, Clarkson Platou, Associated Shipbrokers Monaco, Nordic Shipping or any other qualified and reputable shipbroker as mutually agreed by the Sellers and the Buyers.

"**Bill of Sale**" means the bill of sale in respect of the Vessel to be executed by the Sellers (in a form acceptable to the Buyers and the Pre-Approved Flag, transferring title of the Vessel to the Buyers and stating that the Vessel is free from all Encumbrances or any other debts whatsoever).

"**Cancellation Notice**" has the meaning given to such term in Clause 11.1(a). "**Cancelling Date**" means the date specified as such in the Cancellation Notice.

"**Charterers**" means Pegasus Shipholding S.A., a corporation incorporated under the laws of the Marshall Islands with registration number 10748.

"Current Owner" means the Charterers in their capacity as the registered owner of the Vessel as at the date of this Agreement.

"Delivery Date" has the meaning given to such term in Clause 2.2(b) (*Delivery*).

"Delivery Date CPs" means the conditions precedent required under (a)(i), (ii) and (iii) of Clause 7.2 (*Delivery Date conditions precedent*).

"Existing Credit Amount" means the outstanding amount owed by the Current Owner to the Existing Finance Parties and secured by the Existing Mortgage.

"Existing Finance Parties" means the finance parties for whom the Existing Mortgagee acts as security agent and trustee in connection with the Existing Mortgage.

"Existing Mortgage" means the Marshall Islands mortgage dated 25 September 2019 and executed by the Current Owner in favour of the Existing Mortgagee.

"Existing Mortgagee" means Citibank, N.A., London Branch acting through its office at Citigroup Center, Canada Square, London E14 5LB, United Kingdom.

"Existing Mortgagee's Portion" has the meaning given to such term in Clause 6(a)(i).

"First MOA" means the memorandum of agreement in respect of the Vessel between the Sellers (as buyers) and the Current Owner (as sellers) in relation to the sale and purchase of the Vessel, as may be amended, supplemented and/or varied from time to time.

"Long Stop Date" means 31 August 2024 or such other date as the Sellers and the Buyers may agree.

"Market Value" means the value of the Vessel ascertained in accordance with Clause 8 (*Determination of Market Value*).

"MOA Termination Event" means each of the events specified in paragraph (a) of Clause 10 (*MOA Termination Events*).

"Owners" means the Buyers in their capacity as owners under the Charter.

"Party" means a party to this Agreement, and **"Parties"** means both of them.

"Payment Notice" means the notice of the amount payable by the Buyers under this Agreement to be issued by the Sellers to the Buyers at least five (5) Business Days prior to the anticipated Prepositioning Date, or such reasonable shorter period as the Buyers may agree to from time to time, in substantially the form set out in Schedule 2 (*Form of Payment Notice*) hereto (or such other form as the Buyers may require).

"Port State" means the jurisdiction in which delivery of the Vessel will take place and/or the jurisdiction which would otherwise have the power under all applicable laws to detain the Vessel before she is delivered by the Sellers to the Buyers.

"Potential MOA Termination Event" means, an event or circumstance which would, with the giving of any notice, the lapse of time, a determination of the Buyers or any combination of the foregoing, be an MOA Termination Event.

"Pre-Delivery Period" means the period commencing from the date of this Agreement up to the delivery of the Vessel by the Buyers on the Delivery Date.

"Prepositioning Date" means the date specified in the Payment Notice as the date on which the Buyers shall pre-position the Purchase Price into the Existing Mortgagee, which shall not be earlier than three (3) Business Days prior to the Delivery Date.

"Purchase Price" means the lower of

- (a) US\$53,625,000; and
- (b) sixty-five per cent (65%)- of the Market Value.

"Scheduled Delivery Date" means the date on which the Sellers are ready to deliver the Vessel in accordance with the terms of this Agreement, and in any event not later than the Long Stop Date, which Scheduled Delivery Date the Sellers shall notify to the Buyers in the Payment Notice.

"Sellers' Cancellation Notice" has the meaning given to such term in Clause 30.1.

"Sellers' PDA" means the protocol of delivery and acceptance in respect of the Vessel to be executed by the Sellers and the Buyers (in a form acceptable to the Buyers and the Pre-Approved Flag), evidencing the irrevocable and unconditional physical delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement.

"Sellers' Portion" has the meaning given to such term in Clause 6(a)(ii).

"Valuation Report" means, in relation to the Vessel, a desktop valuation report (without physical inspection) addressed to the Buyers and prepared:

- (a) by an Approved Valuer;
- (b) 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; and
- (c) on a date no earlier than thirty (30) days prior to the Delivery Date.

1.2 Interpretations

- (a) In this Agreement, unless the context otherwise requires, any reference to:
 - (i) to this Agreement includes the Schedules hereto and references to Clauses and Schedules are, unless otherwise specified, references to Clauses of and Schedules to this Agreement and, in the case of a Schedule, to such Schedule as incorporated in this Agreement 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;
 - (iv) "**assets**" includes present and future properties, revenues and rights of every description;
 - (v) the "**Buyers**", the "**Sellers**", the "**Charterers**", any "**Obligor**", "**Sub-Charterers**" or any other person include any of their respective successors, permitted assignees and permitted transferees;

- (vi) a "**Relevant Document**" or any other 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;
- (vii) "**hereof**", "**herein**" and "**hereunder**" and other words of similar import means this Agreement as a whole (including the Schedules) and not any particular part hereof;
- (viii) "**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;
- (ix) "**month**" means, save as otherwise provided, 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;
- (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) 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;
- (xii) "**protection and indemnity risks**" means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Clubs, including pollution risks, extended passenger cover and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies;
- (xiii) a Potential MOA Termination Event is "**continuing**" if it has not been remedied or waived and an MOA Termination Event is "**continuing**" if it has not been waived; and
- (xiv) 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 Agreement.
- (c) A time of day (unless otherwise specified) is a reference to Shanghai time.

2. Sale and purchase

2.1 Agreement for sale and purchase

Subject to the Buyers entering into the Charter concurrently with the entry into this Agreement, the Sellers hereby agree to sell and the Buyers hereby agree to purchase the Vessel on the terms and conditions hereinafter set forth.

2.2 Delivery

- (a) The Vessel is at the date of this Agreement legally and beneficially owned by the Current Owner. The Vessel will, subject to the terms and conditions of this Agreement, be delivered by the Sellers to the Buyers under this Agreement simultaneously upon the delivery of the Vessel by the Current Owner to the Sellers under the First MOA. The Sellers shall notify the Buyers of the Scheduled Delivery Date by setting out the Scheduled Delivery Date in the Payment Notice.
- (b) The Vessel shall be sold and delivered by the Sellers, with full title guarantee, to the Buyers "as is where is" on the Scheduled Delivery Date, (or such later date which is agreed between the Sellers and the Buyers (in each case the "**Delivery Date**")), free and clear of all Encumbrances.
- (c) On the Delivery Date, the following events are to occur simultaneously:
 - (i) delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement; and
 - (ii) delivery of the Vessel by the Buyers (as owners under the Charter) to the Charterers (as bareboat charterers under the Charter) pursuant to the Charter (such date being, for the avoidance of doubt, the "Actual Delivery Date" as defined under the Charter).
- (d) On the Delivery Date, the Sellers shall deliver to the Buyers an executed Bill of Sale and other documents set out in paragraph (f) below, whereupon all of the title to, interest in and all ownership rights with respect to the Vessel shall pass from the Sellers to the Buyers.
- (e) Upon delivery of the Vessel, the Sellers and the Buyers shall execute the Sellers' PDA, whereupon the Sellers shall be deemed to have given, and the Buyers shall be deemed to have received and accepted, possession of the Vessel.
- (f) Upon delivery of the Vessel, the Sellers shall provide the Buyers with (i) all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto and (ii) electronic copies of all classification certificates, plans, drawings, record books, instruction manuals and other requisite certificates in respect of the Vessel as may be reasonably requested by the Buyers.
- (g) The Vessel shall be delivered safely afloat, having not become an actual, constructive or compromised total loss.

3. Purchase Price

- (a) The purchase price of the Vessel payable by the Buyers to the Sellers under this Agreement shall be an amount equal to the Purchase Price.
- (b) For the avoidance of doubt, the purchase price referred to above shall cover the

purchase of the Vessel and, to the extent owned by the Sellers, everything then belonging to her on board.

4. Currency of payment

- (a) Subject to the remaining provisions of this Clause 4, USD is the currency of account and payment for any sum due from:
 - (i) the Buyers to the Sellers under this Agreement; and
 - (ii) an Obligor to the Buyers under any Transaction 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.

5. Payment Notice

5.1 Delivery of the Payment Notice

The Sellers may request the Buyers to make a payment in respect of the Purchase Price by delivery to the Buyers of the duly completed Payment Notice not fewer than five (5) Business Days prior to the anticipated Prepositioning Date.

5.2 Completion of the Payment Notice

The Payment Notice is irrevocable and will not be regarded as having been duly completed or valid unless:

- (a) it is delivered by the Sellers and received by the Buyers before the Long Stop Date;
- (b) it clearly:
 - (i) identifies the proposed Prepositioning Date and the Scheduled Delivery Date; and
 - (ii) sets out the precise amount of the Existing Mortgagee's Portion and (if applicable) the Sellers' Portion;
- (c) it is signed by an authorised signatory of the Sellers;
- (d) the currency of the Existing Mortgagee's Portion and (if applicable) the Sellers' Portion to be paid is US Dollars;
- (e) the Scheduled Delivery Date is a Business Day and is no later than the Long Stop Date; and
- (f) the proposed Prepositioning Date is earlier than the Delivery Date.

5.3 Buyers' right to suspend payment

- (a) If the Buyers receive a Sellers' Cancellation Notice, then the Buyers shall be entitled to not make any payment in relation to any Payment Notice.

6. Payment

- (a) The Sellers and the Buyers agree that the Purchase Price shall be paid by the Buyers in the following manner:

- (i) the Existing Mortgagee's portion of the Purchase Price (the "**Existing Mortgagee's Portion**") in such amount as the Sellers shall notify the Buyers in the Payment Notice shall be paid by the Buyers by depositing with the Existing Mortgagee the Existing Mortgagee's Portion which shall be subsequently released to the Existing Mortgagee in accordance with paragraph (b)(i) below; and
 - (ii) the remaining balance (if any) of the Purchase Price after deducting the amount of the Existing Mortgagee's Portion (the "**Sellers' Portion**") shall be paid by the Buyers by depositing with the Existing Mortgagee the Sellers' Portion which shall be subsequently released to the Sellers in accordance with paragraph (b)(ii) below.
- (b) On or before the Prepositioning Date:
 - (i) if the Buyers have received evidence (in the form of confirmation that an MT199 message is acceptable to the Existing Mortgagee and the Parties, each acting reasonably) that the Existing Mortgagee's Portion will be held to the order of the Buyers, and only be released to the Existing Mortgagee or to such person(s) as may be nominated by the Existing Mortgagee upon presentation to the Existing Mortgagee of a copy (transmitted by email or otherwise) of the Sellers' PDA which is duly signed by an authorised signatory of the Buyers and an authorised signatory of the Sellers, then the Buyers shall deposit with the Existing Mortgagee the Existing Mortgagee's Portion, to be so held and so released, **provided that** the Buyers' obligation to deposit with the Existing Mortgagee the Existing Mortgagee's Portion is always subject to the Buyers being satisfied that
 - (A) all of the conditions precedent listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto have been satisfied;
 - (B) the Delivery Date CPs will be satisfied on or before the Delivery Date;
 - (C) the conditions precedent to the delivery of the Vessel by the Current Owner to the Sellers under the First MOA have been or will be satisfied on the Delivery Date; and
 - (D) the Buyers have received evidence that the Current Owner has the funding to pay to the Existing Finance Parties any part of the Existing Credit Amount which is not being financed by the Buyers;
 - (ii) if the Buyers have received evidence (in the form of confirmation that an MT199 message is acceptable to the Existing Mortgagee and the Parties, each acting reasonably) that the Sellers' Portion will be held to the order of the Buyers, and only be released to the Sellers or to such person(s) as may be nominated by the Sellers upon presentation to the Existing Mortgagee of a copy (transmitted by email or otherwise) of the Sellers' PDA which is duly signed by an authorised signatory of the Buyers and an authorised signatory of the Sellers, then the Buyers shall deposit with the Existing Mortgagee the Sellers' Portion, to be so held and so released, **provided that** the Buyers' obligation to deposit with the Existing Mortgagee the Sellers' Portion is always subject to the Buyers being satisfied that

- (A) all of the conditions precedent listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto have been satisfied;
 - (B) the Delivery Date CPs will be satisfied on or before the Delivery Date;
 - (C) the conditions precedent to the delivery of the Vessel by the Current Owner to the Sellers under the First MOA have been or will be satisfied on the Delivery Date; and
 - (D) the Buyers have received evidence that the Current Owner has the funding to pay to the Existing Finance Parties any part of the Existing Credit Amount which is not being financed by the Buyers;
- (c) For the avoidance of doubt:
- (i) either the amount of the Existing Mortgagee's Portion or the amount of the Sellers' Portion may be zero;
 - (ii) subject to paragraph (c) (iii) (2) below, if the Sellers fail to notify the Buyers of the amount of the Existing Mortgagee's Portion in accordance with paragraph (a)(i) above, the amount of Existing Mortgagee's Portion will be deemed zero;
 - (iii) if (1) as the Sellers notify the Buyers in accordance with paragraph (a)(i) above, the amount of the Existing Mortgagee's Portion is zero or (2) the amount of the Existing Mortgagee's Portion is deemed zero pursuant to paragraph (c)(ii) above, then the Sellers' Portion will equal the Purchase Price and paragraph (b)(i) above shall not apply; and
 - (iv) if the Sellers' Portion is zero, then the Existing Mortgagee's Portion will equal the Purchase Price and paragraph (b)(ii) above shall not apply.
- (d) The Sellers agree to release, discharge, defend, indemnify, waive and hold harmless the Buyers from and against any liability, obligation or claim which may be asserted, claimed or recovered against the Buyers for any reason directly arising out of the release or the failure to release (as the case may be) of any part of the Purchase Price by the Existing Mortgagee except if the same results from or is a direct consequence of the Buyers' gross negligence or wilful misconduct or failure to perform their obligations under this Agreement or their breach of any provisions under this Agreement.
- (e) Interest on the part of the Purchase Price actually deposited with the Existing Mortgagee at the rate per annum which is the aggregate of the Margin and the Overnight SOFR for the relevant period (the "**Remittance Interest**") shall:
- (i) in the event that the Vessel is delivered to the Buyers on the Delivery Date, accrue from (and including) the Prepositioning Date until (but excluding) the Delivery Date; and
 - (ii) in the event that the Vessel is not delivered to the Buyers on the Delivery Date, accrue from the Prepositioning Date until the date the Purchase Price is

returned by the Sellers to the Buyers in accordance with Clause 9(c) (both dates inclusive),

provided that the calculation of any Remittance Interest for each day during the relevant period shall be by reference to the Overnight SOFR applicable to that day.

The Sellers shall pay to the Buyers the amount of the Remittance Interest (or any part thereof) as notified by the Buyers to the Sellers within three (3) Business Days of the Buyers' demand.

In this Clause, "**Overnight SOFR**" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate) on the relevant date and, if any such rate is below zero, that rate will be deemed to be zero, provided that if no such rate is available:

- (i) the Buyers shall give notice to the Sellers of the occurrence of such event; and
- (ii) the overnight rate shall be the rate notified to the Sellers by the Buyers as soon as practicable, and in any event before the relevant part of the Remittance Interest is due to be paid, to be that which expresses as a percentage rate per annum the cost to the Buyers of funding the Purchase Price from whatever source they may reasonably select.

7. Conditions precedent and subsequent

7.1 Initial conditions precedent

The Sellers may not deliver the Payment Notice unless the Buyers have received all the documents and other evidence listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers.

7.2 Delivery Date conditions precedent

- (a) The Buyers will only be obliged to purchase the Vessel, sign the Sellers' PDA and agree to the release of the pre-positioned Purchase Price and accept the Vessel under this Agreement on the Delivery Date if:
 - (i) on the Delivery Date, the Buyers have received all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (acting reasonably);
 - (ii) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment or release of the Purchase Price; and
 - (iii) the Repeating Representations are true in all material respects as if made on the Delivery Date.
- (b) For the avoidance of doubt, the Sellers must, on or before the Delivery Date, deliver to the Buyers all the documents and other evidence listed in Part II (*Delivery Date*

conditions precedent) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (acting reasonably).

7.3 Conditions subsequent

The Sellers undertake to deliver or caused to be delivered to the Buyers the documents and evidence listed in Part III (*Conditions subsequent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto within the relevant time periods stipulated therein in form and substance satisfactory to the Buyers (acting reasonably).

7.4 No waiver

- (a) The conditions set out in this Clause are for the benefit of the Buyers and may be waived or deferred by the Buyers in whole or in part and with or without conditions. The foregoing is without prejudice to the Buyers' rights to require fulfilment of any such conditions by the Sellers in whole or in part at any time after the date of payment or release of the Purchase Price.
- (b) If the Buyers in their sole discretion agree to advance or release all or any part of the Purchase Price to the Sellers before all of the documents and evidence required by this Clause 7 have been delivered to the Buyers, the Sellers undertake to deliver all outstanding documents and evidence to the Buyers no later than the date specified by the Buyers (acting reasonably).

7.5 Form and content

All documents and evidence delivered to the Buyers under this Clause 7 shall be in form and substance acceptable to the Buyers (acting reasonably).

8. Determination of Market Value

- (a) The Market Value of the Vessel shall be the arithmetic mean of the valuation from two Valuation Reports, each issued by an Approved Valuer designated by the Sellers.
- (b) The Sellers shall arrange, deliver to the Buyers and bear the cost of the issue of the Valuation Reports required under this Clause 8.
- (c) If an Approved Valuer determines that the valuation of the Vessel shall fall within a range, the valuation as determined by such Approved Valuer shall be deemed to be the lower value of such range.
- (d) The valuation shall be provided by an Approved Valuer in US Dollars.

9. Sellers' undertakings

The Sellers hereby undertake to the Buyers that they will comply in full and procure compliance (where applicable) with the following undertakings throughout the Pre-Delivery Period.

- (a) **Notification of MOA Termination Event** The Sellers shall promptly, upon becoming aware of the same, inform the Buyers in writing of the occurrence of any MOA Termination Event (and the steps, if any, being taken to remedy this) and, upon receipt of a written request to that effect from the Buyers, confirm to the Buyers that, save as previously notified to the Buyers or as notified in such confirmation, no MOA Termination Event is continuing or if an MOA Termination

Event is continuing specifying the steps, if any, being taken to remedy it.

- (b) ***Delivery costs and expenses*** The Sellers shall pay for all delivery costs in relation to the Vessel.
- (c) ***Refund of pre-positioned amount*** If the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*) but delivery of the Vessel does not occur on or before the Long Stop Date, then the Sellers shall refund to the Buyers the Purchase Price so transferred by the Buyers on demand by the Buyers together with the Remittance Interest, **provided that** the Sellers' obligations under this sub-paragraph (c) shall be deemed to be complied by any repayment (but only to the extent and amount of such repayment) by the Existing Mortgagee to the Buyers of any part of the Purchase Price so transferred by the Buyers in connection with Clause 6 (*Payment*).
- (d) ***Emissions Legislation etc***
 - (i) The Sellers shall:
 - (A) comply with all Emissions Legislation applicable to them prior to the Delivery Date; and
 - (B) whenever requested by the Buyers, promptly provide to the Buyers particulars of all and any outstanding charges due or collectable by the relevant entities charged with administering compliance with Emissions Legislation applicable to them and/or the Vessel or in respect of the Emissions Legislation prior to the Delivery Date; and
 - (ii) The Sellers will pay or cause to be paid all amounts required to be paid by them and/or the Vessel in respect of the Emissions Legislation arising out of or in connection with the Emissions Legislation prior to the Delivery Date, and the Sellers will on demand indemnify the Buyers for any and all amounts paid or required to be paid by the Buyers and/or the Vessel in connection with the Emissions Legislation for voyages taking place prior to the Delivery Date, together with (i) all losses, costs and expenses suffered or incurred by the Buyers and/or the Vessel arising out of or in connection with the Emissions Legislation for voyages taking place prior to the Delivery Date, and (ii) any penalties, charges or other amounts levied against the Buyers and/or the Vessel due to any failure of the Sellers to comply with the Emissions Legislation for voyages taking place prior to the Delivery Date.
 - (iii) ***No breach of Sanctions*** The Sellers shall not, and shall not permit or authorise any other person to, directly utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds or any other benefits of any transaction(s) contemplated by the Transaction Documents to fund any trade, business or other activities:
 - (A) involving or for the benefit of any Restricted Party if to do so would be prohibited by Sanctions applicable to any Obligor, the Buyers or any Finance Party; and
 - (B) in any other manner that would result in any Obligor, the Owners or any Finance Party (if applicable) being in breach of any applicable Sanctions or becoming a Restricted Party.

- (iv) ***Anti-corruption and anti-bribery laws*** The Sellers warrant, represent and agree that they and their respective officers, directors, employees, consultants, agents and/or intermediaries have complied with, and shall comply with, all applicable Business Ethics Laws in connection with this Agreement.

10. MOA Termination Events

- (a) Each of the following events shall constitute an MOA Termination Event:

- (i) ***Conditions precedent and subsequent***

Following the service of the Payment Notice:

- (A) any of the conditions set out in Clause 7 (*Conditions precedent and subsequent*) is not satisfied by the date specified by the Buyers pursuant to Clause 7.4(b) (*No waiver*); or
 - (B) any of the conditions referred to in Clause 7.3 (*Conditions subsequent*) is not satisfied by the relevant time specified pursuant to Clause 7.3 (*Conditions subsequent*) or such later time period specified by the Buyers in their discretion, acting reasonably; or

- (ii) ***Charter and Related MOA termination events***

- (A) the Buyers (as owners under the Charter) served a Termination Notice on the Charterers (as charterers under the Charter); or
 - (B) there occurs any event or circumstance referred to in paragraph (a) of clause 10 (*MOA Termination Events*) of a Related MOA; or

- (iii) ***Late delivery of Vessel*** the Vessel is not delivered by the Sellers to the Buyers under this Agreement by the Long Stop Date (including, without limitation, by reason of failure by the Sellers to satisfy any of their obligations under Clause 7 (*Conditions precedent and subsequent*)); or

- (iv) ***Sellers' undertakings*** the Sellers fail duly to perform or comply with any of their obligations under Clause 9 (*Sellers' undertakings*) **provided that** no MOA Termination Event under this paragraph will occur if the failure to perform or comply is capable of remedy (to the extent that the Buyers consider, in their reasonable discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Buyers within three (3) Business Days after the earlier of (A) the Buyers having given notice thereof to the Sellers and (B) the Sellers becoming aware of such failure to perform or comply.

- (b) Upon the occurrence of an MOA Termination Event which is continuing, and without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement, the Buyers may exercise their rights and powers referred to under Clause 11 (*Buyers' powers following cancellation*).

11. Buyers' powers following cancellation

11.1 Powers following cancellation

Without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement and the other Transaction Documents, at any time after the occurrence of an MOA Termination Event which is continuing:

- (a) the Buyers may by notice in writing to the Sellers (such notice being the "**Cancellation Notice**") cancel the Buyers' purchase of the Vessel under this Agreement on the Cancelling Date, whereupon the Buyers shall be relieved from any obligation to pay any part of the Purchase Price (or any other amount) under this Agreement from the Cancelling Date, and the Sellers shall upon demand:
 - (i) if the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*), refund to the Buyers the full amount of the Purchase Price which the Buyers have already paid by the Cancelling Date; and
 - (ii) to the extent that the same has not been recovered by the Buyers under the Charter, pay the Buyers any documented expenses, costs and disbursements (including, without limitation, any legal and other experts' costs) incurred by the Buyers, and any liabilities of the Buyers suffered or incurred by the Buyers, arising out of the transactions contemplated by this Agreement and the other Transaction Documents; and
- (b) if the Sellers have not paid the Buyers in full the amounts payable under paragraph (a) above, the Buyers shall become immediately entitled:
 - (i) to collect, recover, compromise and give a good discharge for, all claims then outstanding or arising subsequently under or in respect of all or any part of such claims, and to take over or institute (if necessary using the names of the Sellers) all such proceedings as the Buyers in their sole and absolute discretion think fit;
 - (ii) to recover from the Sellers on demand all documented costs and expenses (including, without limitation, legal fees) incurred or paid by the Buyers in connection with the exercise of the powers (or any of them) referred to in this Clause 11.1; and
 - (iii) to not make any payment in relation to the Payment Notice.

11.2 Delegation

The Buyers may delegate in any manner to any person any rights exercisable by the Buyers under this Agreement, provided always that any such person to whom rights are delegated is not a Restricted Party. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Buyers (acting reasonably) think fit.

11.3 Survival of Sellers' obligations

The termination of this Agreement for any cause whatsoever shall not affect the right of the Buyers to recover from the Sellers any money due to the Buyers in consequence thereof and all other rights of the Buyers (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Agreement) are reserved hereunder.

12. Changes to parties

The Sellers may not assign or transfer any or all of their rights or obligations under this Agreement.

The Buyers may not assign or transfer any or all of their rights under this Agreement other than (i) by way of security, (ii) where an MOA Termination Event has been continuing for thirty (30) days or more, (iii) after the issuance of a Cancellation Notice by the Buyers or (iv) after the issuance of a Sellers' Cancellation Notice by the Sellers.

13. Cumulative rights

The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.

14. 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 Agreement will operate as a waiver. No waiver of any breach of any provision of this Agreement 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.

15. Entire agreement and amendments

- (a) The written terms of this Agreement comprise the entire agreement between the Buyers and the Sellers in relation to the sale and purchase of the Vessel and supersede all previous agreements whether oral or written between the Parties in relation to this Agreement.
- (b) Each of the Parties acknowledges that in entering into this Agreement, it has not relied on and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether or not made negligently) other than as expressly set out in this Agreement.
- (c) Any terms implied into this Agreement by the Sale of Goods Act 1979 are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud.
- (d) This Agreement may not be amended, altered or modified except by a written instrument executed by each of the Parties.

16. Invalidity

If any term or provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable the remainder of this Agreement 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 Agreement) not be affected thereby and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

17. English language

All notices, communications and financial statements and reports under or in connection with this Agreement 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.

18. No partnership

Nothing in this Agreement 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 Agreement.

19. Notices

- (a) Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by letter or email.
- (b) The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement are:

- (i) in the case of the Sellers:

Arctic LNG Carriers Ltd.

Address: c/o Dynagas Ltd., 97 Poseidonos Avenue and 2 Foivis Street, 166-74 Glyfada, Athens, Greece

Email: lngcoordination@dynagas.com

Attention: Michael Gregos

- (ii) in the case of the Buyers:

Tianjin Color-V Leasing Limited

Address: c/o CDB Leasing Co. Ltd., 3502-03, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai 200122, the People's Republic of China

Email: wangmeng@cdb-leasing.com

Attention: Wang Meng

or any substitute address, email address, department or officer as either Party may notify to the other by not less than five (5) Business Days' notice.

- (c) Any communication or document made or delivered by one Party to the other under or in connection with this Agreement will only be effective:
- (i) if by way of email, when sent with no error message received; or
- (ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under paragraph (b) above, if addressed to that department or officer.

Any communication or document which becomes effective, in accordance with this paragraph (c), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

20. Counterparts

This Agreement 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.

21. Third Parties Act

- (a) Any person which is an Indemnatee or a Finance Party from time to time and is not a Party shall be entitled to enforce such terms of this Agreement as provided for in this Agreement in relation to the obligations of the Sellers to such Indemnatee or (as the case may be) Finance Party, subject to the provisions of Clause 28.1 (*Law and arbitration*) and the Third Parties Act. The Third Parties Act applies to this Agreement as set out in this Clause 21.
- (b) Save as provided above, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Agreement.

22. Spares, bunkers and other items

- (a) To the extent owned by the Sellers, the Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board and on shore.
- (b) All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of delivery used or unused, whether on board or not shall become the Buyers' property.
- (c) Any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and any unused stores and provisions shall be included in the sale and be taken over by the Buyers without extra payment.
- (d) Forwarding charges, if any, shall be for the Sellers' account.
- (e) Concurrent with the delivery of the Vessel under this Agreement, the Buyers shall obtain title and ownership to the classification certificate(s) as well as all plans, drawings and manuals, which are on board the Vessel and shall remain on board the Vessel. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the same are required to be handed over to the Charterers (as bareboat charterers under the Charter), in which case the Buyers have the right to take copies.
- (f) Copies of other technical documentation in respect of the Vessel which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at the Sellers' expense, if the Buyers so request.

23. Encumbrances

The Sellers warrant that the Vessel, at the time of delivery, is free from all charters (other than the Charter and the Sub-Charter), Encumbrances or any other debts whatsoever, and is not subject to any Port State or other administrative detentions. The Sellers hereby

undertake to indemnify the Buyers against, and hold the Buyers harmless from, all direct or indirect consequences of claims made against the Vessel which have been incurred prior to the time of delivery.

24. Taxes, costs and expenses

Any Taxes (save for any taxes levied on the Buyers by competent tax authorities in their place of incorporation by reference to the net income received by the Buyers), costs and reasonable and documented expenses in connection with the purchase and registration in the Pre-Approved Flag and any similar charges incurred in connection with the sale of the Vessel under this Agreement shall be for the Sellers' account.

25. Delivery under Charter

- (a) The Buyers undertake to simultaneously with the delivery of the Vessel under this Agreement deliver the Vessel to the Charterers (as bareboat charterers) pursuant the Charter.
- (b) The Sellers shall be fully responsible for the Buyers' fulfilment of physical delivery as new owner of the Vessel to the Charterers (as charterers) under the Charter. The Buyers' obligation to make or release a payment in respect of the Purchase Price under this Agreement is subject to the Charterers (as charterers) taking delivery of the Vessel under the Charter immediately after the Buyers take delivery of the same from the Sellers under this Agreement.

26. Indemnities

- (a) Whether or not any of the transactions contemplated hereby are consummated, the Sellers shall indemnify, protect, defend and hold harmless the Buyers and their officers, directors, agents and employees (collectively, the "**Indemnitees**") throughout the Pre-Delivery Period from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, fees, tax (save for any taxes levied on the Buyers by competent tax authorities in their place of incorporation by reference to the net income received by the Buyers), claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including documented and reasonable legal fees and expenses, of whatsoever kind and nature imposed on, suffered or incurred by or asserted against any Indemnatee, 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 Agreement and any amendment, supplement or modification thereof or thereto requested by the Sellers;
 - (ii) the delivery (including the Vessel not being delivered on the Scheduled Delivery Date after the Sellers have informed the Buyers of the Scheduled Delivery Date), or registration and purchase of the Vessel by the Buyers, whether or not the Vessel is in the possession or the control of the Sellers;
 - (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 Sellers under this Agreement or the falsity of any representation or warranty of the Sellers in this Agreement or the occurrence of any MOA Termination Event;
 - (iv) funding, or making arrangements to fund, an amount required to be paid by the Buyers pursuant to the Payment Notice but not made by reason of the

operation of any one or more of the provisions of this Agreement (other than by reason of the default or negligence of the Buyers).

- (b) Notwithstanding anything to the contrary herein, the indemnities provided by the Sellers in favour of the Buyers shall continue in full force and effect notwithstanding any breach of the terms of this Agreement or termination of this Agreement pursuant to the terms hereof.

27. Calculations and certificates

- (a) In any litigation or arbitration proceedings arising out of or in connection with this Agreement, the entries made in the accounts maintained by the Buyers are, in the absence of manifest error or any question of law, prima facie evidence of the matters to which they relate excepting in respect of payment of the Purchase Price which shall require independent evidence.
- (b) Any certification or determination by the Buyers of a rate or amount under this Agreement is, in the absence of manifest error or any question of law, conclusive evidence of the matters to which it relates.
- (c) Unless otherwise specified, any interest, commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, where the amount is payable in a currency other than US Dollars, such period as is customary for such currency).

28. Enforcement

28.1 Law and arbitration

- (a) This Agreement and any non-contractual obligations arising from or in connection with it shall in all respects be governed by and interpreted in accordance with English law.
- (b) 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 28.1(b).
 - (i) The arbitration shall be conducted in accordance with the London Maritime Arbitrators' Association ("LMAA") Terms current at the time when arbitration proceedings are commenced.
 - (ii) The reference shall be to three (3) arbitrators, one to be appointed by each Party and the third, subject to the provisions of the LMAA Terms, by the two so appointed. The arbitration proceedings shall be conducted in English.
 - (iii) 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.
 - (iv) 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.

- (v) The award of a sole arbitrator shall be binding on both Parties as if he had been appointed by agreement.
- (vi) Nothing herein shall prevent the Parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
- (vii) In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
- (viii) The seat of the arbitration shall be England, even where any hearing takes place outside England.
- (ix) The law governing this Clause 28.1(b) shall be English law.

28.2 Waiver of immunity

To the extent that the Sellers have acquired or may, after the date of this Agreement, acquire any immunity, with respect to themselves and their revenues and assets (irrespective of their use or intended use), on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of their assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which they or their revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and they irrevocably agree, to the extent permitted by applicable law, that they will not claim any immunity in any such proceedings),

the Sellers irrevocably and expressly waives, to the extent permitted by applicable law, such immunity in respect of their obligations under this Agreement.

29. Conflict with Charter

This Agreement is subject to the terms and provisions of the Charter and to the extent there is any conflict between this Agreement and the Charter, the terms and provisions of the Charter shall prevail.

30. Buyers Event

- 30.1** If (x) the Owners or an Owners' Affiliate become a Restricted Party or (y) the Owners fail to pay the Purchase Price in accordance with this Agreement (otherwise than, for the avoidance of any doubt, as a result of (A) the occurrence of an MOA Termination Event or (B) a failure by the Sellers to comply with the provisions of Clause 7) unless payment is made within five (5) Business Days of its due date (each of (x) and (y) above, a "**Buyers Event**") and that Buyers Event is not remedied within 30 Business Days after the receipt by the Buyers of written notice from the Sellers requesting remedy, the Sellers may give

the Buyers notice (the "**Sellers' Cancellation Notice**") of their intention to do so and pay to the Buyers:

- (a) if the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*), the full amount of the Purchase Price which the Buyers have already paid; and
- (b) to the extent that the same has not been recovered by the Buyers under the Charter, any documented expenses, costs and disbursements (including, without limitation, any legal and other experts' costs) incurred by the Buyers, and any liabilities of the Buyers suffered or incurred by the Buyers, arising out of the transactions contemplated by this Agreement and the other Transaction Documents.

30.2 Following the receipt by the Buyers of all the amounts referred to above in this Clause, the Sellers' sale of the Vessel under this Agreement shall be cancelled and the Sellers and the Buyers shall be relieved from any further obligation under this Agreement.

Schedule 1
Conditions precedent and subsequent

Part I – Initial conditions precedent

1. Obligors

- (a) **Constitutional documents** Certified true copies of the constitutional documents (or equivalent documents) (and all amendments thereto) of each Obligor and any other documents required to be filed or registered or issued under the laws of their jurisdiction of incorporation to establish their incorporation.
- (b) **Written resolutions** Certified true copies of written resolutions or (as the case may be), resolutions passed at separate meetings, in each case, of the board of directors and (if required by any legal advisor to the Buyers) shareholders of each Obligor (or, in the case of the Charter Guarantor, its sole member or general partners), in each case evidencing their respective approvals of the Transaction Documents and authorising appropriate officers or attorneys to execute the same and to sign all notices required to be given hereunder or thereunder on their behalf or other evidence of such approvals and authorisations as shall be acceptable to the Buyers.
- (c) **Certificate of good standing and power of attorney** A certified true copy of a certificate of good standing of each Obligor issued no earlier than ten (10) days prior to its provision to the Buyers and, if applicable, the original power of attorney of each Obligor under which any document (including the Transaction Documents) are to be executed or transactions undertaken by that party.
- (d) **Officer's certificates** A certificate of a duly authorised representative of each Obligor:
 - (i) certifying that each copy document relating to it specified in this Part I of Schedule 1 is correct, complete and in full force and effect;
 - (ii) setting out the names of the directors, officers and shareholders of that Obligor and the proportion of shares held by each shareholder; and
 - (iii) confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on that Obligor to be exceeded.

2. Transaction Documents and related documents

- (a) **Vessel-related documents** Photocopies, certified as true, accurate and complete by a duly authorised representative of the Sellers, of all Relevant Documents (excluding the Transaction Documents).
- (b) **Transaction Documents** A duly executed original of each Transaction Document (other than any Quiet Enjoyment Agreement and any Finance Party Quiet Enjoyment Agreement), in each case together with all other documents required by any of them according to their terms, including, without limitation, all notices of assignment, charge and/or pledge and acknowledgements of all such notices of assignment, charge and/or pledge (other than (i) the acknowledgements from the Sub-Charterers of the notices of assignment given pursuant to the Charterers' Assignment and (ii) the letters of undertaking referred to in the Charterers' Assignment).

- (c) **No disputes** The written confirmation of the Sellers that to the best of their knowledge there is no dispute under any of the Relevant Documents as between the parties to any such document.
 - (d) **Title transfer documents** Agreed forms of the following documents:
 - (i) the Bill of Sale;
 - (ii) the Sellers' PDA; and
 - (iii) the bill of sale (which shall be in a form recordable in the Pre-Approved Flag) pursuant to the First MOA and the protocol of delivery and acceptance (which shall be in a form acceptable to the Pre-Approved Flag) pursuant to the First MOA.
 - (e) **Commercial invoice** An agreed form of the commercial invoice for the Vessel to be issued by the Sellers.
 - (f) **Payment Notice** A copy of the duly completed Payment Notice.
 - (g) **Sellers' contribution** Evidence of full payment to the Existing Mortgagee of any part of the Existing Credit Amount which is due and payable on or before the Payment Date and which is not being financed by the Buyers.
3. **Legal opinions** A legal opinion of the legal advisers to the Buyers in each relevant jurisdiction (including England and Wales, the Marshall Islands,, Switzerland and the PRC or confirmation satisfactory to the Buyers that such an opinion will be given.
4. **Other documents and evidence**
- (a) **Other Authorisation** A copy of any other Authorisation or other document, opinion or assurance which the Buyers consider to be necessary or desirable 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, which, at the date of this Agreement, the Buyers are not aware of, and the Buyers shall to the extent any authorisation becomes necessary after the date of this Agreement, provide reasonable notice to the Seller of such required authorisation.
 - (b) **Fees** Evidence that the fees, costs and expenses due from the Sellers to the Buyers under Clauses 24 (*Taxes, costs and expenses*) and 26 (*Indemnities*) have been paid in accordance with the terms of such Clauses; evidence that the Arrangement Fee under clause 54 (*Fees and expenses*) of the Charter has been paid in accordance with such clause.
 - (c) **"Know your customer" documents** Such documentation and other evidence as is reasonably requested by the Buyers or the Finance Parties in order for the Buyers or the Finance Parties to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Transaction Documents.
 - (d) **Valuation** Copies of the Valuation Reports referred to in Clause 8.
5. **Evidence of insurance**
- (a) Evidence that the Vessel will on the Delivery Date be insured in the manner required by the Transaction Documents.

- (b) Agreed form of an insurance report from BankServe Insurance Services Limited or other insurance consultants approved by the Buyers in form and substance satisfactory to the Buyers on the insurances effected or to be effected on the Vessel pursuant to the Transaction Documents (such approval not to be unreasonably withheld).
- 6. **Evidence of Current Owner's title** Copies of (1) the certificate of registry and (2) a transcript of register issued by the competent authority of the Pre-Approved Flag evidencing the Current Owner's ownership of the Vessel.

Part II – Delivery Date conditions precedent

1 Vessel-related documents

(a) Title transfer documents

- (i) Originals of the Bill(s) of Sale, duly executed, notarially attested and legalised or apostilled, as required by the Pre-Approved Flag; and
- (ii) Original of the duly executed Sellers' PDA;
- (iii) Original of the bill of sale duly executed by the Current Owner in favour of the Sellers (duly notarially attested and legalised or apostilled, as required by the Pre-Approved Flag) pursuant to the First MOA; and
- (iv) A copy of the protocol of delivery and acceptance duly executed by the Current Owner and the Sellers pursuant to the First MOA

(b) Technical documents Copies of the following (or provisional versions thereof):

- (i) the Approved Manager's current Document of Compliance (as such term is defined pursuant to the ISM Code);
- (ii) the Vessel's current IAPPC;
- (iii) the Vessel's current tonnage certificate;
- (iv) the Vessel's classification certificate evidencing that it is free of all recommendations and requirements from the Classification Society;
- (v) the Vessel's current Safety Management Certificate (as such term is defined pursuant to the ISM Code); and
- (vi) the Vessel's current ISSC,

in each case together with all addenda, amendments or supplements.

- (c) **Evidence of Current Owner's clean title** A copy of the transcript of register issued on the Delivery Date by the competent authority of the Pre-Approved Flag evidencing the Current Owner's ownership of the Vessel and that the Vessel is free from registered Encumbrances.
- (d) **Evidence of Buyers' title** Evidence that any Encumbrance registered against the Vessel has been cancelled and evidence that on the Delivery Date the Vessel will be registered under the Pre-Approved Flag in the ownership of the Buyers.
- (e) **Commercial invoice** An original of the commercial invoice for the Vessel issued by the Sellers.
- (f) **Sellers' letter of confirmation** An original of the Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not black listed by any nation or international organisation.

2 Other Authorisation Such other Authorisation or other document, opinion or assurance which the Buyers consider to be necessary 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 Buyers).

- 3 **Conditions precedent under the Charter** Evidence that all the documents and evidence required as conditions precedent under clause 36 (*Conditions precedent*) of the Charter have been or will be received by the Buyers (as owners under the Charter) on the Delivery Date.

Part III – Conditions subsequent

The Sellers undertake to deliver or cause to be delivered to the Buyers the following documents and evidence within the relevant time period as specified below:

1. **Technical documents**

To the extent that any certificate received by the Buyers and referred to in paragraph 1(c) of Part II (*Delivery Date conditions precedent*) of this Schedule was in provisional form at the time of the receipt, deliver or cause to be delivered to the Buyers the corresponding formal certificate as soon as possible after the Sellers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate.

2. **Insurance Report** Within fifteen (15) Business Days from the Delivery Date, a copy of an insurance report signed by BankServe Insurance Services Limited or other insurance consultants approved by the Buyers on the insurances effected on the Vessel pursuant to this Agreement, in a form approved by the Buyers prior to the Delivery Date (such approval not to be unreasonably withheld).

3. **Evidence of Buyers' title** On the Delivery Date (as evidenced by the Sellers' PDA), the Vessel's certificate of ownership and encumbrance issued by the registry of ships of the Pre-Approved Flag confirming that the Vessel is registered under that flag in the ownership of the Buyers.

4. **Letters of undertaking** Within ten (10) Business Days from the Delivery Date letters of undertaking in respect of the Insurances as required by the Transaction Documents, together with copies of the relevant policies or cover notes or entry certificates in respect of the Insurances duly endorsed with the interest of the Buyers.

5. **Legal opinions** Such of the legal opinions specified in Part I of this Schedule 1 as have not already been provided to the Buyers.

6. **Charge registrations** Within thirty (30) days after the Delivery Date, evidence that the prescribed particulars of any Security Documents have been delivered to the registry of companies/corporations of the relevant Obligor's jurisdiction within the statutory time limit.

Schedule 2
Form of Payment Notice

To: **Tianjin Color-V Leasing Limited**

From: **Artic LNG Carriers Ltd.**

20[●]

Dear Sirs

LNG carrier named "Clean Energy"
memorandum of agreement dated

2024 (the "MOA")

1. We refer to the MOA. This is a Payment Notice.
2. Terms defined in the MOA shall have the same meaning in this Payment Notice unless given a different meaning in this Payment Notice.
3. Pursuant to clause 5.2 (*Completion of the Payment Notice*) of the MOA we irrevocably request that you pre-position a sum of US\$[●], being the aggregate of:
 - (i) the Existing Mortgagee's Portion of US\$[●]; and
 - (ii) the Sellers' Portion of US\$[●],

with the Existing Mortgagee on _____ (being the Prepositioning Date), which is a Business Day, by remitting such sum (accompanied by an MT199 message) on that date to the following account:

Beneficiary Bank:	[●]
Beneficiary Bank Swift Code:	[●]
Beneficiary Bank Address:	[●]
Account Number:	[●]
Account Name:	[●]

on terms that (unless returned to you in accordance with that MT199 message) such sum is to be held by the Existing Mortgagee and released by it, in each case according to the terms of that MT199 message.

7. The Scheduled Delivery Date is [●].
8. We warrant that:
 - (a) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment of the Existing Mortgagee's Portion and/or the Sellers' Portion;
 - (b) the Repeating Representations are true in all material respects on the date of this Payment Notice and the actual date of payment; and
 - (c) we shall hold you harmless and keep you indemnified against all consequences of any inaccuracy of any details set out in this Payment Notice or any other payment instructions sent or purported to be sent to you by us or on our behalf.

9. We confirm that to the best of our knowledge there is no dispute under any of the Relevant Documents, as between the parties to any such document as at the date of this Payment Notice.

Yours faithfully

For and on behalf of
Arctic LNG Carriers Ltd.

Name:

Title:

IN WITNESS of which the parties to this Agreement have executed this Agreement the day and year first before written.

SELLERS

Signed by Angelos Chardouvelis /s/ Angelos Chardouvelis
as duly authorised Attorney-in- fact
for and on behalf of
Arctic LNG Carriers Ltd.
in the presence of:

Witness signature: /s/ Daniela Lianou
Name: Daniela Lianou
Address: 2 Foivis street, 166 74 Glyfada, Greece

BUYERS

Signed by Xiong Jianfeng /s/ Xiong Jianfeng
as duly authorised Legal Representative
for and on behalf of
Tianjin Color-V Leasing Limited
in the presence of:

Witness signature: /s/ Wang Meng
Name: Wang Meng
Address: Room 3502-03, 35F, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai

Contract number: CDBLV-2024-BC-0603

BARECON 2001



STANDARD BAREBOAT CHARTER

PART 1

1. Shipbroker N/A		2. Place and date 19 June 2024
3. Owners/Place of business (Cl. 1) Tianjin Color-VI Leasing Limited, a company incorporated under the laws of the People's Republic of China (with unified social credit code 91120118MADFC8JL43) Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China		4. Bareboat Charterers/Place of business (Cl. 1) Lance Shipping S.A. Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: m.v. Ob River Call Sign: V7MF2 Flag: The Republic of the Marshall Islands		
6. Type of Vessel LNG carrier	7. GT/NT 100,244/30,073	
8. When/Where built 2007 Hyundai Heavy Industries Co., Ltd.	9. Total DWT (abt.) in metric tons on summer freeboard 84,682	
10. Classification Society (Cl. 3) Lloyd's Register	11. Date of last special survey by the Vessel's classification society N/A	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) N/A		
13. Port or Place of delivery (Cl. 3) As per MOA (as defined in Additional Clause 32 (Definitions))	14. Time for delivery (Cl. 4) See Additional Clause 35 (Delivery)	15. Cancelling date (Cl. 5) N/A
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) N/A

18. Running days' notice if other than stated in Cl. 4 N/A	19. Frequency of dry-docking (Cl. 10(g)) In accordance with Classification Society or flag state requirements
20. Trading limits (Cl. 6) Trading worldwide always within International Navigating Limits	
21. Charter period (Cl. 2) Charter Period (as defined in Additional Clause 32 (Definitions))	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)) See Additional Clause 39(c) (Structural changes and alterations)	
24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV See Additional Clause 40 (Hire)	25. Currency and method of payment (Cl. 11) US Dollars (See also Additional Clause 40 (Hire))
26. Place of payment; also state beneficiary and bank account (Cl. 11) See Additional Clause 40 (Hire)	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) N/A
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) Clause 12(b) applies; form of Financial Instrument and name of mortgagee to be determined, subject to Additional Clause 44	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)) See Additional Clause 41 (Insurance)	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)	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) N/A	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) choose an item Clause 30(a) applies
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) No; Part III does not apply	38. Name and place of Builders (only to be filled in if PART III applies) N/A
39. Vessel's Yard Building No. (only to be filled in if PART III applies) N/A	40. Date of Building Contract (only to be filled in if PART III applies) N/A

41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) (a) N/A (b) N/A (c) N/A	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) No; Part IV does not apply	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) No; Part V does not apply
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) N/A	45. Country of the Underlying Registry (only to be filled in if PART V applies) N/A
46. Number of additional clauses covering special provisions, if agreed Clause 32 (Definitions) to Clause 74 (FATCA)	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)	Signature (Charterers)
--------------------	------------------------

PART II

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

"The Owners" shall mean the party identified in Box 3;

"The Charterers" shall mean the party identified in Box 4;

"The Vessel" shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as in respect of the Vessel and granted by the Owners in accordance with Additional Clause 44, annexed to this Charter and stated in Box 28.

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (~~"The Charter Period"~~).

3. Delivery - See Additional Clause 35 (Delivery)

(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 (Delivery)

(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 when Part III applies, as indicated in Box 37)~~

~~(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

~~(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

PART II

~~(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 ~~(unless such additional insurances as may be reasonably acceptable to the Owners in relation to the trading of the Vessel outside such limits have been obtained and all other insurances in respect of the Vessel remain in full force and effect).~~

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~~ insurances (as defined in Additional Clause 32 (Definitions)) (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 in accordance with applicable laws or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter.

This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery

~~(not applicable when Part III applies, as indicated in Box 37)~~

~~The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.~~

8. Inspection - See paragraph (gg) (Inspection of Vessel) of Additional Clause 47 (Charterers' undertakings)

~~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 log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.~~

9. Inventories, Oil and Stores

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, subject to Additional Clause 43. Without limiting the foregoing, the Charterers shall also provide and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for with a complete inventory of all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores ~~(excluding spare parts)~~ in the ~~said Vessel at the then current market prices at the~~

PART II

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 on redelivery of the Vessel. See also Additional Clause 37 (Bunkers and luboils).

10. Maintenance and Operation

(i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 14(I), if applicable, at their own expense they shall at all times keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.

~~(ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation 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 20, 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 Agreement Term 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 56 (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. For so long as a Sub-Charter is in existence, the word "their" whenever used in the preceding sentence shall be construed as a reference to the Sub-Charterer. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to (i) change the flag and/or the name of the Vessel to any Pre-Approved Flag or any other flag approved by the Owners (such approval not to be unreasonably withheld) during the Charter Period and (ii) with the Owners' prior consent (which consent shall not be unreasonably withheld) to change the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time.

(e) Changes to the Vessel - See Additional Clause 39 (Structural changes and alterations). 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 event that redelivery is required in accordance with this Charter) in the same good order and condition as when received, ordinary

PART II

- 143 wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of
144 equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs
145 to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards
146 workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right
147 to fit additional equipment at their expense and risk but ~~title to such additional equipment shall, unless agreed between the Owners and the~~
~~Charterers, be deemed to have passed to the Owners immediately upon such fitting, and~~ the Charterers shall, ~~at the Charterers' costs,~~ remove
such equipment ~~and make good any damage caused by the fitting or removal of such additional equipment~~ at the end
148 of the period if requested by the Owners (acting reasonably), ~~unless the title to the Vessel is transferred to the Charterers pursuant to this~~
~~Charter.~~ Any equipment including radio equipment on hire on the Vessel at
149 time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations
150 and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners
151 for all expenses incurred in connection therewith, also for any new equipment required in order to comply with
152 radio regulations.
- 153 (g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts
154 whenever the same may be necessary, but not less than once during the period stated in Box 19 or, if Box 19 has
155 been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the
156 Classification Society or flag state.
- 157 **11. Hire - See Additional Clause 40 (Hire)**
- 158 (a) ~~The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect~~
159 ~~of which time shall be of the essence.~~
- 160 (b) ~~The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22~~
161 ~~which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable~~
162 ~~on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the~~
163 ~~Charter Period.~~
- 164 (c) ~~Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25~~
165 ~~and at the place mentioned in Box 26.~~
- 166 (d) ~~Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally~~
167 ~~according to the number of days and hours remaining before redelivery and advance payment to be effected~~
168 ~~accordingly.~~
- 169 (e) ~~Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of.~~
170 ~~The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last~~
171 ~~reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to~~
172 ~~be adjusted accordingly.~~
- 173 (f) ~~Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If~~
174 ~~Box 24 has not been filled in, the three months Interbank offered rate in London (LIBOR or its successor) for the~~
175 ~~currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due,~~
176 ~~increased by 2 per cent, shall apply.~~
- 177 (g) ~~Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the~~
178 ~~Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire~~
179 ~~payment date.~~
- 180 **12. Mortgage - See Additional Clause 44 (Owners' mortgage) and paragraph (p) (Further assurance) of Additional Clause 47 (Charterers'**
undertakings)
- 181 ~~(only to apply if Box 28 has been appropriately filled in)~~
- 182 (a)* ~~The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any~~
183 ~~mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- 184 (b)* The Vessel chartered under this Charter ~~is~~ may be financed by a mortgage according to the Financial Instrument.
- 185 The Charterers undertake to comply, and provide such information and documents to enable the Owners to
186 comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and
187 maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time
188 during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The
189 Charterers confirm that, for this purpose, they will, once such Financial Instrument is available, ~~have acquainted themselves with all relevant~~
~~terms, conditions~~

PART II

- 190 and provisions of the Financial Instrument and agree to acknowledge ~~this~~ such Financial Instrument in writing in any form that may be
- 191 reasonably required by the mortgagee(s) provided that the Owners will ensure that such Financial Instrument will only impose obligations on
the Charterers in line with the provisions contained in this Charter, and, for the avoidance of doubt, shall not result in additional obligations on
the part of the Charterers. The Owners warrant that they have not effected any mortgage(s) other than stated
- 192 in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any
- 193 other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.
- 194 ~~*(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).~~
- 195 **13. Insurance and Repairs - See Additional Clause 41 (Insurance)**
- 196 (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.~~
- 204 ~~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.~~
- 208 ~~The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred~~
~~thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible~~
~~franchise(s) or deductibles provided for in the insurances.~~
- 214 ~~All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to~~
~~Clause 3(e) above, including any deviation, shall be for the Charterers' account.~~
- 213 (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.~~
- 218 (c) ~~The Charterers shall upon the request of the Owners, provide information and promptly execute such documents~~
~~as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.~~
- 220 (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 the 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.~~
- 226 (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.~~
- 228 (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.~~
- 230 **14. Insurance, Repairs and Classification**
- 231 ~~(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered~~
~~deleted).~~
- 233 (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.~~

PART II

- 239 (b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection
240 and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel,
241 including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall
242 in writing approve which approval shall not be unreasonably withheld.
- 243 (c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the
244 Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which
245 would otherwise have been covered by such insurance.
- 246 (d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs,
247 and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as
248 well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for
249 under the provisions of sub-clause 14(a).
- 250 The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon
251 presentation of accounts.
- 252 (e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred
253 thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible
254 franchise(e) or deductibles provided for in the insurances.
- 255 (f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects
256 according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of
257 the Charter Period.
- 258 The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for
259 such time as may be required to make such repairs.
- 260 (g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall
261 be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers
262 as the case may be shall immediately furnish the other party with particulars of any additional insurance effected,
263 including copies of any cover notes or policies and the written consent of the insurers of any such required
264 insurance in any case where the consent of such insurers is necessary.
- 265 (h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances
266 required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall
267 distribute the moneys between themselves and the Charterers according to their respective interests.
- 268 (i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged
269 by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.
- 270 (j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to
271 enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.
- 272 (k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-
273 clause 14(a), the value of the Vessel is the sum indicated in Box 29.
- 274 (l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if
275 applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in
276 Box 10 and maintain all other necessary certificates in force at all times.
- 277 **15. Redelivery - See Additional Clauses 42 (Redelivery) and 43 (Redelivery conditions).**
- 278 At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe
279 and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The
280 Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range
281 of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice
282 of expected date and port or place of redelivery.
- 283 Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.
- 284 The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding
285 ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel
286 within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within
287 the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per
288 cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is
289 exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.
- 290 Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good

PART II

- 291 structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class
292 excepted.
- 293 The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at
294 least the number of months agreed in Box 17.
- 295 **16. Non-Lien** - See also paragraph (z) (Negative pledge) of Additional Clause 47 (Charterers' undertakings)
- 296 The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their
297 agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further
298 agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period Agreement Term a notice
299 reading as follows:
- 300 "This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of
301 the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or
302 permit to be imposed on the Vessel any lien whatsoever."
- 303 **17. Indemnity**
- 304 (a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising
305 out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature
306 arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by
307 reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their
308 own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including
309 the provision of bail.
- 310 Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all
311 consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.
- 312 (b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners
313 shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released,
314 including the provision of bail.
- 315 In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred
316 by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.
- 317 **18. Lien**
- 318 The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any
319 sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on
320 the Vessel for all moneys paid in advance and not earned.
- 321 **19. Salvage**
- 322 All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing
323 damage occasioned thereby shall be borne by the Charterers.
- 324 **20. Wreck Removal**
- 325 In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the
326 Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence
327 of the Vessel becoming a wreck or obstruction to navigation.
- 328 **21. General Average**
- 329 The Owners shall not contribute to General Average.
- 330 **22. Assignment, Sub-Charter and Sale** - See Additional Clause 51 (Sub-chartering and assignment)
- 331 (a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior
332 consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and
333 conditions as the Owners shall approve.
- 334 (b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of
335 the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of
336 this Charter.
- 337 **23. Contracts of Carriage**
- 338 (a)* The Charterers are to procure that all documents issued during the Charter Period Agreement Term evidencing the terms and
339 conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation

PART II

340 relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the
341 documents shall incorporate the Hague-Visby Rules, the Hague Rules (or any successor thereto, including the Rotterdam Rules) or the
342 Hamburg Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

343 (b)* ~~The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of~~
344 ~~passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation~~
345 ~~relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such~~
346 ~~legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of~~
347 ~~Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~

348 *Delete as applicable.

349 24. Bank Guarantee

350 (Optional, only to apply if Box 27 filled in)

351 The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the
352 sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this
353 Charter.

354 25. Requisition/Acquisition

355 (a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority
356 (hereinafter referred to as "Requisition for Hire") irrespective of the date during the Charter Period Agreement Term when
357 "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite
358 or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the
359 Charter Period Agreement Term, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated
360 and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time
361 when the Charter would have terminated pursuant to any of the provisions hereof always provided however that
362 in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners
363 shall, in the absence of a Termination Event, be payable to the Charterers during the remainder of the Charter Period or the period of the
364 "Requisition for Hire" whichever be the shorter.

365 (b) ~~In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the~~
366 ~~Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as~~
367 ~~"Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory~~
368 ~~Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition".~~
369 ~~In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory~~
370 ~~Acquisition".~~

371 26. War

372 (a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act
373 of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines
374 (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades
375 (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or
376 against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or
377 the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous
378 to the Vessel, her cargo, crew or other persons on board the Vessel.

379 (b) ~~The Vessel, unless the written consent of the Owners be first obtained,~~ shall not continue to or go through any
380 port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that
381 the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners,
382 may be, or are likely to be, exposed to War Risks provided that if the Charterers have (at their costs) placed and will maintain the necessary
Insurances against the relevant War Risks in accordance with Additional Clause 41 (Insurance) and evidence of such insurance cover (or a
written confirmation from the relevant insurers and/or brokers that such insurance has or will, prior to the commencement of the relevant
voyage, become effective) has been provided to the Owners then such voyage shall be permitted hereunder. 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.

385 (c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed
386 on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or
387 against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject,
388 or is likely to be subject to a belligerent's right of search and/or confiscation.

PART II

389 (d) If the insurers of the war risks insurance, ~~when Clause 14 is applicable~~, should require payment of premiums
390 and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within,
391 any area or areas which are specified by such insurers as being subject to additional premiums because of War
392 Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as
393 the next payment of hire is due.

394 (e) The Charterers shall have the liberty:

395 (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in
396 convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which
397 are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or
398 group whatsoever acting with the power to compel compliance with their orders or directions;

399 (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the
400 authority to give the same under the terms of the war risks insurance;

401 (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of
402 the European Community, the effective orders of any other Supranational body which has the right to issue and
403 give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey
404 the orders and directions of those who are charged with their enforcement.

405 (f) ~~In the event of outbreak of war (whether there be a declaration of war or not)~~

406 ~~(i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom;~~
407 ~~France; and the People's Republic of China,~~

408 ~~(ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have~~
409 ~~the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance~~
410 ~~with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this~~
411 ~~Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has~~
412 ~~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~~
413 ~~the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all~~
414 ~~other provisions of this Charter shall apply until redelivery.~~

415 27. Commission

416 ~~The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid~~
417 ~~under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the~~
418 ~~actual expenses of the Brokers and a reasonable fee for their work.~~

419 ~~If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall~~
420 ~~indemnify the Brokers against their loss of commission.~~

421 ~~Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of~~
422 ~~commission but in such case the commission shall not exceed the brokerage on one year's hire.~~

423 28. Termination - See Additional Clauses 50 (Termination Events) and 53 (Total Loss)

424 (a) Charterers' Default

425 ~~The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter~~
426 ~~with immediate effect by written notice to the Charterers if:~~

427 ~~(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual~~
428 ~~payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers,~~
429 ~~the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as~~
430 ~~recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such~~
431 ~~number of days following the Owners' notice, the payment shall stand as regular and punctual.~~

432 ~~Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners'~~
433 ~~notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and~~
434 ~~terminate the Charter without further notice;~~

435 ~~(ii) the Charterers fail to comply with the requirements of:~~

436 ~~(1) Clause 6 (Trading Restrictions)~~

437 ~~(2) Clause 13(a) (Insurance and Repairs)~~

438 ~~provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a~~

PART II

439 specified number of days grace within which to rectify the failure without prejudice to the Owners' right to
440 withdraw and terminate under this Clause if the Charterers fail to comply with such notice;
441 (iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance
442 and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any
443 event so that the Vessel's insurance cover is not prejudiced.

444 (b) Owners' Default

445 If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that
446 the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14)
447 running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall
448 be entitled to terminate this Charter with immediate effect by written notice to the Owners.

449 (c) Loss of Vessel

450 This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive
451 or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be
452 lost unless she has either become an actual total loss or agreement has been reached with her underwriters in
453 respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is
454 not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

455 (d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party
456 in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or
457 bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver
458 is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or
459 composition with its creditors.

460 (e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to
461 the date of termination and to any claim that either party might have.

462 29. Repossession

463 In the event of the termination of this Charter in accordance with the applicable provisions of [Clause 28](#) ~~this Charter~~, the
464 Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at
465 a port or place convenient to them without hindrance or interference by the Charterers, courts or local
466 authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall
467 hold the Vessel as gratuitous bailee only to the Owners ~~and the Charterers shall procure that the master and crew follow the orders and~~
~~directions of the Owners. The Owners shall arrange for an authorised~~
468 ~~representative to board the Vessel as soon as reasonably practicable following the termination of the Charter.~~
469 The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the
470 Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages,
471 disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of
472 the Charterers.

473 30. Dispute Resolution

474 (a)* This Contract ~~and any non-contractual obligations arising from or in connection with it~~ shall ~~in all respects~~ be governed by and
475 ~~construed/interpreted~~ in accordance with English law and any dispute arising out of
476 or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration
477 Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the
provisions of this Clause.

478 The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA)
479 Terms current at the time when the arbitration proceedings are commenced.

480 The reference shall be to three arbitrators. ~~The arbitration proceedings shall be conducted in English.~~ A party wishing to refer a dispute to
arbitration shall appoint its
481 arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint
482 its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole
483 arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14
484 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within
485 the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further
486 prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly.
487 The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

488 Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the
489 appointment of a sole arbitrator.

PART II

490 In cases where neither the claim nor any counterclaim exceeds the sum of US\$5100,000 (or such other sum as the
491 parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure
492 current at the time when the arbitration proceedings are commenced.

493 ~~(b)* This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the~~
494 ~~Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be~~
495 ~~referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the~~
496 ~~two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any~~
497 ~~award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be~~
498 ~~conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

499 ~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the~~
500 ~~parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure~~
501 ~~of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

502 ~~(c)* This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by~~
503 ~~the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a~~
504 ~~mutually agreed place, subject to the procedures applicable there.~~

505 ~~(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference~~
506 ~~and/or dispute arising out of or in connection with this Contract.~~

507 ~~In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the~~
508 ~~following shall apply:~~

509 ~~(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation~~
510 ~~by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to~~
511 ~~mediation.~~

512 ~~(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they~~
513 ~~agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days,~~
514 ~~failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal~~
515 ~~("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted~~
516 ~~in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event~~
517 ~~of disagreement, as may be set by the mediator.~~

518 ~~(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and~~
519 ~~may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.~~

520 ~~(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers~~
521 ~~necessary to protect its interest.~~

522 ~~(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall~~
523 ~~continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account~~
524 ~~when setting the timetable for steps in the arbitration.~~

525 ~~(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in~~
526 ~~the mediation and the parties shall share equally the mediator's costs and expenses.~~

527 ~~(vii) The mediation process shall be without prejudice and confidential and no information or documents~~
528 ~~disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law~~
529 ~~and procedure governing the arbitration.~~

530 ~~(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)~~

531 ~~(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~~
532 ~~apply in all cases.~~

533 ~~*Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.~~

534 **31. Notices - [See Additional Clause 67 \(Notices\)](#)**

535 ~~(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex,~~
536 ~~registered or recorded mail or by personal service.~~

537 ~~(b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.~~

PART III

1. Specifications and Building Contract

(a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter signed as approved by the Charterers.

(b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.

(c) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.

(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.

Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies.

However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.

Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties.

The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2. Time and Place of Delivery

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the

PART III

- 54 Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and
55 deliver her to the Charterers;
- 56 (iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to
57 reject the Vessel from the Builders;
- 58 (iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be
59 liable to the Charterers for any claim under or arising out of this Charter or its termination.
- 60 (d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a
61 claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared
62 equally between the parties.
- 63 **3. Guarantee Works**
- 64 If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be
65 performed in accordance with the building contract terms, and hire to continue during the period of guarantee
66 works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.
- 67 **4. Name of Vessel**
- 68 The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be
69 painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.
- 70 **5. Survey on Redelivery**
- 71 The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing
72 the condition of the Vessel at the time of redelivery.
- 73 Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any,
74 including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall
75 also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be
76 paid at the rate of hire per day or pro rata.

PART IV

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.

In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.

In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.

The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.

The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.

The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.

The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.

PART V

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.

CONTECTS

	Page
32. Definitions	3
33. Interpretations	20
34. MOA, Quiet Enjoyment Agreement	22
35. Delivery	22
36. Conditions precedent	23
37. Bunkers and luboils	26
38. Further maintenance and operation	26
39. Structural changes and alterations	27
40. Hire	28
41. Insurance	34
42. Redelivery	40
43. Redelivery conditions	41
44. Owners' mortgage	42
45. Diver's inspection at redelivery	43
46. Charterers' representations and warranties	44
47. Charterers' undertakings	47
48. Earnings Account	54
49. Value maintenance	54
50. Termination Events	56
51. Sub-chartering and assignment	62
52. Purchase Option, Purchase Obligation and transfer of title	62
53. Total Loss	66
54. Fees and expenses	66
55. Stamp duties, Taxes	67
56. Operational notifiable events	67
57. Further indemnities	68
58. Set-off	70
59. Further assurances and undertakings	70
60. Cumulative rights	70
61. Day count convention	70
62. No waiver	70
63. Entire agreement	70
64. Invalidity	70
65. English language	71
66. No partnership	71

67.	Notices	71
68.	Conflicts	72
69.	Survival of Charterers' obligations	72
70.	Counterparts	72
71.	Confidentiality	72
72.	Third Parties Act	72
73.	Waiver of immunity	73
74.	FATCA	73
SCHEDULE 1 RELATED VESSELS AND RELEVANT INFORMATION		76
SCHEDULE 2 FORM OF PROTOCOL OF DELIVERY AND ACCEPTANCE		77
SCHEDULE 3 FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE		78
SCHEDULE 4 PERCENTAGE FOR CALCULATING PURCHASE OPTION FEE AND PREPAYMENT FEE		79
SIGNATURE PAGE		80

ADDITIONAL CLAUSES
TO BAREBOAT CHARTER FOR
THE LNG CARRIER
NAMED "OB RIVER"

32. Definitions

In this Charter:

"2018 Withdrawal Act" means the European Union (Withdrawal) Act 2018.

"2020 Withdrawal Act" means the European Union (Withdrawal Agreement) Act 2020.

"Account Bank" means UBS AG (or such other bank or financial institution as the Owners may approve);

"Account Charge" means the account charge over the Earnings Account and all amounts from time to time standing to the credit to the Earnings Account from the Charterers in favour of the Security Trustee.

"Actual Delivery Date" means the date of delivery of the Vessel by the Owners to the Charterers under this Charter.

"Actual Owners' Costs" means the Purchase Price (as defined in the MOA).

"Affiliate" means, in relation to any entity, a Subsidiary of that entity, a Holding Company of that entity or any other Subsidiary of that Holding Company.

"Agreed Charter Period" means the period of sixty (60) months commencing from the Actual Delivery Date.

"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 Obligors 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 Obligors of any nature to the Owners or otherwise in connection with the Transaction Documents or with the Vessel remain unperformed or undischarged excluding, for the avoidance of doubt, any obligations included in the definition of "Indebtedness" in any Transaction Document expressed to be owed in respect of the Related Vessels rather than the Vessel.

"Applicable Rate" means, subject to Clause 40(o) (*Cost of funds*), for any Hire Period, the Reference Rate applicable to that Hire Period.

"Approved Manager" in relation to the Vessel, means the Dynagas Manager or any other internationally recognised and reputable management company with the prior written consent of the Owners (acting reasonably) and appointed by the Charterers.

"Approved Valuer" means each of Clarkson Platou, Fearnleys LNG, Braemar, Nordic Shipping, Poten & Partners and Associated Shipbrokers Monaco.

"Arrangement Fee" has the meaning given to such term in paragraph (a) (*Arrangement fee*) of Clause 54 (*fees and expenses*).

"Assigned Documents" means together, Initial Time Charter and the Replacement Time Charter, and **"Assigned Document"** means either one (1) of them.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Balloon" has the meaning given to such term in paragraph (a) of the definition of **"Purchase Obligation Price"** as set out below.

"Break Costs" means all costs, losses, premiums or penalties (excluding the Margin) incurred by the Owners (including any hedging or swap-related costs) as a result of the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the original due date for payment of the sum in question, or as a result of the Termination Sum or the Purchase Option Price being paid, or as a result of the relevant payment made by the Charterers under Clause 49(c)(ii)(B), or as a result of the relevant payment made by the Charterers under Clause 40(p).

"Breakfunding Gain" means all additional amounts received by the Owners as a result of the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the original due date for payment of the sum in question, or as a result of the Termination Sum or the Purchase Option Price being paid, or as a result of the relevant payment made by the Charterers under Clause 49(c)(ii)(B), or as a result of the relevant payment made by the Charterers under Clause 40(p).

"Business Day" means:

- (a) (in relation to the determination of the Actual Delivery Date) a day (other than a Saturday or Sunday) on which banks are open for general business in Marshall Islands; and
- (b) in any other cases, a day (other than a Saturday or Sunday) on which banks are open for general business in Athens, Hong Kong, New York and Shanghai.

"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 any relevant person or entity or to any jurisdiction where activities of such relevant person or entity are performed and which shall include: (i) the United Kingdom Bribery Act 2010, (ii) the United States Foreign Corrupt Practices Act 1977 and (iii) any United States, United Nations or European Union sanctions.

"Change of Control" occurs at any time if:

- (a) the Charterers cease to be a direct wholly-owned Subsidiary of the Shareholder; and/or
- (b) the Charter Guarantor (i) ceases to own (legally and/or beneficially, directly and/or indirectly) 100% of total share capital, total common partnership interest or units or the total limited liability company interest (as the case may be) in the Shareholder or the Charterers; and/or (ii) ceases to have the ability to control, either directly or indirectly, the affairs or composition of the majority of the board of directors or board of managers or single manager or sole member (as the case may be) of the Shareholder or the Charterers; and/or
- (c) any person (i) owns (legally and/or beneficially, directly and/or indirectly) a higher percentage of the total common partnership interest or units in the Charter Guarantor than Dynagas Holding Ltd; and/or (ii) has the ability to control, either

directly or indirectly, the affairs or composition of the majority of the board of directors or the board of managers of the Charter Guarantor; and/or

- (d) No Permitted Holder is a member of the board of managers and/or the Chairman of the board of managers of the Charter Guarantor; and/or
- (e) Dynagas GP LLC ceases to be the general partner of the Charter Guarantor; and/or
- (f) Permitted Holders (i) cease to control, directly or indirectly, the affairs or the composition of the board of directors or board of managers (or equivalent, as applicable) of Dynagas GP LLC or Dynagas Holding Ltd or the Dynagas Manager; and/or (ii) cease to own (legally and/or beneficially, directly and/or indirectly) 100% of the total limited liability company interest of Dynagas GP LLC.

"Charter Guarantee" means the guarantee and indemnity made or to be made by the Charter Guarantor in favour of the Owners in respect of the Charterers' obligations under the Transaction Documents.

"Charter Guarantor" means Dynagas LNG Partners LP, a limited partnership formed under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"Charter Period" means, subject to paragraph (i) (*Illegality*) of Clause 40 (*Hire*), Clause 50 (*Termination Events*), paragraph (a) Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) and Clause 53 (*Total Loss*), the Agreed Charter Period.

"Charterers Group" means, collectively, the Charterers and the Charter Guarantor.

"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 relation to certain of the Charterers' rights and interest in and to (amongst other things) (a) the Earnings, (b) the Insurances, (c) the Requisition Compensation and (d) the Assigned Documents.

"Classification Society" means the vessel classification society referred to in Box 10 (*Classification Society*) of this Charter, or such other reputable classification society which the Owners may approve from time to time.

"Core Obligors" means the Charterers, the Charter Guarantor and (during the Pre-Delivery Period) the Sellers, and **"Core Obligor"** means any one of them.

"Cost Balance" means, at any relevant time during the Agreement Term, an amount equal to the aggregate of the Actual Owners' Costs as may be reduced by payment, prepayment, or deemed payment of Fixed Hire or Cost Balance pursuant to paragraph (a) of Clause 40 (*Hire*), Clause 40(p) or Clause 49(c)(ii)(B).

"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 the Charterers to the Owners under all or any of the Transaction Documents.

"Default Termination" means a Termination pursuant to the provisions of Clause 50 (*Termination Events*).

"Dynagas Manager" means Dynagas Ltd., a company incorporated under the laws of The Republic of Liberia whose registered office is at 80 Broad Street, Monrovia, Liberia.

"Earnings" means:

- (a) all hires, freights and other sums payable to or for the account of the Charterers in

respect of the Vessel including (without limitation) all earnings received or to be received from any Sub-Charter, 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; and

- (b) whenever the Vessel is employed on terms whereby any moneys falling within (i) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangements which is attributable to the Vessel.

"Earnings Account" means the US Dollar account in the name of the Charterers (with account number 73181594372000 opened with the Account Bank, 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.

"Emissions Legislation" means:

- (a) the EU-ETS Regulations; and
- (b) any other laws, directives or regulations to which the Owners or the Charterers are subject in respect of greenhouse gas emissions (including any related emissions trading schemes),

as amended from time to time and in each case as applicable to the Owners or the Charterers.

"Encumbrance" means a mortgage, charge, assignment, pledge, lien, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Environmental Approvals" means any present or future permit, licence, approval, ruling, variance, exemption or other Authorisation required under the applicable Environmental Law.

"Environmental Claim" means any claim, proceeding or investigation by any person in respect of any Environmental Law.

"Environmental Incident" means:

- (a) any release, emission, spill or discharge from the Vessel or into or upon the air, sea, land or soils (including the seabed) or surface water of Environmentally Sensitive Material within or from the Vessel in connection with which the Vessel is actually or reasonably likely to be potentially liable to be arrested, attached, detained or injuncted and/or the Vessel and/or the Charterers and/or the Approved Manager is at fault or allegedly at fault or otherwise reasonably likely to be liable to any legal or administrative action; or
- (b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water from a vessel other than the Vessel and which involves a collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, in connection with which the Vessel is actually arrested, attached, detained or injuncted and/or the Vessel and/or the Charterers and/or any Approved Manager of the Vessel is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or

- (c) any other incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water otherwise than from the Vessel and in connection with which the Vessel is actually arrested and/or the Charterers and/or any Approved Manager 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 applicable law and regulation in any applicable jurisdiction in which the Charterers and/or Approved Manager conducts business which relates to the pollution or protection of the environment (to the extent relating to exposure to Environmentally Sensitive Material) or harm to or the protection of human health or the health of animals or plants (to the extent relating to exposure to Environmentally Sensitive Material).

“Environmentally Sensitive Material” means (i) oil and oil products and (ii) any other waste, pollutant, contaminant or other toxic substance (including any chemical, gas or hazardous or noxious substance) that is harmful to human health or other life or the environment.

“EU ETS Mandate Letter” means the mandate letter in respect of the Vessel addressed to the relevant entities charged with administering compliance with Emissions Legislation and duly executed by the Owners and the Dynagas Manager, mandating the Dynagas Manager as the party required to comply with and be responsible for compliance with the Emissions Legislation 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 (the **“Implementing Regulation”**) 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.

“EUR”, “€” and “euro” denote the single currency of the Participating Member States.

“Fair Market Value” means the fair market value of the Vessel ascertained in accordance with paragraph (b) (*Valuations*) of Clause 49 (*Value maintenance*).

“FATCA Deduction” has the meaning given to such term in Clause 74 (*FATCA*).

“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 financing or refinancing all or any part of the Actual Owners' Costs and/or any “Actual Owners' Costs” under any Related Charter.

“Finance Party” means any bank or financial institution which is or will be party to a Finance Document (other than the Owners, the Related 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.

"Finance Party Quiet Enjoyment Agreement" means, in relation to the Vessel, either:

- (a) an agreement which the Finance Parties and the Owners (or, if any, their authorised agent on their behalf) shall execute in favour of the Charterers (or, as the context may require, a Sub-Charterer), such agreement to be in a form reasonably acceptable to the Charterers (or, as the context may require, the relevant Sub-Charterer) and the Finance Parties, or
- (b) the relevant Quiet Enjoyment Agreement as acceded to by the Finance Parties.

"Financial Half-Year" means, in respect of the Charterers and the Charter Guarantor, their interim semi-annual accounting period ending on 30 June in any calendar year that falls within the Agreement Term.

"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 obligations under any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including any actual amount is due as a result of the termination or close-out of that derivative transaction);
- (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 Year" means, in respect of the Charterers and the Charter Guarantor, their annual accounting period ending on 31 December in each calendar year during the Agreement Term.

"Fifth Anniversary Date" means the date falling 60 months after the Actual Delivery Date.

"First Anniversary Date" means the date falling 12 months after the Actual Delivery Date.

"Fixed Hire" has the meaning given to such term under paragraph (a)(i) of Clause 40 (*Hire*).

"GAAP" means generally accepted accounting principles in the United States of America or

IFRS.

“**Hire**” means each or any combination or aggregate of (a) Fixed Hire and (b) Variable Hire.

“**Hire Payment Date**” means the last day of each and any Hire Period.

“**Hire Period**” means each and every three (3)-month period during the Charter Period, the first Hire Period to commence on the Actual Delivery Date and each successive Hire Period to commence on the last day of the immediately previous Hire Period **provided that** if a Hire Period would otherwise extend beyond the last day of the Charter Period, then such Hire Period shall end on the last day of the Charter Period, and, in relation to an Unpaid Sum, each period determined in accordance with Clause 40(g) (*Default interest*).

“**Holding Company**” means, in relation to any entity, any other entity in respect of which it is a Subsidiary.

“**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).

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

“**Indemnitee**” has the meaning given to such term in Clause 57 (*Further indemnities*).

“**Initial Charter Quiet Enjoyment Agreement**” means in relation to the Initial Time Charter, the quiet enjoyment deed made or to be made between (a) the Owners (as lessor),

(b) the Charterers (as lessee), and (c) the Initial Time Charterer, in such form as agreed between the parties thereto.

“**Initial Time Charter**” means the time charter dated 24 March 2016 and made between the Charterers (as owner) and the Initial Time Charterer (as charterer) in respect of the chartering of the Vessel, as may be amended, supplemented, extended, novated and/or replaced from time to time.

“**Initial Time Charterer**” means SEFE Marketing & Trading Singapore Pte. Limited (formerly known as “Gazprom Marketing & Trading Singapore Pte. Ltd.”) of 10 Collyer Quay #10-01 Ocean Financial Centre, Singapore, 049315.

“**Innocent Owners’ Interest Insurances**” means all policies and contracts of innocent owners’ interest insurance and innocent owners’ additional perils (oil pollution) 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.

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

(a) either

(A) the applicable Term SOFR (as of the relevant Specified Time) for the longest period (for which Term SOFR is available) which is less than three (3) months; or

- (B) if no such Term SOFR is available for a period which is less than three (3) months, Overnight SOFR for the day which is two (2) US Government Securities Business Days before the relevant Variable Hire Determination Date; and
- (b) the applicable Term SOFR (as of the relevant Specified Time) 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).

"ISM Company" means, at any given time, the company responsible for the Vessel's compliance with the ISM Code under paragraph 1.1.2 of 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).

"ISPS Company" means, at any given time, the company responsible for the Vessel's compliance with the ISPS Code.

"ISSC" means a valid international ship security certificate for the Vessel 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 Act 1980 and the Foreign Limitation Periods Act 1984;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and;
- (d) any reservations as to matters of law (but excluding at all times any reservations or qualifications as to matters of fact) referred to in the legal opinions delivered to the Owners under Clause 36 (*Conditions precedent*) of this Charter.

"Long Stop Date" has the meaning given to such term in the MOA.

"Major Casualty Amount" means three million US Dollars (US\$3,000,000) or the equivalent in any other currency or currencies.

"Management Agreement" means, in relation to the Vessel and if applicable, the technical and/or commercial ship management agreement executed or to be executed (as the case may be) between the Approved Manager and the Charterers.

"Manager's Undertaking" means, in relation to the Vessel, the deed of undertaking executed or to be executed by the Approved Manager in favour of the Owners and the Security Trustee.

"Margin" means two point one per cent. (2.1%) per annum.

"Market Disruption Rate" means the percentage rate per annum which is the Reference Rate.

"MARPOL" means the International Convention for the Prevention of Pollution from Ships adopted by the International Maritime Organisation (as the same may be amended, supplemented or superseded from time to time).

"Material Adverse Effect" means a material adverse change in, or a material adverse effect on:

- (a) the business, financial condition or operations of the Obligors; or
- (b) the validity, legality or enforceability of the Transaction Documents; or
- (c) the ability of any Obligor to perform its obligations under any Transaction Document,

which adversely affects the ability of each of the Obligors to perform its respective obligations under the Transaction Documents to which it is a party.

"MOA" has the meaning given to such term in Clause 34 (*MOA, Quiet Enjoyment Agreement*).

"Mortgagees' Interest Insurances" means all policies and contracts of mortgagees' interest insurance and mortgagees' additional perils (oil pollution) insurance from time to time taken out by the Finance Parties in relation to the Vessel.

"Necessary Authorisations" means all Authorisations of any person including any government or other regulatory authority required by applicable law to enable it to:

- (a) lawfully enter into and perform its obligations under the Transaction Documents to which it is party;
- (b) ensure the legality, validity, enforceability or admissibility in evidence in England and, if different, its jurisdiction of incorporation, of such Transaction Documents to which it is party; and
- (c) carry on its business from time to time.

"Negative Share Pledge" means the negative pledge over all issued shares of the Charterers executed or (as the case may be) to be executed by the Shareholder in favour of the Owners.

"Net Sale Proceeds" means the proceeds of a sale of the Vessel received, net of any reasonable and documented fees, commissions, costs, disbursements or other expenses incurred by the Owners as a result of the Owners arranging the proposed sale.

"Obligors" means, together:

- (a) (during the Pre-Delivery Period) the Sellers;
- (b) the Charterers;
- (c) the Dynagas Manager;
- (d) the Shareholder;

- (e) the Charter Guarantor; and
 - (f) and any person designated as such by the Owners and the Charterers from time to time),
- and in each case an “**Obligor**”.

“**Owners’ Account**” has the meaning given to such term in paragraph (d) (*Payment account information*) of Clause 40 (*Hire*).

“**Overnight SOFR**” means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

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

“**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 Protocol of Delivery and Acceptance*) hereto.

“**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.

“**Permitted Holder**” means Mr. George Prokopiou (being the Chairman of the board of managers of the Charter Guarantor as at the date of this Charter) and any of his direct lineal descendants.

“**Permitted Encumbrance**” means:

- (a) any Encumbrance created or to be created in accordance with the Security Documents;
- (b) liens for unpaid master’s and crew’s wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime practice;
- (c) liens for salvage;
- (d) liens for master’s disbursements incurred in the ordinary course of trading;
- (e) any other liens securing obligations incurred in the ordinary course of trading and/or operating the Vessel and not more than sixty (60) days overdue;
- (f) any Encumbrance created or to be created by the Owners in favour of the Finance Parties in accordance with the relevant Finance Documents (but subject to any Finance Party Quiet Enjoyment Agreement);
- (g) other liens arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Vessel where the Charterers are contesting the claim giving rise to such lien in good faith by appropriate steps and for the payment of which adequate reserves have been made in case the Charterers finally have to pay such claim so long as any such proceedings shall not, and may reasonably be considered unlikely to lead to the arrest, sale, forfeiture or loss of the Vessel, or any interest in the Vessel;
- (h) Encumbrances arising by operation of law in respect of Taxes which are not

overdue for payment or Taxes which are overdue for payment but which are being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made so long as any such proceedings or the continued existence of such Encumbrance shall not and may reasonably be considered unlikely to lead to the arrest, sale, forfeiture or loss of the Vessel, or any interest in the Vessel; and

(i) any Encumbrance which has the prior written approval of the Owners.

"Potential Termination Event" means an event or circumstance which, with the expiry of any permitted grace period, the giving of any notice, the lapse of time or any combination of the foregoing is a Termination Event.

"Pre-Approved Flag" means Marshall Islands.

"Pre-Delivery Period" has the meaning given to such term in the MOA.

"Prepaid Amount" has the meaning given to such term in Clause 40(p).

"Prepayment Fee" means an amount that is calculated by multiplying (x) the Prepaid Amount by (y) the percentage applicable to the relevant period in which the Purchase Option Date falls, as set out in Schedule 4 (*Percentage for calculating Purchase Option Fee and Prepayment Fee*).

"Purchase Obligation" means the Charterers' obligation to purchase the Vessel at the applicable Purchase Obligation Price in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Obligation Price" means the amount due and payable by the Charterers to the Owners pursuant to paragraph (c) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*), being the aggregate of:

- (a) an amount (the **"Balloon"**) which is twenty per cent (20%) of the Actual Owners' Costs;
- (b) any difference by which the then current Cost Balance exceeds the Balloon;
- (c) any Variable Hire accrued and remains unpaid, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (d) Break Costs (if any) net of Breakfunding Gain (if any);
- (e) any costs and expenses (including legal fees) reasonably incurred or suffered by the Owners as a result of the implementation of the Purchase Obligation;
- (f) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (g) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Purchase Option" means the option to purchase the Vessel at the applicable Purchase Option Price which the Charterers may exercise in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Date" has the meaning given to such term in paragraph (a) of Clause

52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Fee" means an amount that is calculated by multiplying (x) the then current Cost Balance by (y) the percentage applicable to the relevant period in which the Purchase Option Date falls, as set out in Schedule 4 (*Percentage for calculating Purchase Option Fee and Prepayment Fee*).

"Purchase Option Notice" has the meaning given to such term in paragraph (a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Price" means the aggregate of:

- (A) (where the Purchase Option is exercised pursuant to Clause 52(g) and the Purchase Option Date falls on or after the First Anniversary Date, or where the Purchase Option is exercised other than pursuant to Clause 44(iv), Clause 52(g) or Clause 52(h)) the applicable Purchase Option Fee;
- (B) the then current Cost Balance;
- (C) any Variable Hire accrued and remains unpaid, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (D) (if the Purchase Option Date does not fall on a Hire Payment Date) Break Costs (if any) net of Breakfunding Gain (if any);
- (E) any reasonable and documented costs and expenses (including legal fees) incurred or suffered by the Owners as a result of the implementation of the Purchase Option (excluding any costs and expenses (including legal fees) incurred or suffered by the Owners under the Finance Documents as a result of the implementation of the Purchase Option);
- (F) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (G) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Quiet Enjoyment Agreement" means any one (1) of the following:

- (a) in relation to the Initial Time Charter, the Initial Charter Quiet Enjoyment Agreement; or
- (b) in relation to the Replacement Time Charter, such quiet enjoyment agreement as may be required by the Replacement Time Charter; or
- (c) if any such quiet enjoyment agreement is replaced by a Finance Party Quiet Enjoyment Agreement, that Finance Party Quiet Enjoyment Agreement,

and **"Quiet Enjoyment Agreements"** means any two (2) or more of them.

"Relevant Jurisdictions" means, in relation to an Obligor:-

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to any

Encumbrance to be created by it pursuant to the relevant Security Document is situated;

- (c) any jurisdiction where it is licensed to conduct its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"Reference Rate" means, in relation to a Hire Period,

- (i) the Term SOFR as of the relevant Specified Time and for a period of three (3) months; or
- (ii) as otherwise determined pursuant to Clause 40(m) (*Unavailability of Term SOFR*),

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

"Related Charter" means, in relation to each Related Vessel, a bareboat charter (as the same may be amended, supplemented, extended, replaced and/or novated from time to time) entered into between the relevant Related Owners (as owners) and the relevant Related Charterers (as bareboat charterers), as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related Charterers" means, in relation to each Related Vessel, her charterers as listed under the column headed "Related Charterers", as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related MOA" means, in relation to each Related Vessel, the memorandum of agreement pursuant to which the relevant Related Owners acquired or will acquire title (as the case may be) to that Related Vessel.

"Related Obligor" means any "Obligor" as defined in any Related Charter.

"Related Owners" means, in relation to each Related Vessel, her owner as listed under the column headed "Related Owners", as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related Vessel" means each vessel listed in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related Vessel Total Loss Proceeds Surplus" means the "Vessel Total Loss Proceeds Surplus" defined in any Related Charter and paid to the Owners by the relevant Related Owners pursuant to clause 53(d) of that Related Charter.

"Relevant Documents" means, together, the Transaction Documents, any Assigned Document and any EU ETS Mandate Letter.

"Relevant Party" means each of the Obligors and the parties to the Relevant Documents (other than the Owners, the Related Owners, any Finance Party and the Account Bank).

"Repeating Representations" means the representations and warranties referred to in Clause 46 (*Charterers' representations and warranties*), save in respect of sub-clauses (x), (xi), (xii), (xiii), (xviii), (xxi), (xxii), (xxiii), (xxiv) and (xxv).

"Replacement Time Charter" has the meaning given to such term in Clause 50(a)(xxiii)(B).

"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 Party" means a person or entity that is (a) listed on, or fifty per cent. (50%) owned or controlled by a person listed on any Sanctions List; or (b) a national of, located in, incorporated under the laws of, or fifty per cent. (50%) or more owned or (directly or indirectly) controlled by a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions.

"Sanctions" means the economic sanction laws, regulations, embargoes or restrictive measures administered, enacted or enforced by: (a) the United States government; (b) the United Nations; (c) the European Union; (d) the United Kingdom; (e) the People's Republic of China or (f) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("**OFAC**"), the United States Department of State and His Majesty's Treasury ("**HMT**"); (together, the "**Sanctions Authorities**").

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by the OFAC, the Consolidated List of Financial Sanctions Targets 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 the following:

- (a) the Account Charge;
- (b) the Charterers' Assignment;
- (c) the Charter Guarantee;
- (d) the Negative Share Pledge;
- (e) the Manager's Undertaking;
- (f) the Security Trust Deed; and
- (g) any other document that may at any time be executed by any person creating, evidencing or perfecting any Encumbrance to secure all or part of the Obligors' obligations under or in connection with the Transaction Documents,

and "**Security Document**" means any one of them.

"Security Trust Deed" means the deed executed or to be executed by the Security Trustee, the Owners, the Related Owners, the Charterers, the Related Charterers and the Approved Manager.

"Security Trustee" means Tianjin Color-IV Leasing Limited.

"Sellers" means the Shareholder in its capacity as sellers in respect of the Vessel under the MOA.

"Settlement Date" means, following a Total Loss of the Vessel, the earlier of:

- (a) the date which falls one hundred and eighty (180) 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.

"Shareholder" means Arctic LNG Carriers Ltd., a corporation incorporated under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"SMC" means a valid safety management certificate issued for the Vessel by or on behalf of the Administration under paragraph 13.7 of the ISM Code.

"Specified Time" means, in relation to any Hire Period, the Variable Hire Determination Date prior to 5:00 p.m. (New York time).

"Sub-Charter" means any one of:

- (a) the Initial Time Charter; and
- (b) the Replacement Time Charter. **"Sub-Charterer"** means any one of:
 - (a) the Initial Time Charterer; and
 - (b) the charterer under the Replacement Time Charter.

"Subsidiary" means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

"Tax" or **"tax"** means 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"**, **"taxes"**, **"Taxation"** and **"taxation"** shall be construed accordingly.

"Tax Payment" means either the increase in a payment made by the Charterers to the Owners under paragraph (ii) of Clause 40 (*Hire*) or a payment by the Charterers under paragraph (n) of Clause 47 (*Taxation*).

"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" means the termination at any time of the chartering of the Vessel under this Charter.

"Termination Event" means each of the events specified in paragraph (a) of Clause 50 (*Termination Events*).

"Termination Notice" has the meaning given to such term in (as the context may require):

- (a) paragraph (i) (*Illegality*) of Clause 40 (*Hire*); and
- (b) paragraph (c) of Clause 50 (*Termination Events*).

"Termination Payment Date" means, as the context may require:

- (a) in respect of a Termination in accordance with paragraph (i) (*Illegality*) of Clause 40 (*Hire*), the date specified as such in the Termination Notice served on the Charterers pursuant to that Clause;
- (b) in respect of a Default Termination, the date specified in the Termination Notice served on the Charterers pursuant to paragraph (c) of Clause 50 (*Termination Events*) in respect of such Default Termination; and
- (c) 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 Termination prior to the expiry of the Agreed Charter Period (other than by virtue of the Charterers exercising the Purchase Option in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*)), 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)
 - (i) (if the Termination occurs on or after the Actual Delivery Date but before the First Anniversary Date) an amount equivalent to one hundred and two per cent (102%) of the then current Cost Balance;
 - (ii) (if the Termination occurs on or after the First Anniversary Date but before the Third Anniversary Date) an amount equivalent to one hundred and one point five per cent (101.5%) of the then current Cost Balance;
 - (iii) (if the Termination occurs on or after the Third Anniversary Date) an amount equivalent to then current Cost Balance;
- (b) any Variable Hire accrued before the relevant Termination Payment Date and which remains unpaid at such Termination Payment Date, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (c) Break Costs (if any) net of Breakfunding Gain (if any);
- (d) any documented costs and expenses (including legal fees) incurred or suffered by the Owners as a result of the Termination (including any costs and expenses (including legal fees) incurred or suffered by the Owners under the Finance Documents as a result of the Termination);
- (e) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (f) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Third Anniversary Date" means the date falling 36 months after the Actual Delivery Date.

"Third Parties Act" means the Contracts (Rights of Third Parties) Act 1999.

"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 3 (*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;
- (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);
- (c) the capture, seizure, arrest, detention, 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 thirty (30) days after the capture, seizure, arrest, detention, hijacking, theft, condemnation as prize, confiscation or forfeiture in question, or in the case of piracy, the shorter of (i) twelve (12) months and (ii) such period as stipulated in the relevant insurance policy (which period according to the policy has to expire in order for there to be a total loss of the Vessel as a result of piracy),

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 pursuant to the provisions of paragraph (a) of Clause 53 (*Total Loss*).

"Transaction Documents" means, together, this Charter, the MOA, the Security Documents, any Quiet Enjoyment Agreement, any Finance Party Quiet Enjoyment Agreement, and such other documents as may be designated as such by the Owners and the Charterers 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.

"US Government Securities Business Day" means a day other than:

- (a) a Saturday or Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"US Tax Obligor" means a person:

- (a) which is resident for tax purposes in the United States of America; or
- (b) some or all of whose payments under the Relevant Documents are from sources

within the United States for United States federal income tax purposes.

"Valuation Report" means, in relation to the Vessel, a desktop valuation report (without physical inspection) addressed to the Owners from an Approved Valuer on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer.

"Variable Hire" has the meaning given to such term under paragraph (a)(ii) of Clause 40 (*Hire*).

"Variable Hire Determination Date" means, in relation to a Hire Period, the date falling five (5) US Government Securities Business Days prior to the first day of such Hire Period.

"Vessel" means the LNG carrier named "Ob River" with IMO number 9315692 as more particularly described in Boxes 5 (*Vessel's name, call sign and flag*) to 10 (*Classification Society*) of this Charter.

33. Interpretations

(a) In this Charter, unless the context otherwise requires, any reference to:

- (i) this Charter includes 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;
- (iv) the **"Owners"**, the **"Charterers"**, any **"Obligor"**, the **"Related Owners"**, the **"Related Charterers"**, the **"Charter Guarantor"**, any **"Relevant Party"** 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) **"control"** over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the cast of, more than fifty per cent. (50%), of the maximum number of votes that might be cast at a general meeting of such company;
 - (B) appoint or remove all, or the majority of the directors or other equivalent officers of such company; or
 - (C) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;
- (vii) 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' bank at or about 11:00 a.m. (Beijing time) 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 purpose of the first currency with the second currency for delivery and value on such date;

- (viii) "**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;
 - (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) "**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;
 - (xi) 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;
 - (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 Clubs, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02 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 or a Termination Event which is "**continuing**" is a reference to (respectively) a Potential Termination Event or Termination Event which 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. MOA, Quiet Enjoyment Agreement

MOA

- (a) By a memorandum of agreement (the "**MOA**") of even date herewith made between the Owners (as buyers thereunder) and the Sellers (as sellers thereunder), the Owners have agreed to purchase and the Sellers have agreed to sell the Vessel subject to the terms and conditions therein.
- (b) Accordingly the parties hereby agree that the Owners' obligations to charter the Vessel to the Charterers under this Charter are subject to the effective transfer of ownership of the Vessel to the Owners pursuant to the MOA.

Quiet Enjoyment Agreement

- (c) 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 Agreement or any Finance Party Quiet Enjoyment Agreement (as applicable)) will:
- (i) provided that no Termination Event has occurred and is continuing, interfere with the Charterers' quiet use and possession of the Vessel throughout the Charter Period; or
- (ii) fail to transfer title to the Vessel to the Charterers or their nominee when obliged to do so by the terms of this Charter.

35. Delivery

- (a) **Owners' conditions** The obligation of the Owners to charter the Vessel to the Charterers pursuant to this Charter shall be subject to the following conditions:
- (i) delivery of the Vessel by the Sellers (as sellers) to the Owners (as buyers) pursuant to the terms of the MOA;
- (ii) the Owners obtaining full title to the Vessel pursuant to the terms of the MOA;
- (iii) no Termination Event or Potential Termination Event having occurred which is continuing on or prior to the date of this Charter or the Actual Delivery Date;
- (iv) the Repeating Representations being true and correct on the date of this Charter and the Actual Delivery Date;
- (v) the Actual Delivery Date falling on or before the Long Stop Date (or such later date as may be agreed between the Owners (as buyer under the MOA) and the Sellers); and
- (vi) the Owners having received the documents and evidence referred to in Clause 36 (*Conditions precedent*), in each case in all respects in form and substance satisfactory to them on or before the Actual Delivery Date.
- (b) **Delivery and acceptance** Provided that the conditions referred to in paragraph (a) 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;
 - (ii) the Charterers shall take delivery of the Vessel from the Owners under this Charter (such delivery to be conclusively evidenced by a duly executed PDA) simultaneously with the acceptance of delivery of the Vessel by the Owners from the Sellers pursuant to the MOA;
 - (iii) the Charterers will accept the Vessel:
 - (A) on an "as is where is" basis in exactly the same form and state as the Vessel is delivered by the Sellers to the Owners pursuant to the MOA; and
 - (B) in such form and state with any faults, deficiencies and errors of description; and
 - (C) for the avoidance of doubt, no underwater inspection shall be performed at the time of commencement of the Charter Period on the basis that any repairs required at the next scheduled dry-docking are the responsibility of the Charterers; and
 - (iv) 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 (as buyers) from the Sellers (as sellers) pursuant to the MOA; and
 - (v) the Charterers shall have no right to refuse acceptance of delivery of the Vessel under this Charter if the Vessel is delivered to the Owners pursuant to the MOA, notwithstanding and without prejudice to the foregoing, the Owners and the Charterers each agree to enter into and execute the PDA on delivery of the Vessel under this Charter.
- (c) **No representation or warranty from Owners** 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. The Charterers 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, or arising out of design, materials, workmanship, construction, quality, classification, condition, operation, performance, capacity of the Vessel, fitness for use of the Vessel and the chartering thereof under this Charter (including, without limitation, in respect of the seaworthiness, merchantability or eligibility for particular trade or operation or otherwise of the Vessel).
- (d) **No liability from Owners** In particular, and without prejudice to the generality of paragraph (c) 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 (d), "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

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 the following documents and evidence (in each case in form and substance acceptable to the Owners) on or before the Actual Delivery Date:

- (a) an original of each of the following:
 - (i) the duly executed Charter;
 - (ii) the other duly executed Transaction Documents (other than any Quiet Enjoyment Agreement and any Finance Party Quiet Enjoyment Agreement), together with all documents required by any of them other than:
 - (A) the acknowledgements from the Sub-Charterers of the notices of assignment given pursuant to the Charterers' Assignment; and
 - (B) the letters of undertaking in respect of the Insurances required under the Charterers' Assignment;
- (b) certified true copies of the constitutional documents (or equivalent documents) (and all amendments thereto) of each Obligor and any other documents required to be filed or registered or issued under the laws of their jurisdiction of incorporation to establish their incorporation;
- (c) certified true copies of written resolutions or (as the case may be), resolutions passed at separate meetings, in each case, of the board of directors and (if required by any legal advisor to the Owners) shareholders of each Obligor (or its sole member or general partners), in each case evidencing their respective approvals of the Transaction Documents and authorising appropriate officers or attorneys to execute the same and to sign all notices required to be given hereunder or thereunder on their behalf or other evidence of such approvals and authorisations as shall be acceptable to the Owners;
- (d) a certified true copy of a certificate of good standing of each Obligor issued no earlier than ten (10) days prior to its provision to the Owners and, if applicable, the original power of attorney of each Obligor under which any documents (including the Transaction Documents) are to be executed or transactions undertaken by that party;
- (e) a certificate of a duly authorised representative of each Obligor:
 - (i) certifying that each copy document relating to it specified in this Clause 36 is correct, complete and in full force and effect;
 - (ii) setting out the names of the directors, officers and shareholders of that Obligor and the proportion of shares held by each shareholder; and
 - (iii) confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on that Obligor to be exceeded;
- (f) if applicable, copies of all governmental and other consents, licences, approvals and authorisations as may be necessary to authorise the performance by each Obligor of its obligations under the Transaction Documents to which it is a party, and the execution, validity and enforceability of such Transaction Documents;
- (g) a copy of the following:

- (i) the duly executed Management Agreement;
- (ii) the duly executed Relevant Documents (other than the Transaction Documents);
- (iii) the Vessel's current Safety Management Certificate;
- (iv) the Approved Manager's current Document of Compliance;
- (v) the Vessel's current ISSC;
- (vi) the Vessel's current IAPPC;
- (vii) the Vessel's current tonnage certificate; and
- (viii) the Vessel's classification certificate evidencing that it is free of all overdue recommendations and requirements from the Classification Society,

in each case (A) together with all addenda, amendments or supplements, and (B) in respect of any of the Safety Management Certificate, ISSC, IAPPC and classification certificate, such document may be issued in provisional form (where applicable);

(h) evidence that:

- (i) all the conditions precedents under clause 7 (*Conditions precedent and subsequent*) of the MOA have been satisfied by the Sellers or, in the Owners' opinion, will be satisfied by the Sellers on the Actual Delivery Date;
 - (ii) on or immediately after the Actual Delivery Date, the Vessel will be registered under the laws and flag of the flag state as set out in Box 5 of this Charter (or any other flag state approved by the Owners in writing) and in the name of the Owners as legal owner; and
 - (iii) the Vessel is insured in the manner required by the Transaction Documents (such evidence to be provided ten (10) days prior to the Actual Delivery Date), together with the written approval of the Insurances (in the form of an insurance opinion) by an insurance adviser appointed by the Owners.
- (i) evidence that the Arrangement Fee and all other fees, costs and expenses then due from the Charterers pursuant to Clauses 54 (*Fees and expenses*) and 57 (*Further indemnities*) have been paid pursuant to such Clauses or (where applicable) will be paid on or by the Actual Delivery Date;
- (j) a legal opinion issued by legal advisers to the Owners in the following jurisdictions, each in form and substance satisfactory to and agreed by the Owners prior to the Actual Delivery Date (or confirmation satisfactory to the Owners that such an opinion will be given):
- (i) England and Wales;
 - (ii) the Republic of the Marshall Islands;
 - (iii) Switzerland; and
 - (iv) the PRC

- (k) such other Authorisation or other document, opinion or assurance which the Owners (acting reasonably) consider to be necessary 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; and
- (l) such documentation and other evidence as is requested by the Owners (acting reasonably) in order for the Owners to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Transaction Documents.

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 by 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 evidence required by this Clause 36.

Prior to delivery, the Owners will provide the Charterers with (1) a copy of the Owners' articles of association, (2) a copy of a power of attorney of the Owners appointing one or more representatives to act on behalf of the Owners in the execution of this Charter and the other Transaction Documents and (3) the names of the directors, officers and shareholders of the Owners and the proportion of shares held by each shareholder (if appropriate).

37. Bunkers and luboils

- (a) At delivery the Charterers shall take over all bunkers, lubricating oil, hydraulic oil, greases, water, paints, ropes and unbroached stores and provisions in the Vessel without cost.
- (b) To the extent that Clause 42 (*Redelivery*) applies, at redelivery the Owners shall take over all bunkers, unused lubricating oil, hydraulic oil, greases, water, paints, ropes and unbroached provisions and other consumable stores in the said Vessel without cost.

38. Further maintenance and operation

- (a) **Maintenance** 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;
 - (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) Charterers' operations and maintenance manuals;

- (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) **Online access to class records** In addition to the above, the Charterers covenant with the Owners to arrange online access to class records for the Owners as available to the Charterers.
- (c) **Extra equipment** Any equipment that is found not to be required on board as a result of regulation or operational experience is either to be removed at the Charterers expense or to be maintained in operable condition.
- (d) **Maintenance by Charterers** Without prejudice to any other provisions under this Charter, the Charterers shall maintain, use and operate the Vessel with reasonable care as if the Charterers were the owner of the same.

39. Structural changes and alterations

- (a) Unless required by the Classification Society or compulsory legislation or pursuant to the provision of the Sub-Charter (in relation to which any costs incurred shall, for the avoidance of doubt, be on the account of the Charterers), the Charterers may only make structural changes in the Vessel or changes in the machinery, engines, or appurtenances thereof without in each instance first securing the Owners' consent (such consent not to be unreasonably withheld or delayed) if the following conditions are satisfied:
 - (i) any such changes do not have a material adverse effect on the Vessel's certification or the Vessel's fitness for purpose;
 - (ii) none of such 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;
 - (iii) the Charterers shall bear all time, costs and expenses in relation to any such changes; and
 - (iv) the Charterers shall furnish the Owners with:
 - (A) copies of all plans in relation to such changes; and
 - (B) if applicable, confirmation from the Classification Society that such changes will not adversely affect the class of the Vessel, provided always that such Classification Society agrees to issue such confirmation.
- (b) Upon the occurrence of any Termination Event which is continuing, if the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date, and the Owners decide to retake possession of the Vessel, the Charterers shall at their expense restore the Vessel to its former condition as at the Actual Delivery Date unless the changes made are carried out:

- (i) to improve the performance, operation or marketability of the Vessel; or
 - (ii) as a result of a regulatory compliance; or
 - (iii) otherwise with the prior written consent of the Owners.
- (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 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, to the extent that Clause 42 (*Redelivery*) applies, 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 during Charter Period** In consideration of the Owners' agreement to charter the Vessel to the Charterers during the Charter Period pursuant to the terms hereof, the Charterers agree to pay to the Owners each of the following sums on the relevant date as follows:
- (i) on each and every Hire Payment Date, by way of fixed hire (each a "**Fixed Hire**") an amount equal to 1/20th of the amount by which the Actual Owners' Costs exceeds the Balloon;
 - (ii) on each and every Hire Payment Date, by way of variable hire (each a "**Variable Hire**") the variable hire then payable on the corresponding Hire Payment Date. The amount of Variable Hire payable on each Hire Payment Date is calculated in accordance with the following formula:
- $A \times B \times C$
- whereby
- A = (in relation to the first Hire Payment Date) the Actual Owners' Costs or (in relation to any other Hire Payment Date) the Cost Balance immediately after the immediately preceding Hire Payment Date
 - B = the aggregate of (i) the Margin and (ii) the Applicable Rate for the Hire Period ending on that Hire Payment Date
 - C = a fraction whose denominator is three hundred and sixty (360) and numerator is the number of days which have elapsed from (in respect of the first Hire Payment Date) the Actual Delivery Date (including that date) to the first Hire Payment Date (not including that date), (in respect of all other Hire Payment Dates except the last Hire Payment Date) the immediately preceding Hire Payment Date (including that date) to that Hire Payment Date (not including that date) and (in respect of the last Hire Payment Date) the immediately preceding Hire Payment Date (including that date) to the last Hire Payment Date (including that date).
- (b) **Payment of Hire** All payments of Hire shall be paid in arrears on each Hire Payment Date (Beijing time) (in respect of which time is of the essence).

- (c) **Non- Business Days** Any payment under this Charter which is due to be made on a day that is not a Business Day shall be made on the immediately preceding Business Day.
- (d) **Payment account information** All payments under this Charter shall be made to:
- (i) the account opened in the name of the Owners with Bank of China, the details of which shall be notified by the Owners to the Charterers prior to the first Hire Payment Date, or
 - (ii) such other account as the Owners may thereafter upon notice notify the Charterers from time to time which the Charterers may approve (acting reasonably),
- (the "Owners' Account") for credit to the account of the Owners.
- (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 shall be absolute irrespective of any contingency whatsoever including but not limited to:
- (i) any set-off, counterclaim, recoupment, defence or other right which the Charterers may have against the Owners, the Finance Parties or any other third party;
 - (ii) the occurrence of a Total Loss or any other occurrence including the loss, destruction, confiscation, seizure, damage to the Vessel, or the interruption or cessation in or prohibition of the use, possession or enjoyment of the Vessel by the Charterers for any reason whatsoever;
 - (iii) any unavailability of the Vessel, for any reason, including but not limited to 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 or any dry-docking of the Vessel;
 - (iv) any lack or invalidity of title or any other defect in title, provided such lack or invalidity of title or defect does not affect the quiet and peaceful use, possession and enjoyment of the Vessel;
 - (v) 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;
 - (vi) any insolvency, bankruptcy, reorganisation, arrangement, readjustment of debt, dissolution, administration, liquidation or similar proceedings by or against the Owners, any Obligor or the Sub-Charterer or any change in the constitution of the Owners, any Obligor or the Sub-Charterer;
 - (vii) any invalidity or unenforceability or lack of due authorisation of or any defect in this Charter or the Sub-Charter;
 - (viii) 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, 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. For the avoidance of doubt, the obligation of Charterers to pay Hire under this Charter shall not be affected by any breach of this Charter by the Owners, but shall be without prejudice to any claim for compensation for their documented losses, damages or expenses solely caused by such breach (excluding Hire paid under this Charter).

(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 and any Taxes (other than a FATCA Deduction).

(ii) In the event that the Charterers are required by any law or regulation to make any deduction or withholding (other than a FATCA Deduction) 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 three (3) Business Days or any other applicable shorter time limits and in any event prior to the date on which penalties attach thereto; and

(C) unless payment has been effected in accordance with paragraph (B) above, 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 satisfactory to the Owners (acting reasonably) 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 them 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 which is two per cent. (2.00%) per annum higher than the aggregate of the Margin and the Applicable Rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted the Actual Owners' Costs or the Cost Balance (for the purpose of calculating Variable Hire) for successive Hire Periods, each of a duration selected by the Owners (acting reasonably). 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 that Unpaid Sum at the end of each Hire Period applicable to that Unpaid Sum 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 the Charterers shall notify the other party of the relevant event and negotiate in good faith for a period of thirty (30) days (or such longer period as may be agreed by the Owners (acting reasonably)) from the date of the receipt of the relevant notice by the other party to agree an alternative. If such agreement is not reached within such thirty (30)-day or longer period, the Parties agree that, in such circumstances:
- (i) the Owners shall have the right to terminate this Charter by delivering to the Charterers a Termination Notice specifying a Termination Payment Date that falls, to the extent permitted by law, no earlier than thirty (30) days after the date of such Termination Notice, whereupon the Charterers shall be obliged to pay to the Owners the Termination Sum in accordance with paragraph (d) of Clause 50 (*Termination Events*) and/or such other terms and conditions as may be specified in such Termination Notice; and
 - (ii) the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).
- (j) **Increased Costs**
- (i) Subject to paragraphs (ii) and (iii) below, the Charterers shall, within ten (10) 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, or (iii) the implementation or application of or compliance with Basel III or CRD-IV or any other law or regulation which implements Basel III or CRD-IV (whether such implementation, application or compliance is by a government, regulator or the Owners) made after the date of this Charter.
- In this Clause:
- (A) **"Basel III"** means:
- (1) 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;
 - (2) 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

- (3) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.
- (B) **“CRD IV”** means EU CRD IV and UK CRD IV.
- (C) **“EU CRD IV”** means:
 - (i) 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; and
 - (ii) 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.
- (D) **“UK CRD IV”** means:
 - (i) 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 it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act;
 - (ii) the law of the United Kingdom or any part of it, which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented 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 and its implementing measures; and
 - (iii) direct EU legislation (as defined in the 2018 Withdrawal Act), which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act.
- (E) **“Increased Costs”** means:
 - (1) a reduction in the rate of return from the Hire or on the Owners’ overall capital;
 - (2) an additional or increased cost; or
 - (3) 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, excluding, for the avoidance of doubt, any such loss or reduction resulting in connection with a Finance Document.

- (ii) The Owners shall notify the Charterers of any claim arising from paragraph (j)(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, such confirmation to include (in reasonable details) an explanation and calculations regarding such Increased Costs. The Owners agree to use reasonable endeavours to mitigate any losses connected with any such claim.
- (iii) Paragraph (j)(i) above does not apply to the extent any Increased Costs is:
 - (A) compensated for by a payment made under paragraph (f)(ii)(C) above; or
 - (B) attributable to a FATCA Deduction required to be made by either Party, an Obligor or a Finance Party (if applicable); or
 - (C) attributable to the wilful or negligent breach by the Owners of any law or regulation; or
 - (D) attributable to the implementation or application of, or compliance with, the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Charter (but excluding any amendment arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator or the Owners).
- (k) **Break Costs** The Charterers shall, within three (3) Business Days of demand by the Owners, pay to the Owners the Break Costs net of Breakfunding Gain (if any) where such Break Costs have been agreed to be paid pursuant to this Charter.
- (l) **Certificates and determinations** In any litigation or arbitration proceedings arising out of or in connection with a Transaction Document, the entries made in the accounts maintained by the Owners are, in the absence of manifest error or any question of law, prima facie evidence of the matters to which they relate. Any certification or determination by the Owners of a rate or amount under any Transaction Document is, in the absence of manifest error or any question of law, conclusive evidence of the matters to which it relates.
- (m) **Unavailability of Term SOFR**
 - (A) If as of the Specified Time in respect of the relevant Hire Period, no Term SOFR for a period of three (3) months is available, the applicable Reference Rate shall be the Interpolated Term SOFR for a period of three (3) months.
 - (B) If paragraph (A) above applies but it is not possible to calculate the Interpolated Term SOFR, Clause 40(o) (*Cost of funds*) shall apply to the

Cost Balance for the relevant Hire Period.

- (n) **Market disruption** If before 5 p.m. in Shanghai on the Business Day immediately following the Variable Hire Determination Date for the relevant Hire Period, the Charterers receive notifications from the Owners that the cost to them of funding the Cost Balance would be in excess of the Market Disruption Rate, then Clause 40(o) (*Cost of funds*) shall apply to the Cost Balance for the relevant Hire Period.
- (o) **Cost of funds**
 - (i) If this Clause 40(o) applies, the Applicable Rate for the relevant Hire Period shall be the rate certified by the Owners to the Charterers (such certification to include (in reasonable details) an explanation and calculations of such rate) as soon as practicable, and in any event before the first day of that Hire Period, to be that which expresses as a percentage rate per annum the cost to the Owners of funding the Cost Balance (as the Owners may reasonably determine) and if such rate is less than zero then it shall be deemed to be zero.
 - (ii) If this Clause 40(o) applies, and either the Owners or the Charterers so require, the Owners and the Charterers shall enter into good faith negotiations (for a period of not more than 30 days) with a view to agreeing to the use of an alternative basis for determining the rate of interest used to calculate the Variable Hire, taking into account the then current market standards.
 - (iii) If an alternative basis is not agreed pursuant to sub-paragraph (ii) above by the first day of the relevant Hire Period, the Applicable Rate shall continue to be determined in accordance with sub-paragraph (i) above and the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).
- (p) **Voluntary prepayment** After the First Anniversary Date, the Charterers may prepay any part of the remaining Fixed Hire and the Balloon (being an amount (the "**Prepaid Amount**") that reduces the remaining Fixed Hire and the Balloon by an amount which is an integral multiple of five million US Dollars (US\$5,000,000)) subject as follows:
 - (i) they give the Owners not less than twenty (20) Business Days' prior written notice;
 - (ii) the proposed prepayment date shall fall on a Hire Payment Date;
 - (iii) any prepayment under this paragraph (p) shall be applied in prepayment of the remaining Fixed Hire and the Balloon pro rata;
 - (iv) any prepayment under this paragraph (p) shall be made together with accrued Variable Hire, the Prepayment Fee and any Break Costs;
 - (v) any amount which is prepaid in accordance with this paragraph (p) shall not be refundable in any circumstance whatsoever.

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 and excess risks) (on terms of cover not

less wide than Institute Time Clauses (Hulls) 1.10.83), oil pollution liability risks, war (including, if applicable, "War Risks" as defined in paragraph (a) of Clause 26 (*War*)), protection and indemnity risks, any other risks against which it is compulsory to insure for the operation of the Vessel and any other risks which the Owners reasonably consider necessary having regard to then available insurance cover and market standard practice in the operation of LNG carriers:

- (i) in US Dollars;
 - (ii) in such market and on such terms as are customary for reputable and prudent owners of vessels similar to the Vessel; and
 - (iii) with such insurers acceptable to the Owners.
- (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 Finance Parties, and the Charterers shall be at liberty to protect under such insurances the interests of any Approved Manager.
- (c) **Scope of Insurance** Insurance policies shall cover the Owners, the Charterers, the Approved Manager and (if any) the Finance Parties according to their respective interests. Subject to the approval of 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.
- (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, at any time during the Agreement Term, the hull and machinery and war risks insurance (including increased value insurance, general average, salvage and sue & labour cover) shall be in an amount not less than one hundred and ten per cent. (110%) of the then current Cost Balance.
- (f) **Protection and indemnity coverage** The Vessel shall be entered in a P&I Club which is a member of the International Group Association on customary terms and shall include freight, demurrage and defence insurances, Running Down Clause (RDC) and Fixed or Floating Objects (FFO), and shall be covered against liability for pollution claims in an amount not less than the maximum amount available, which is currently one thousand million US Dollars (US\$1,000,000,000). All insurances shall include customary protection in favour of the Owners, the Approved Manager and (if any) the Finance Parties as notice of cancellation and exclusion from liability for premiums or calls.
- (g) **Insurance undertakings** Without prejudice to paragraph (e) (*H&M and war risks coverage*) and paragraph (f) (*Protection and indemnity coverage*) above, the Charterers:
- (i) undertake to place the Insurances in such markets, in such currency, on such terms and conditions as are customary for reputable and prudent owners of vessels similar to the Vessel, and with such brokers, underwriters and associations acceptable to the Owners;
 - (ii) shall not significantly 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 will supply the Owners from time to time on request with such information as the Owners 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

- (iii) shall reimburse the Owners on demand for all costs and expenses reasonably incurred by the Owners in obtaining a report on the adequacy of the Insurances from an insurance adviser instructed by the Owners, where such report was obtained (i) on or around the Actual Delivery Date and (ii) where the Owners determine that there have been material changes in the requirement to insure the Vessel.
- (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 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.
- (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 in all respects to the satisfaction of the Owners, and the Charterers will promptly notify the Owners of any new requirement imposed by any broker, underwriter or association in relation to any of the Insurances.
- (j) **Renewal of Insurances** The Charterers shall:
 - (i) no later than ten (10) days before the Actual Delivery Date, give the Owners the details of the proposed insurers and the proposed main terms of the Insurances;
 - (ii) no later than seven (7) days before the expiry of any of the Insurances renew them; and
 - (iii) no later than three (3) days of such renewals, give the Owners, and, if applicable, the Finance Parties such details of those renewals (including identity of insurers and main terms of the Insurances) as the Owners and, if applicable, the Finance Parties may require.
- (k) **Delivery of documents relating to Insurances** The Charterers shall:

- (i) 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 reasonably 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);
 - (ii) procure that a loss payable clause (substantially in the form attached to the Charterers' Assignment) or, in the case of entries in a protection and indemnity association, a note of the Owners' interest in such form as the Owners may reasonably approve, shall be endorsed on or attached to the policies, cover notes or certificates of entry relating to the Insurances; and
 - (iii) procure that letters of undertaking (in such form 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, accident or damage** The Charterers shall promptly upon the same being available provide the Owners with full information regarding any casualty or other accident or damage to the Vessel which is likely to result in damages, liabilities, claims or repairs exceeding the Major Casualty Amount, including, without limitation, any communication with all parties involved in case of a claim under any of the Insurances.
- (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) pay collecting brokers the customary commission on all sums collected in respect of those claims;
 - (iii) compromise all such claims or refer them to arbitration or any other form of judicial or non-judicial determination; and
 - (iv) otherwise 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) **Disputes with brokers, underwriters or associations** In the event of any claim in

respect of any of the Insurances (other than in respect of a Total Loss), if the Charterers shall fail to reach agreement with any of the brokers, underwriters or associations for the immediate restoration of the Vessel, or for payment to third parties, within such time as the Owners and, if applicable, the Finance Parties may reasonably stipulate, the Owners and, if applicable, the Finance Parties shall be entitled to require payment to themselves. In the event of any dispute arising between the Charterers and any broker, underwriter or association with respect to any obligation to make any payment to the Charterers or to the Owners and/or (if applicable) the Finance Parties under or in connection with any of the Insurances, or with respect to the amount of any such payment, the Owners and/or (if applicable) the Finance Parties shall be entitled to settle that dispute directly with the broker, underwriter or association concerned. Any such settlement shall be binding on the Charterers.

(q) ***Payment of insurance proceeds***

- (i) The Owners agree that any amounts which may become due under any protection and indemnity entry or insurance 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 is continuing, in which event the Owners shall be entitled to receive the amounts in question and to apply them either:
 - (A) towards reduction of the Termination Sum owed by the Charterers pursuant to paragraph (d) of Clause 50 (*Termination Events*); or
 - (B) at the option of the Owners, to the Charterers and/or other third parties in discharge of the liability in respect of which such amounts were paid.
- (ii) Without prejudice to the foregoing, all other claims in relation to the Insurances (other than in respect of a Total Loss), shall, unless and until the occurrence of a Termination Event which is continuing, 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 insurers does not exceed the Major Casualty 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; and
 - (B) a claim in respect of any one casualty where the aggregate claim against all insurers exceeds the Major Casualty Amount prior to adjustment for any franchise or deductible under the terms of the relevant policy shall be payable directly to the Owners unless the Owners have, by prior written consent, agreed for such claim to 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 insurers may with such consent make payment on account of repairs in the course of being effected. Without prejudice to the foregoing, in respect of any claim paid to the Owners pursuant to this paragraph (B), the Owners shall, upon the written request of the

Charterers and subject to the Owners being satisfied (acting reasonably) that the Charterers have restored the Vessel to her former state and condition and the liability in respect of which the insurance loss is payable is discharged, pay to Charterers an amount equal to such claim so received.

- (r) **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 a claim of less than the Major Casualty Amount arising other than from a Total Loss) without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed).
- (s) **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 on demand for all such premiums, calls or contributions paid by the Owners, together with interest calculated in accordance with paragraph (g) of Clause 40 (*Hire*) from the date of payment by the Owners until the date of reimbursement.
- (t) **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:
 - (a) 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
 - (b) 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
 - (c) 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
 - (d) implement any recommendations contained in the reports issued following the surveys referred to in subparagraph (t)(iii) above within the relevant time limits; and
 - (e) in addition to the foregoing (if such trade is in the United States of America and Exclusive Economic Zone):
 - (i) obtain and retain a certificate of financial responsibility under the Act in form and substance satisfactory to the United States Coast Guard and upon request provide the Owners with evidence of the same; and
 - (ii) 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) procure the Approved Manager to 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.
- (u) ***Innocent Owners' Interest Insurance*** The Owners shall be at liberty to, in relation to the Vessel, take out an Innocent Owners' Interest Insurance on such terms and conditions as the Owners may from time to time decide but always within prevailing market practice. The Charterers shall from time to time within seven (7) Business Days of the Owners' demand reimburse the Owners for all premiums, reasonable and documented costs and expenses paid or incurred by the Owners in connection with such Innocent Owners' Interest Insurance, but only to the extent corresponding to an Innocent Owners' Interest Insurance for an amount not exceeding one hundred and ten per cent. (110%) of the then current Cost Balance.
- (v) ***Mortgagees' Interest Insurance*** Any Finance Party shall be at liberty to, in relation to the Vessel, take out a Mortgagees' Interest Insurance on such terms and conditions as that Finance Party may, acting reasonably, from time to time decide, but always within prevailing market practice. The Charterers shall from time to time within seven (7) Business Days of the Owners' demand reimburse the Owners or that Finance Party for all costs, premiums and expenses paid or incurred by the Owners or that Finance Party in connection with such Mortgagees' Interest Insurance, but only to the extent corresponding to a Mortgagees' Interest Insurance for an amount not exceeding one hundred and ten per cent. (110%) of the then current Cost Balance.
- (w) ***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) at the request of the Owners and at the cost of the Charterers, place any other insurance (to the extent commercially reasonable and in line with international industry standards) as may be requested by the Owners, subject to the opinion(s) of international reputable and independent insurance consultants; and
 - (iv) 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 reasonably 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).

42. Redelivery

Upon:

- (a) the Owners delivering a Termination Notice to the Charterers under paragraph (i) (*Illegality*) of Clause 40 (*Hire*) but the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date; or
- (b) the Owners delivering a Termination Notice to the Charterers under paragraph (c) (*Owners' options after occurrence of a Termination Event*) of Clause 50 (*Termination Events*) but the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date; or
- (c) the Charterers delivering a Purchase Option Notice to the Owners under paragraph (a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) but the Charterers fail to pay the relevant Purchase Option Price on the Purchase Option Date; or
- (d) the expiry of the Agreed Charter Period (and subject to no Total Loss having occurred, no Purchase Option being exercised and no Purchase Obligation being fulfilled),

the Charterers shall, at their own cost and expense, redeliver or cause to be redelivered the Vessel to the Owners at a safe, ice free port (at the Owners' option) where the Vessel would be afloat at all times in a ready safe berth or anchorage, in accordance with Clauses 43 (*Redelivery conditions*) and 45 (*Diver's inspection at redelivery*), provided however that upon the Charterers' payment of the Termination Sum (in the case of (a) and (b) above), the Purchase Option Price (in the case of (c) above) or the Purchase Obligation Price (in the case of (d) above) and any other amounts due under this Charter, in each case pursuant to the terms of this Charter, the Charterers shall no longer be obliged to comply with the requirements under Clauses 42 (*Redelivery*), 43 (*Redelivery conditions*) and 45 (*Diver's inspection at redelivery*).

43. Redelivery conditions

- (a) If the Vessel is to be redelivered pursuant to Clause 42 (*Redelivery*), in addition to what has been agreed in Clause 42 (*Redelivery*), the condition of the Vessel shall at redelivery be as follows:
 - (i) 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) 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;
 - (ii) 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 for a period of at least three (3) months beyond the redelivery date;
 - (iii) 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;
 - (iv) 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;

- (v) 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, clean and free of infestation and odours; 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;
 - (vi) the Vessel shall be free and clear of all liens (other than any Permitted Encumbrance);
 - (vii) at the costs and expenses of the Charterers, a final joint report from the surveyors appointed by the Owners and the Charterers respectively shall be carried out as to the condition of the Vessel and a list of agreed deficiencies if any shall be drawn up; and
 - (viii) recently taken lube oil samples for all major machinery shall be made available within one (1) week of redelivery and results forwarded to Owners' technical management for review.
- (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 equipment controlling the habitability of the accommodation and service areas to be in proper working order, fair wear and tear excepted; and
 - (ii) available deadweight to be within one per cent. (1.00%) 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 shall be entitled to appoint (at the cost of the Charterers) one independent surveyor for the purpose of determining and agreeing in writing the condition of the Vessel at redelivery. 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 prepared by the surveyor and the Charterers shall be obliged to repair/remedy prior to redelivery all deficiencies identified in such list.
- (d) 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.
- (e) Until such time as any compensatory amount in respect of any repairs/remedial work outstanding as at redelivery has been paid in accordance with the terms of this Charter and the Vessel has been redelivered, the Charterers shall continue to pay Hire in accordance with the terms of this Charter.

44. Owners' mortgage

The Charterers:

- (i) acknowledge that the Owners and the Related 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 Actual Owners' Costs and the "Actual Owners' Costs" under the Related Charters, 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** simultaneous with the Owners' execution of any such ship mortgages, the relevant Finance Parties shall execute and deliver to the Charterers a Finance Party Quiet Enjoyment Agreement;

- (ii) consent to any assignment in favour of the Finance Parties pursuant to the relevant Finance Documents of the Owners' rights under any Transaction Document;
- (iii) without limiting the generality of paragraph (p) (*Further assurance*) of Clause 47 (*Charterers' undertakings*), undertake to execute, provide or procure the execution or provision (as the case may be) of such further information or document as in the reasonable opinion of the Owners are necessary to effect the assignment referred to in sub-paragraph (ii) above; and
- (iv) in the event a Finance Party which is the mortgagee of the Vessel serves a notice on the Charterers that an event of default has occurred and is continuing under and in accordance with the Finance Documents and where such event of default is not in any way resulting from a Termination Event or a breach by any Obligor of any Transaction Document, the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).

45. Diver's inspection at redelivery

- (a) For the avoidance of doubt, the requirements of this Clause 45 will not apply if:
 - (i) after the occurrence of a Termination Event, the Charterers have paid:
 - (A) the Termination Sum; and
 - (B) any other amounts due under this Charter; or
 - (ii) the Charterers have paid the Purchase Option Price or the Purchase Obligation Price and the Vessel has been redelivered to the Charterer pursuant to Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).
- (b) Unless the Vessel is returned in dry-dock, a diver's inspection is required to be performed at the time of redelivery.
- (c) 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.
- (d) 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.
- (e) If damage to the underwater parts is found, the Charterers shall arrange, at their time and costs, for the Vessel to be dry-docked and repairs carried out to the satisfaction of the Classification Society.
- (f) If the conditions at the port of redelivery are unsuitable for such diver's inspection, the Charterers shall take the Vessel (in Owners' time but at Charterers' expense) to a suitable alternative place nearest to the redelivery port unless an alternative solution is agreed.

- (g) Without limiting the generality of sub-paragraph (b)(iii) of Clause 54 (*Fees and expenses*), all costs relating to any diver's inspection shall be borne by the Charterers.

46. Charterers' representations and warranties

The Charterers represent and warrant to the Owners, subject to the Legal Reservations (where relevant), on (A) the date of this Charter and (by reference to the facts and circumstances then pertaining), and in respect of the Repeating Representations, (B) the Actual Delivery Date and (C) each Hire Payment Date as follows:

- (i) **Status and due authorisation:** each Obligor is a corporation, limited partnership or limited liability company duly incorporated or formed under the laws of its jurisdiction of incorporation or formation (as the case may be) with power to enter into the Transaction Documents and to exercise its rights and perform its obligations under the Transaction Documents and all corporate and other action required to authorise its execution of the Transaction Documents and its performance of its obligations thereunder has been duly taken;
- (ii) **No deductions or withholding:** under the laws of the Obligor's respective jurisdictions of incorporation or formation in force at the date hereof, none of the Obligor's will be required to make any deduction or withholding from any payment it may make under any of the Transaction Documents;
- (iii) **Claims pari passu:** under the laws of the Obligor's respective jurisdictions of incorporation or formation in force at the date hereof, the payment obligations of each Obligor under each Transaction Document to which it is a party, rank at least *pari passu* with the claims of all other unsecured and unsubordinated creditors of such obligor save for any obligations which are preferred solely by any bankruptcy, insolvency or other similar laws of general application;
- (iv) **No immunity:** in any proceedings taken in any of the Obligor's respective jurisdictions of incorporation or formation in relation to any of the Transaction Documents, none of the Obligor's will be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
- (v) **Governing law and judgments:** in any proceedings taken in any of the Obligor's jurisdiction of incorporation or formation in relation to any of the Transaction Documents in which there is an 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;
- (vi) **Validity and admissibility in evidence:** as at the date hereof, all acts, conditions and things required to be done, fulfilled and performed in order (A) to enable each of the Obligor's lawfully to enter into, exercise its rights under and perform and comply with the 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 Obligor's in the Transaction Documents are legal, valid and binding, and (C) to make the Transaction Documents admissible in evidence in the jurisdictions of incorporation or formation of each of the Obligor's, have been done, fulfilled and performed;
- (vii) **No filing or stamp taxes:** under the laws of the Obligor's respective

jurisdictions of incorporation or formation in force at the date hereof, it is not necessary that any of the Transaction Documents be filed, recorded or enrolled with any court or other authority in its jurisdiction of incorporation or formation (other than the relevant maritime registry, to the extent applicable) or that any stamp, registration or similar tax be paid on or in relation to any of the Transaction Document;

- (viii) **Binding obligations:** the obligations expressed to be assumed by each of the Obligors in the Transaction Documents are legal and valid obligations, binding on each of them in accordance with the terms of the Transaction Documents 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;
- (ix) **No misleading information:** to the best of their knowledge, any factual information provided by any Obligor to the Owners in connection with the Transaction Documents was true and accurate in all material respects as at the date it was provided and is not misleading in any material respect;
- (x) **No winding-up:** none of the Obligors has taken any corporate, limited liability company or limited partnership action nor have any other steps been taken or legal proceedings been started or (to the best of the Charterers' knowledge and belief) threatened against any Obligor for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its assets or revenues;
- (xi) **Solvency:**
 - (A) none of the Obligors nor the Charterers Group taken as a whole is unable, or admits or has admitted its inability, to pay its debts or has suspended making payments in respect of any of its debts;
 - (B) none of the Obligors by reason of actual or anticipated financial difficulties, has commenced, or intends to commence, negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (C) the value of the assets of each Obligor (other than the Dynagas Manager) is not less than the liabilities of such entity and the value of the assets of the Charterers Group taken as a whole is not less than the liabilities of the Charterers Group taken as a whole (in each case taking into account contingent and prospective liabilities); and
 - (D) no moratorium has been, or may, in the reasonably foreseeable future be, declared in respect of any indebtedness of any Obligor.
- (xii) **No defaults:**
 - (A) without prejudice to paragraph (B) below, none of the Obligors is in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets which would have or is likely to have a Material Adverse Effect; and
 - (B) no Potential Termination Event or Termination Event is continuing or might be expected to result from each Obligor's entry into and performance of each Transaction Document to which such Obligor

is a party;

- (xiii) **No proceedings:** no action or administrative proceeding of or before any court, arbitral body or agency has been commenced, is pending or has been threatened against any Obligor which if adversely determined, would have or is likely to have a Material Adverse Effect;
- (xiv) **Accounts:** all financial statements relating to the Charterers and the Charter Guarantor required to be delivered under paragraphs (a) (*Financial statements*) and (c) (*Interim financial statements*) of Clause 47 (*Charterers' undertakings*) were each prepared in accordance with GAAP, give (in respect of the annual audited financial statements, in conjunction with the notes thereto) a true and fair view of (in the case of annual financial statements) or fairly represent (in the case of semi-annual financial statements) the financial condition of the Charterers and the Charter Guarantor (as the case may be) at the date as of which they were prepared and the results of their operations during the financial period then ended;
- (xv) **No obligation to create Encumbrance:** the execution of the Transaction Documents by the Obligors and their exercise of their rights and performance of their obligations thereunder will not result in the existence of nor oblige any Obligor to create any Encumbrance over all or any of their present or future revenues or assets, other than pursuant to the Security Documents;
- (xvi) **No breach:** the execution of the Transaction Documents by each of the Obligors and their exercise of their rights and performance of their obligations under any of the Transaction Documents do not constitute and will not result in any breach of any agreement or treaty to which any of them is a party;
- (xvii) **Security:** each of the Obligors is the legal and beneficial owner of all assets and other property which it purports to charge, mortgage, pledge, assign or otherwise secure pursuant to each Security Document and those Security Documents to which it is a party create and give rise to valid and effective security having the ranking expressed in those Security Documents;
- (xviii) **Necessary Authorisations:** the Necessary Authorisations required by each Obligor are in full force and effect, and each Obligor is in compliance with the provisions of each such Necessary Authorisation relating to it and, to the best of its knowledge, none of the Necessary Authorisations relating to it are the subject of any pending or threatened proceedings or revocation which are reasonably likely to have a Material Adverse Effect;
- (xix) **No money laundering:** the performance of the obligations of the Obligors under the Transaction Documents, will be for the account of members of the Charterers Group and will not involve any breach by any of them of any law or regulatory measure relating to "money laundering" as defined in Article 1 of the Directive ((EU) 2015/849) of the European Parliament and of the Council of the European Communities (as it forms part of the domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act);
- (xx) **Disclosure of material facts:** the Charterers are not aware of any material facts or circumstances which have not been disclosed to the Owners;
- (xxi) **No breach of laws:**

- (A) none of the Obligors has breached any law or regulation which is reasonably likely to have a Material Adverse Effect; and
 - (B) no labour disputes are current or (to the best of the Charterers' knowledge and belief) threatened against any member of the Charterers Group;
- (xxii) **Environmental Law:**
- (A) each member of the Charterers Group is in compliance with paragraph (i) (*Environmental compliance*) of Clause 47 (*Charterers' undertakings*) and (to the best of the Charterers' knowledge and belief) no circumstances have occurred which would prevent such compliance; and
 - (B) no Environmental Claim has been commenced or (to the best of the Charterers' knowledge and belief) is threatened against any member of the Charterers Group which is reasonably likely to have a Material Adverse Effect.
- (xxiii) **Taxation:**
- (A) no Obligor is overdue in the filing of any Tax returns and no Obligor is overdue in the payment of any amount in respect of Tax which is reasonably likely to have a Material Adverse Effect; and
 - (B) no claims or investigations are being made or conducted against any Obligor with respect to Taxes which is reasonably likely to have a Material Adverse Effect;
- (xxiv) **No Restricted Party:** to the best of the Charterers' knowledge and belief (having conducted reasonable due diligence), none of the Obligors is a Restricted Party nor has any Obligor received notice or are aware of any claim, action, suit, proceeding against any of them with respect to Sanctions by a Sanctions Authority;
- (xxv) **No Material Adverse Effect:** no event or circumstance has occurred which had, has or is likely to have a Material Adverse Effect; and
- (xxvi) **Copies of Relevant Documents:** the copies of the Relevant Documents provided or to be provided by the Charterers to the Owners in accordance with Clause 36 (*Conditions precedent*) are, or will be, true and accurate copies of the originals and represent, or will represent, the full agreement between the parties to those Relevant Documents in relation to the subject matter of those Relevant Documents and there are no commissions, rebates, premiums or other payments due or to become due in connection with the subject matter of those Relevant Documents other than in the ordinary course of business or as disclosed to, and approved in writing by, the Owners.
- (xxvii) **Tax** the Obligors and the Related Charterers are not US Tax Obligors and have not established a place of business in the United States of America.

47. Charterers' undertakings

The undertaking and covenants in this Clause 47 remain in force for the duration of the Agreement Term.

- (a) **Financial statements:** The Charterers shall supply to the Owners:
- (i) as soon as the same become available, but in any event within one hundred and fifty (150) days after the end of each of the Charterers' Financial Years, the Charterers' audited financial statements for that Financial Year; and
 - (ii) as soon as the same become available, but in any event within one hundred and fifty (150) days after the end of each of the Charter Guarantor's Financial Years, the Charter Guarantor's audited consolidated financial statements for that Financial Year.
- (b) **Requirements as to financial statements:** Each set of financial statements delivered to the Owners under paragraph (a) (*Financial statements*) above in relation to the Charterers and the Charter Guarantor (each a "Notifying Party"):
- (i) shall be certified by an authorised signatory of the relevant Notifying Party as fairly representing its financial condition as at the date as at which those financial statements were drawn up; and
 - (ii) shall be prepared in accordance with GAAP.
- (c) **Interim financial statements** The Charterers shall supply to the Owners, as soon as the same become available, but in any event within ninety (90) days after the end of each relevant Financial Half-Year:
- (i) the unaudited management prepared financial statements (excluding notes) of the Charterers for that Financial Half-Year; and
 - (ii) the unaudited consolidated financial statements of the Charter Guarantor for that Financial Half-Year; and
- (d) **Intentionally left blank**
- (e) **Information: miscellaneous** The Charterers shall:
- (i) supply to the Owners promptly upon becoming aware of them, details of any material litigation, arbitration or administrative proceedings which are current, threatened or pending against any Obligor and are likely to have a Material Adverse Effect;
 - (ii) supply to the Owners promptly, such further information and explanations regarding the financial condition, business and operations of any Obligor as the Owners may request;
 - (iii) notify the Owners in writing promptly upon becoming aware of any Environmental Claim against the Charterers (or any Sub-Charterer or any Approved Manager) which is current, or pending in writing in relation to the Vessel;
 - (iv) notify the Owners in writing promptly upon becoming aware of any Transaction Document being terminated, repudiated, cancelled or otherwise ceasing to remain in full force and effect;
 - (v) notify the Owners in writing promptly if a Sub-Charter is terminated, cancelled, repudiated, or expires, or otherwise ceases to remain in full force and effect;
 - (vi) *intentionally left blank*

- (vii) disclose all relevant information in relation to any Sub-Charter, including (but not limited to) any information in relation to any Sub-Charterer's fulfilment of its obligations pursuant to the relevant Sub-Charter, the delivery, redelivery and withdrawal of the Vessel under any Sub-Charter and any other information which the Owners may reasonably request and without prejudice to the foregoing, the Charterers shall deliver or procure the delivery to the Owners of the employment status together with (if requested by the Owners) the relevant contract of employment in respect of the Vessel which the Owners may request.
- (f) **Notification of Termination Event** The Charterers shall 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 it) and, upon receipt of a written request to that effect from the Owners, confirm to the Owners that, save as previously notified to the Owners or as notified in such confirmation, no Termination Event is continuing or, if a Termination Event is continuing, specifying the steps, if any, being taken to remedy it.
- (g) **Claims pari passu** The Charterers shall ensure that at all times the claims of the Owners against them under the Transaction Documents rank at least *pari passu* with the claims of all their other unsecured and subordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation, winding-up or other similar laws of general application.
- (h) **Necessary Authorisations** Without prejudice to any specific provision of the Transaction Documents relating to a Necessary Authorisation, the Charterers shall (i) obtain, comply with and do all that is necessary to maintain in full force and effect all Necessary Authorisations to enable them lawfully to enter into and perform their obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of the Transaction Documents in their jurisdiction of incorporation or formation and all other applicable jurisdictions, (ii) ensure that no failure to obtain, comply with or maintain any Necessary Authorisation may cause a Material Adverse Effect; and (iii) promptly upon request, supply certified copies to the Owners of all Necessary Authorisations.
- (i) **Compliance with applicable laws** Each Obligor shall comply with all applicable laws, including Environmental Laws, to which it may be subject (except as regards Sanctions to which paragraph (j) (*No breach of Sanctions*) below applies, and anti-corruption and anti-bribery laws to which paragraph (k) (*Anti-corruption and anti-bribery laws*) below applies), the non-compliance of which is reasonably likely to have a Material Adverse Effect.
- (j) **No breach of Sanctions** The Charterers shall not, and shall not permit or authorise any other person to, directly utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds or any other benefits of any transaction(s) contemplated by the Transaction Documents to fund any trade, business or other activities:
 - (i) involving or for the benefit of any Restricted Party if to do so would be prohibited by Sanctions applicable to any Obligor, the Owners or any Finance Party; and
 - (ii) in any other manner that would result in any Obligor, the Owners or any Finance Party (if applicable) being in breach of any applicable Sanctions or becoming a Restricted Party.
- (k) **Anti-corruption and anti-bribery laws** The Charterers warrant, represent and

agree that they and their Affiliates and their respective officers, directors and employees have complied with, and shall comply with, all applicable Business Ethics Laws in connection with this Charter. For the purpose of this Clause only, an "Affiliate" means any member of the Charterers Group.

- (l) **Environmental compliance** The Charterers shall, and shall procure that each of the Obligor will:
 - (i) comply with any Environmental Law;
 - (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.
- (m) **Environmental Claims** The Charterers shall promptly upon becoming aware of the same, inform the Owners in writing of:
 - (i) any Environmental Claim against any member of the Charterers Group which is current, pending or threatened; and
 - (ii) any facts or circumstances which are likely to result in any Environmental Claim being commenced or threatened against any member of the Charterers Group.
- (n) **Taxation** The Charterers shall pay and discharge any Tax imposed upon them or their assets within the time period allowed without incurring penalties unless and only to the extent that such payment is being contested by the Charterers in good faith.
- (o) **Loans or other financial commitments** The Charterers shall not make any loan or enter into 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 loans made in the ordinary course of business.
- (p) **Further assurance** The Charterers shall at their own expense, 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 created or evidenced (or intended to be created or evidenced) by the Security Documents.
- (q) **Inspection of records** The Charterers will permit the inspection of their financial records and accounts on prior notice from time to time during business hours by the Owners or their nominee.
- (r) **Insurance** The Charterers shall procure that all of the assets, operation and liability of the Charterers are insured against such risks, liabilities and for amounts as normally adopted by the industry for similar assets and liabilities and, in the case of the Vessel, in accordance with the terms of this Charter.
- (s) **Merger and demerger** The Charterers shall not, and shall procure that the Charter Guarantor shall not, enter into any amalgamation, merger, demerger or corporate restructuring without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed if the Owners (acting reasonably) are satisfied that such amalgamation, merger, demerger or corporate restructuring will neither (i) have a Material Adverse Effect nor (ii) have a negative financial impact on the obligations of the Core Obligor under the Transaction Documents).

- (t) **Transfer of assets** The Charterers shall not sell or transfer any of its material assets other than:
 - (i) on arm's length terms to third parties where the net proceeds of sale are used as a prepayment hereunder; or
 - (ii) on arm's length terms to its Affiliates, which are and remain members of the Charterers Group.
- (u) **Change of business** The Charterers shall not without the prior written consent of the Owners, make any substantial change to the general nature of their shipping business from that carried on at the date of this Charter.
- (v) **Acquisitions** The Charterers shall not make any acquisitions or investments without the prior written consent of the Owners (such consent not to be unreasonably withheld).
- (w) **"Know your customer" checks** 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 Charter;
 - (ii) any change in the status of the Charterers after the date of this Charter; or
 - (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 in order for 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.
- (x) **No borrowings** The Charterers shall not incur any liability or obligation except (i) liabilities and obligations under the Transaction Documents to which they are parties, and (ii) liabilities or obligations reasonably incurred in the ordinary course of operating, chartering, repairing and maintaining the Vessel.
- (y) **No dividends** The Charterers shall not pay any dividends or make other distributions to its shareholders whilst a Termination Event is continuing.
- (z) **Negative pledge** The Charterers shall not create, or permit to subsist, any Encumbrance (other than a Permitted Encumbrance) over all or any part of the Vessel, their other assets or undertakings nor dispose of the Vessel or any of those assets or all or any part of those undertakings other than, in the case of a sale of the Vessel, where such sale complies with the requirements of the MOA, this Charter, including, without limitation, to Clause 50 (*Termination Events*), or any other Transaction Documents.
- (aa) **Management of the Vessel** The Charterers shall ensure that:
 - (i) the Vessel is at all times technically managed by an Approved Manager;
 - (ii) unless (A) the Charterers have promptly informed the Owners in writing of any proposed change of an Approved Manager, and (B) the Owners (acting

reasonably) have granted their prior written consent to such proposed change, the Approved Manager shall not be changed **provided that** upon the occurrence of an event of default (however described) that is continuing under the Management Agreement, the Owners shall have the right to appoint a substitute manager in respect of the Vessel (but if the Vessel is delivered to the relevant Sub-Charterer under the relevant Sub-Charter and remains under the employment of that Sub-Charter, such appointment shall be acceptable to that Sub-Charterer); and

- (iii) a Manager's Undertaking (in form and content satisfactory to the Owners) from the Approved Manager confirming that, among other things, all claims of the Approved Manager against the Charterers shall be subordinated to the claims of the Owners or the Finance Parties (if applicable) under the Transaction Documents.
- (bb) **Classification** The Charterers shall ensure that the Vessel maintains the highest classification required for the purpose of the relevant trade of the Vessel which shall be with the Vessel's Classification Society, in each case, free from any overdue recommendations and conditions, and adverse notations affecting that the Vessel's class.
- (cc) **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.
- (dd) **Registration** The Charterers shall not change or permit a change to the flag of the Vessel throughout the duration of this Charter other than to a Pre-Approved Flag or under such other flag with the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed). Any change to the flag of the Vessel shall be at the cost and expense of the Charterers (which shall include, without limitation, any Taxes payable in the state or jurisdiction of such Pre-Approved Flag and costs of the Finance Parties (if applicable)).
- (ee) **ISM and ISPS Compliance** The Charterers shall ensure that each ISM Company and ISPS Company complies in all 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.
- (ff) **Change of ownership** The Charterers shall, and shall procure that the Charter Guarantor will, ensure that throughout the Charter Period, there shall not occur any Change of Control, except with the prior written consent of Owners (such consent not to be unreasonably withheld, if the Owners (acting reasonably) are satisfied that such Change of Control will neither (i) have a Material Adverse Effect nor (ii) have a negative financial impact on the obligations of the Core Obligors under the Transaction Documents).
- (gg) **Inspection of Vessel** In the absence of a Potential Termination Event or Termination Event, subject to there being no undue interference with the operation of the Vessel, the Owners shall have the right to inspect the Vessel once in each calendar year at the Charterers' cost, **provided always however** that if a Potential Termination Event or Termination Event has occurred, the Owners may at any time and at the Charterers' cost conduct such inspection 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.

(hh) **Relevant Documents** In relation to the Relevant Documents, the Charterers undertake that:

- (i) there shall be no (A) termination by the Charterers of any Relevant Document without the prior written consent of the Owners (such consent to not be unreasonably withheld or delayed), or (B) alteration to or waiver of any material term of any Relevant Document, unless, in either case, the prior written consent of the Owners is obtained (such consent to not be unreasonably withheld or delayed);
- (ii) without limiting the generality of sub-paragraph (i) above, the Charterers will not, without the prior written consent of the Owners, effect any sale of the Vessel;
- (iii) without prejudice to the foregoing, the Charterers shall, where applicable, forthwith execute and deliver any and all such other agreements, instruments and documents (including any novation agreement) as may be required by law or deemed necessary to ensure that the Relevant Documents which are in effect on the date of this Charter shall remain in effect, so that all obligations previously owed by the applicable Relevant Party to the Charterers under such Relevant Documents shall continue to be owed to the Charterers throughout the Agreement Term (provided that this shall not be applicable to expiration of such Relevant Document through effluxion of time or where such Relevant Document is novated (in accordance with the terms of this Charter) and the Charterers are no longer a party to that Relevant Document after such novation); and
- (iv) no right or purported right to withdraw the Vessel from service under any Sub-Charter may be exercised by them without the prior written consent of the Owners.

(ii) **Conditions subsequent** The Charterers shall:

- (i) to the extent that any certificate received by the Owners pursuant to paragraph (g) of Clause 36 (*Conditions precedent*) was in provisional form at the time of the receipt, deliver or cause to be delivered to the Owners the corresponding formal certificate as soon as possible after the Charterers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate;
- (ii) within ten (10) Business Days from the Actual Delivery Date, deliver or cause to be delivered to the Owners letters of undertaking in respect of the Insurances as required by the Transaction Documents, together with copies of the relevant policies or cover notes or entry certificates duly endorsed with the interest of the Owners; and
- (iii) within five (5) Business Days after the execution of the Charterers' Assignment, deliver or cause to be delivered to the Owners acknowledgement by the Initial Time Charterer of the notice(s) of assignment given pursuant to the Charterers' Assignment in the form attached to the relevant notice(s);

(jj) **Emissions Legislation**

- (i) the Charterers shall:
 - (A) 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 to the relevant administering authority and take such action as the Owners may reasonably require for such EU ETS Mandate Letter to be submitted to and recorded by the relevant administering authority;

- (B) comply with all Emissions Legislation applicable to them; and
 - (C) whenever reasonably requested by the 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 Emissions Legislation applicable to them or in respect of the Vessel; and
- (ii) the Charterers will pay or cause to be paid all amounts required to be paid by them or the Owners in respect of the Vessel arising out of or in connection with the Emissions Legislation, and the Charterers will on demand indemnify the Owners for any and all documented amounts actually paid by the Owners in connection with the Emissions Legislation 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 the Emissions Regulations in respect of the Vessel (save for those losses, costs or expenses solely caused by the gross negligence or wilful default of the Owners and not caused by any direct action, omission, contributory negligence by any Obligor, any manager of the Vessel or any charterer of the Vessel) and (ii) any penalties, charges or other amounts levied against the Owners due to any breach by the Charterers of their obligations under this Clause 47(jj) and the Owners shall inform the Charterers of any relevant claims to which such charges relate in a timely manner.
- (kk) ***Intentionally left blank***
- (ll) ***Intentionally left blank***
- (mm) ***Related Vessels*** the Charterers agree that the Owners may at their sole discretion and at any time during the Agreement Term apply towards any Unpaid Sum any Related Vessel Total Loss Proceeds Surplus and any other amounts received by the Owners from any Related Owners pursuant to the terms of any Related Charter.

48. Earnings Account

- (a) In addition to Clause 47 (*Charterers' undertakings*), the Charterers hereby undertake to the Owners that, throughout the Agreement Term, they will deposit all of the Earnings received by the Charterers into the Earnings Account, free and clear of any costs, fees, expenses, disbursements, withholdings or deductions.
- (b) Provided that no Termination Event has occurred and is continuing and subject to payment of any Hire that has become due and payable, the Charterers may freely withdraw any amount standing to the credit of the Earnings Account.

49. Value maintenance

- (a) ***Definitions*** In this Clause 49:

"Test Date" means any day during the Agreement Term on which the Owners may test the Value Maintenance Ratio, it being acknowledged and agreed that, prior to the occurrence of a Termination Event or a Potential Termination Event, there will be no more than one (1) Test Date in any twelve (12) months period.

"Value Maintenance Ratio" means the ratio (expressed as a percentage) of:

- (i) the Fair Market Value of the Vessel plus any cash already provided to restore the Value Maintenance Threshold to
- (ii) the aggregate of the then applicable Cost Balance.

"Value Maintenance Threshold " means the ratio (expressed as a percentage) of one hundred and twenty per cent. (120%).

(b) **Valuations**

- (i) In order to determine the Fair Market Value on a Test Date for the purposes of testing the Value Maintenance Ratio, the Fair Market Value shall be determined by the Owners to be the arithmetic mean of the valuation from two Valuation Reports, each issued by an Approved Valuer designated by the Charterers, provided that:

- (A) in the absence of a Termination Event, the Charterers shall arrange, deliver to the Owners and bear the cost of the issuance of such Valuation Reports once every twelve (12) months during the Agreement Term, and any additional Valuation Report shall be at the Owners' cost; and
- (B) upon the occurrence of a Termination Event, the Charterers shall arrange, deliver to the Owners and bear the cost of the issuance of all Valuation Reports as may be required by the Owners (acting in their sole discretion).

provided further that if the Charterers fail to deliver such Valuation Reports pursuant to this Clause 49, the Owners shall be entitled to arrange such Valuation Reports at the Charterers' cost.

- (ii) Each Valuation Report to be provided for the purpose of sub-paragraph (b)(i) above shall:

- (A) be issued by an Approved Valuer, if for the purpose of testing the Value Maintenance Ratio, no earlier than forty-five (45) days before the relevant Test Date;
- (B) be made without physical inspection of the Vessel and on a desktop basis;
- (C) on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer; and
- (D) be delivered to the Owners within forty-five (45) days from the day on which the Owners make a request for valuation of the Vessel pursuant to paragraph (b)(i) above.

- (iii) If an Approved Valuer determines that the Fair Market Value shall fall within a range, the valuation as determined by such Approved Valuer should be the lower value of such range.

- (iv) Each valuation shall be provided by an Approved Valuer in US Dollars.

(c) **Value Maintenance Ratio**

- (i) The Owners may test the Value Maintenance Ratio on any Test Date in accordance with the methodology described in sub-paragraph (b) (*Valuations*) above.
- (ii) If, after conducting testing the Value Maintenance Ratio on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is lower than the Value Maintenance Threshold, then the Charterers shall, within thirty (30) days of the Owners' request, undertake any of the following at the Charterers' option (but always subject to Owners' prior approval which shall not be unreasonably withheld):
 - (A) provide cash collateral in the amount of the shortfall (the "**Cash Collateral**") and deposit the same in the Owners' Account; or
 - (B) prepay such part of the Fixed Hire in inverse order of maturity (or, if no Fixed Hire is payable any more, to prepay such part of the Cost Balance) in the amount of the shortfall (together with any Break Costs or other associated costs, expenses or penalties) (it being understood and the Owners and the Charterers hereby agree and acknowledge that any amount prepaid in accordance with this sub-paragraph (B) shall, once so applied by the Owners, not be refundable in any circumstance whatsoever),

in each case in order to restore the Value Maintenance Ratio to comply with the Value Maintenance Threshold.

- (iii) If, after testing the Value Maintenance Ratio on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is higher than the Value Maintenance Threshold for a consecutive period of more than 120 days, the Owners shall release to the Charterers such part of the Cash Collateral provided by the Charterers to the Owners pursuant to sub-paragraph (A) above, as shall reduce the Value Maintenance Ratio to the Value Maintenance Threshold, subject to the Owners being satisfied that (1) no Termination Event and no Potential Termination Event will occur before or after such release and (2) immediately following such release, the Value Maintenance Ratio will not be less than the Value Maintenance Threshold.

50. Termination Events

- (a) Each of the following events shall constitute a Termination Event:
 - (i) **Failure to pay** an Obligor fails to pay any amount due from it under any Transaction Document to which it is a party at the time, in the currency and otherwise in the manner specified therein unless payment is made within five (5) Business Days of its due date, provided that no Termination Event shall occur under this sub-paragraph (i) in relation to a failure to pay any amount on the relevant date if such failure is solely and directly caused by the Owners or an Owners' Affiliate becoming a Restricted Party (an "**Owners Sanctions Event**") and payment of such amount is made as soon as such Owners Sanctions Event is no longer continuing; or
 - (ii) **Misrepresentation** any representation or statement made by any Obligor in any Transaction Document to which it is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto or in connection therewith is or proves to have been incorrect or misleading in

any material respect, **provided that** no Termination Event will occur under this sub-paragraph if the circumstances giving rise to such misrepresentation are capable of remedy (to the extent that the Owners consider, in their absolute discretion, that such circumstances are capable of remedy) and are remedied to the satisfaction of the Owners within twenty (20) days of the date of the circumstances giving rise to the misrepresentation having occurred; or

- (iii) **Specific covenants** an Obligor fails duly to perform or comply with any of the obligations expressed to be assumed by or procured by the Charterers under paragraphs (i) (*Compliance with applicable laws*), (j) (*No breach of Sanctions*), (r) (*Insurance*), (z) (*Negative pledge*), (dd) (*Registration*) and (ff) (*Change of ownership*) of Clause 47 (*Charterers' undertakings*) and under Clause 48 (*Earnings Account*); or
- (iv) **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 paragraph (iii) (*Specific covenants*) above). No Termination Event under this paragraph will occur if the failure to comply is capable of remedy (to the extent that the Owners consider, in their absolute discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Owners within twenty (20) days after the earlier of (A) the Owners having given notice thereof to the relevant Obligor, and (B) any Obligor becoming aware of such failure to perform or comply; or
- (v) **Cross Default** any Financial Indebtedness of any Obligor is not paid when due (or within any applicable grace period) or any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity where (in either case) the aggregate of all such unpaid or accelerated indebtedness of:
 - (A) the Charter Guarantor is equal to or greater than ten million US Dollars (US\$10,000,000) or its equivalent in any other currency or currencies; or
 - (B) each of the other Obligors (other than the Dynagas Manager) is equal to or greater than five million US Dollars (US\$5,000,000) or its equivalent in any other currency or currencies; or
- (vi) **Insolvency and rescheduling** a Core Obligor is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of its creditors or a composition with its creditors; or
- (vii) **Winding-up** a Core Obligor:
 - (A) files for initiation of formal restructuring proceedings; or
 - (B) is wound up or declared bankrupt; or
 - (C) takes any steps or legal proceedings are started for its winding-up, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues or assets which is not permanently stayed or dismissed within twenty one (21) days; or

- (D) declares any moratorium or any moratorium is declared or sought, in each case, in respect of any of its indebtedness; or
- (viii) **Execution or distress**
 - (A) a Core Obligor fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court or other official body of a competent jurisdiction, being a judgement or order against which there is no right of appeal,
 - (B) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertaking or assets of a Core Obligor other than any execution or distress which is being contested in good faith and which is either discharged within thirty (30) days or in respect of which adequate security has been provided within thirty (30) days to the relevant court or other authority to enable the relevant execution or distress to be lifted or released; or
- (ix) **Similar event** any event occurs which, under the laws of any jurisdiction, has a similar or analogous effect to any of those events mentioned in paragraphs (vi) (*Insolvency and rescheduling*), (vii) (*Winding-up*) or (viii) (*Execution or distress*) 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) **Unlawfulness and invalidity** 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 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 Encumbrance created or purported to be created by the Security Documents ceases to be legal, valid, binding, enforceable or

effective or is alleged by a party to such Security Document (other than the Owners) to be ineffective,

- (xiii) **Material adverse change** at any time there shall occur any event or change in respect of the Charter Guarantor which the Owners reasonably believe has a Material Adverse Effect and if such event or change is capable of remedy, it is not remedied within thirty (30) days of the delivery of a notice confirming such event or change by the Owners to the Charterers; or
- (xiv) **Conditions precedent and subsequent** if any of the conditions set out in clauses 7.1 to 7.5 of the MOA, Clause 36 (*Conditions precedent*) or paragraph (ii) (*Conditions subsequent*) of Clause 47 (*Charterers' undertakings*) is not satisfied by the relevant time or such other time period specified by the Owners in their discretion; or
- (xv) **Revocation or modification of consents etc.** if any Necessary Authorisation which is now or which at any time during the Agreement Term becomes necessary to enable any of the Obligors to comply with any of their obligations in or pursuant to any of the Transaction Documents is revoked, withdrawn or withheld, or modified in a manner which the Owners (acting reasonably) consider is, or may be, prejudicial to the interests of Owners, or if such Necessary Authorisation ceases to remain in full force and effect; or
- (xvi) **Curtailment of business** if the business of any of the Obligors is wholly or materially curtailed by any intervention by or under authority of any government, or if all or a substantial part of the undertaking, property or assets of any of the Obligors is seized, nationalised, expropriated or compulsorily acquired by or under authority of any government or any Obligor disposes or threatens to dispose of a substantial part of its business or assets; or
- (xvii) **Environmental matters**
 - (A) any Environmental Claim is pending or made against the Charterers or in connection with the Vessel, where such Environmental Claim has a Material Adverse Effect;
 - (B) any actual Environmental Incident occurs in connection with the Vessel, where such Environmental Incident has a Material Adverse Effect; or
- (xviii) **Loss of property** all or a substantial part of the business or assets of any Obligor is destroyed, abandoned, seized, appropriated or forfeited for any reason; or
- (xix) **Sanctions** any Obligor, any Affiliate of any Obligor or any of its or their directors, officers and employees becomes a Restricted Party, rendering the sale of the Vessel under the MOA or the chartering of the Vessel under this Charter unlawful or otherwise in breach of any Sanctions; or
- (xx) **Arrest** the Vessel is arrested or seized for any reason whatsoever unless the Vessel is released and returned to the possession of the Charterers within thirty (30) days of such arrest or seizure unless otherwise agreed by the Owners, **provided that** no Termination Event will occur under this subparagraph (xx) if such arrest or seizure is caused solely and directly by an Owners Event or any action or omission from the Owners (other than any action from the Owners which takes place following the occurrence of a

Termination Event specified in paragraph (a) (except this sub-paragraph (xx)) of Clause 50); or

- (xxi) **Related Charters** there occurs any event or circumstance referred to in paragraph (a) of clause 50 (*Termination Events*) of any Related Charter; or
 - (xxii) **Obligor cessation of business** any Obligor ceases or threatens to cease, to carry on all or, in the opinion of the Owners, any material part of such Obligor's business; or
 - (xxiii) **Repudiation, termination or cancellation of Relevant Documents** any Relevant Document is repudiated, terminated, cancelled or otherwise ceases to remain in full force and effect (other than by expiration through effluxion of time), **provided that**, in respect of a Sub-Charter, no Termination Event will occur under this sub-paragraph (xxiii) if:
 - (A) such repudiation, termination, cancellation or cessation of effectiveness will not, in the reasonable opinion of the Owners, materially impair the Charterers' ability to perform their obligations under this Charter; and
 - (B) within 90 days of such repudiation, termination, cancellation or cessation of effectiveness, the Sub-Charter is replaced by another time charter of the Vessel (with such time charterer of such credit rating and on terms and conditions acceptable to the Owners, acting reasonably) which is entered into with the Charterers (each a "**Replacement Time Charter**") and the Charterers' rights under such Replacement Time Charter are assigned to the Owners (to the Owners' satisfaction);
 - (xxiv) **intentionally left blank**
 - (xxv) **intentionally left blank**
 - (xxvi) **MOA Termination Event** any "MOA Termination Event" (as such term is defined in the MOA) occurs under the MOA.
- (b) **Effect of a Termination Event** The Owners and the Charterers agree that:
- (i) it is a fundamental term and condition of this Charter that no Termination Event shall occur during the Agreement Term; and
 - (ii) without prejudice to the foregoing, a Termination Event which is continuing shall constitute an agreed terminating event, the occurrence of which will entitle the Owners to exercise all or any of the remedies set out below in this Clause 50.
- (c) **Owners' options after the occurrence of Termination Event** Throughout the period commencing on the Actual Delivery Date and terminating on the last day of the Agreement Term, at any time after a Termination Event shall have occurred and be continuing following the lapse of any applicable grace period, the Owners may at their option:
- (i) (subject to the terms of the relevant Quiet Enjoyment Agreement or, as applicable, the Finance Party Quiet Enjoyment Agreement (in each case, insofar as the rights of Owners and the relevant Sub-Charterer thereunder are concerned)) by delivering to the Charterers a Termination Notice, terminate this Charter with immediate effect or on the date specified in such

Termination Notice;

- (ii) apply any amount then standing to the credit of any Earnings Account against any Unpaid Sum or such other amounts which the Owners or other Obligor may owe under the Transaction Documents and apply any cash collateral provided to the Owners pursuant to Clause 49(c)(ii)(A); and/or
 - (iii) (without prejudice to sub-paragraph (ii) above) enforce any Encumbrance created pursuant to the relevant Transaction Documents.
- (d) **Payment of Termination Sum** On the Termination Payment Date in respect of any Default Termination, the Charterers shall pay to the Owners an amount equal to the Termination Sum plus any Break Cost net of Breakfunding Gain (if any).
- (e) **Owners' application of Terminations Sum** Following any termination to which this Clause 50 applies, all sums payable in accordance with paragraph (d) above shall be paid to such account or accounts as the Owners may direct and shall be applied towards settlement of the Termination Sum (or part thereof) and any other sums due and payable under the Transaction Documents.
- (f) **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 (d) above to the satisfaction of the Owners, whereupon the Owners shall promptly transfer title to the Vessel to the Charterers (or its nominee) in accordance with paragraphs (d) to (e) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).
- (g) **Owners' right to repossess** At any time on or after the Actual Delivery Date, following a Termination in accordance with paragraph (c) (*Owners' options after the occurrence of Termination Event*) above, **and provided that** the Charterers have failed to pay the Termination Sum in accordance with paragraph (d) (*Payment of Termination Sum*) above, the Owners may (but without prejudice to the Charterers' obligations under Clause 42 (*Redelivery*) and 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) **Charterers have no right to terminate** Save as otherwise expressly provided in this Charter, the Charterers shall not have the right to terminate this Charter any time prior to the expiration of the Agreement Term. The rights conferred upon the Owners by the provisions of this Clause 50 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.
- (i) **Owners' right to sell the Vessel** Following any termination to which this Clause applies, if the Charterers have not paid to the Owners the Termination Sum in full by the applicable Termination Payment Date (and consequently the Owners have not transferred title to the Vessel to the Charterers (or their nominee) in accordance with paragraph (f) above), the Owners shall be entitled (but not obliged) to sell the Vessel and apply the Net Sale Proceeds against the Termination Sum and claim from the Charterers for any shortfall. In the event that the Owners have determined to proceed with a sale of the Vessel, the Charterers may for a period of not exceeding sixty (60) days from the Termination Payment Date (the "**Nomination Period**") nominate or identify a purchaser for the Vessel (including the Charterers,

a “**Nominated Purchaser** “). During the Nomination Period, the Owners and the Charterers shall use their reasonable endeavours to market the Vessel and the Owners shall, subject to customary closing conditions and clearance of “know your customer”, anti -money laundering and sanctions investigations by the Owners, sell the Vessel to the Nominated Purchaser if (A) the Nominated Purchaser is acceptable to the Owners (acting reasonably) and (B) the price to be paid by the Nominated Purchaser (after deducting any fees, commissions, taxes, disbursements and other costs and expenses which would be likely to be incurred in connection with a sale of the Vessel) is equal to or more than the applicable Termination Sum (unless otherwise agreed by the Owners in their absolute discretion) and not lower than the price offered by any other potential purchaser during the Nomination Period.

The Charterers' obligation to pay the Termination Sum (and perform any of their other obligations under the Transaction Documents) shall not be affected irrespective of the Owners' ability to complete the sale of the Vessel. Following the completion of the sale the Owners shall then apply the Net Sales Proceeds as follows:

- (A) firstly, in or towards satisfaction or reduction of the Charterers' obligation to pay the Termination Sum in any manner the Owners deem fit, to the extent that the Termination Sum or any portion of it remains unpaid;
- (B) secondly, if there are moneys owing by any Related Obligor at the relevant time under any Transaction Document (as defined in any Related Charter) or there exists a Termination Event (as defined in any Related Charter) in or towards payment to the relevant Related Owners of any amount owing by that Related Obligor; and
- (C) thirdly, in payment of any surplus to the Charterers.

51. Sub-chartering and assignment

- (a) **Restrictions on other sub-chartering** The Charterers shall not without the prior written consent of the Owners (which shall not be unreasonably withheld or delayed):
 - (i) let the Vessel on demise charter for any period;
 - (ii) de-activate or lay up the Vessel (other than as permitted and in accordance with the terms and conditions of the Sub-Charter);
 - (iii) assign their rights under this Charter; or
 - (iv) enter into any sub-charter for the Vessel (other than the Sub-Charters and any other time charter in respect of the Vessel with a charter period of less than twelve (12) months and entered into by the Charterers (as disponent owner)).
- (b) **Condition to Owners' consent** The Charterers acknowledge that the Owners' consent to any sub-bareboat chartering shall be subject (amongst other things) to the Owners being satisfied as to the intended flag and the classification society during such sub-bareboat chartering.

52. Purchase Option, Purchase Obligation and transfer of title

Purchase Option

(a) The Charterers may at any time during the Charter Period on or after:

(i) the First Anniversary Date; or

(ii) (where the Purchase Option is exercised pursuant to any of Clauses 40(i), 40(o)(iii), 44(iv), 52(g) and 52(h)) the Actual Delivery Date,

notify the Owners by serving a written notice (such notice shall hereinafter be referred to as the "**Purchase Option Notice**" and following the service of such notice the Charterers shall pay to the Owners the Purchase Option Price on the proposed Purchase Option Date) of the Charterers' intention to terminate the chartering of the Vessel under this Charter on the date to be specified in such Purchase Option Notice (such date being the "**Purchase Option Date**") and purchase the Vessel from the Owners for the applicable Purchase Option Price, **provided that** the following conditions are satisfied:

(i) no Total Loss under Clause 53 (*Total Loss*) having occurred;

(ii) no Termination Event having occurred and being continuing;

(iii) the Owners having not delivered a Termination Notice in accordance with paragraph (i) (*Illegality*) of Clause 40 (*Hire*);

(iv) the Purchase Option Date falling on or after:

(A) (where the Purchase Option is exercised pursuant to any of Clauses 40(i), 40(o)(iii), 44(iv), 52(g) and 52(h)) the Actual Delivery Date; or

(B) otherwise, the First Anniversary Date.

(v) the Charterers' delivery of the Purchase Option Notice to the Owners at least:

(A) (where the Purchase Option is exercised pursuant the Purchase Option according to any of Clauses 40(i), 40(o)(iii), 44(iv), 52(g) and 52(h)) thirty (30) days prior to the proposed Purchase Option Date; and

(B) otherwise, sixty (60) days prior to the proposed Purchase Option Date.

(b) In exchange for the full payment of the Purchase Option Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49) on the Purchase Option Date, the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (e) below. For the avoidance of doubt the Charter Period will end immediately upon the Purchase Option Price being paid.

Purchase obligation

(c) Subject to the other provisions of this Charter, the Charterers shall (unless the Charterers have served the Purchase Option Notice and the Purchase Option Price has been paid in accordance with the terms of this Charter) be obliged to purchase the Vessel or cause their nominee to purchase the Vessel upon the expiration of the period of sixty (60) months commencing from the Actual Delivery Date by payment of the Purchase Obligation Price. Upon payment of the Purchase

Obligation Price in accordance with this paragraph to the Owners' satisfaction, the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (e) below.

Transfer of title

(d) **Title transfer** In exchange for the full payment of:

(i) in each case as applicable:

- (A) (in the case of the circumstances described in paragraph (a) above) the applicable Purchase Option Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49); or
- (B) (in the case of the circumstances described in paragraph (c) above) the Purchase Obligation Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49); and

(ii) all sums due and payable to the Owners under the Transaction Documents and subject to compliance with the other conditions set out in this Clause,

the Owners shall:

- (1) transfer title to and ownership of the Vessel to the Charterers (or their nominee) by delivering to the Charterers (in each case at the Charterers' costs):
 - (x) a duly executed and notarised, legalised and/or apostilled (as applicable) bill of sale; and
 - (y) the Title Transfer PDA; and
- (2) procure the deletion of any mortgage or other registered Encumbrance in relation to the Vessel created under the Finance Documents at the Charterers' cost,

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 (f) below from the Charterers, 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 legal fees) in relation to the Vessel. Concurrently with the transfer of title to and ownership of the Vessel, the Owners shall furnish the Charterers with a deed of release, discharge and reassignment in respect of the Account Charge, the Charterers' Assignment, the Charter Guarantee, the Negative Share Pledge and the Manager's Undertaking.

(e) **"As is, where is" title transfer** 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, unless required by the laws or regulations of the Charterers' nominated flag state (but without prejudice to the contractual agreed position between the Charterers and the Owners under the rest of this paragraph (e)) to be included in the relevant bill of sale, give the Charterers (or their nominee) 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.

- (f) **Charterers' letter of indemnity** The Charterers shall, immediately prior to the receipt of the bill of sale, furnish the Owners with a letter of indemnity (in a form satisfactory to the Owners) duly executed by the Charterers and the Charter Guarantor and which shall provide (among other things) that:
- (i) the Owners and/or the Finance Parties (if any) have and will have no interest, concern or connection with the Vessel after the date of such letter; and
 - (ii) the Charterers and the Charter Guarantor shall jointly and severally indemnify the Owners and keep the Owners indemnified against any claims made by any person arising in connection with the Vessel whether arising prior to, on or after the date of such letter, other than a claim arising out of or in connection with the Finance Documents that is not a result of:
 - (A) a Termination Event; or
 - (B) any non-compliance by any Obligor of any provision of the Transaction Documents to which such Obligor is a party.
- (g) It is agreed between the Owners and the Charterers that (other than following the occurrence of (A) a Termination Event under this Charter or (B) any breach of any Transaction Document by any Obligor), in the event that (1) the Charterers have entered into binding arrangements for the sale of the Vessel (a "**Proposed Sale**") at any time following the Actual Delivery Date to a third party not being an Affiliate of the Charterers and that (2) the Vessel will not be leased or chartered to the Charterers or any of their Affiliates under bareboat or time charter arrangements under or in connection with the Proposed Sale, the Charterers are entitled to exercise the Purchase Option subject to written consent of the Owners (such consent not to be unreasonably withheld).
- (h) It is agreed between the Owners and the Charterers that, upon occurrence of any of the following circumstances (each an "**Owners Event**") where the same is not remedied within thirty (30) Business Days after receipt by the Owners of written notice from the Charterers requesting remedy, the Charterers are entitled to exercise the Purchase Option subject to paragraph (a) above:
- (i) the Vessel is under arrest, detention, seizure or confiscation solely caused by a claim against the Owners or as a direct result solely resulting from the Owners' or an Owners' Affiliate's actions or omissions (other than as a result of (x) a Termination Event under this Charter, (y) any direct action, omission, contributory negligence by any Obligor, any manager of the Vessel or any charterer of the Vessel and (z) any breach of any Transaction Document by any Obligor), and the Owners fail to procure the release of the Vessel within thirty (30) days of her arrest, detention, seizure or confiscation (unless such failure is caused by any Obligor, a manager of the Vessel or a charterer of the Vessel);
 - (ii) the Owners have mortgaged their title in the Vessel other than in accordance with the provisions of this Charter; or
 - (iii) the Owners or an Owners' Affiliate becomes a Restricted Party.
- (i) In circumstances where either the Owners or an Owners' Affiliate becomes a Restricted Party, the Parties undertake to each other to work together in order to find a solution to ensure payment of the relevant Purchase Option Price to the

Owners as speedily as possible without breach of any relevant Sanctions.

53. Total Loss

- (a) **Total Loss Termination** 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.
- (b) **Occurrence of Total Loss** 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) **Payment on Settlement Date** On the Settlement Date, the Charterers shall (in the event that the Owners have not yet received any insurance proceeds in respect of such Total Loss at such time or where such insurance proceeds are not sufficient to satisfy the applicable Termination Sum in full) pay to the Owners an amount equal to the Termination Sum as at the Settlement Date (or, in the case where insurance proceeds have been applied towards paying part of the Termination Sum, the remaining portion of the Termination Sum) provided that it is hereby agreed that any insurance proceeds in respect of the Vessel received by the Owners and/or the Finance Parties shall be applied in or towards discharging the Charterers' obligation to pay the Termination Sum and any interest accrued thereon (and such application shall be deemed satisfaction of the Charterers' obligation to pay the Termination Sum to the extent so satisfied).
- (d) **Payment of Total Loss Proceeds** All Total Loss Proceeds shall be paid to such account or accounts as the Owners may direct and shall be applied towards satisfaction of the Termination Sum and any other sums due and payable under the Transaction Documents. To the extent that there is any surplus after such application (the "**Vessel Total Loss Proceeds Surplus**"), such surplus shall be paid to the Charterers by way of rebate hire, unless before such payment there occurs any event or circumstance referred to in paragraph (a) of clause 50 (*Termination Events*) of any Related Charter, upon which such Vessel Total Loss Proceeds Surplus shall be paid by the Owners to the relevant Related Owners which may be applied in the sole discretion of such Related Owners in accordance with the terms of the relevant Related Charter.
- (e) **Constructive Total Loss** 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) **Payment unconditional** 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 required by paragraph (c) above.

54. Fees and expenses

- (a) **Arrangement Fee** The Charterers shall, on the date of this Charter, pay to the Owners an arrangement fee in an amount equal to 0.675% of the Actual Owners' Costs (the "**Arrangement Fee**") not less than seven (7) Business Days prior to the Prepositioning Date (as defined in the MOA), provided that if this Charter is

terminated or cancelled before the Arrangement Fee has been paid, the Arrangement Fee shall become immediately due and payable upon such termination or cancellation and the Charterers shall pay the Arrangement Fee to the Owners immediately upon the Owners' demand. The Arrangement Fee shall be non-refundable and without any set-off, except in circumstances where the purchase of the Vessel by the Owners under the MOA fails as a result of the Owners' wilful or negligent breach of the MOA or this Charter, in which case the Arrangement Fee shall be refunded by the Owners to the Charterers.

- (b) **Other costs and expenses** The Charterers shall bear all reasonably incurred and documented costs, fees (including legal fees) and disbursements incurred by the Owners, whether or not any of the transactions contemplated is completed, in connection with:
- (i) the negotiation, preparation and execution of this Charter, the other Transaction Documents;
 - (ii) the delivery and redelivery of the Vessel under the MOA and this Charter;
 - (iii) preparation or procurement of any survey, inspections, valuation, tax or insurance advice, registration fees;
 - (iv) all legal fees and other expenses arising out of or in connection with the exercising of the Purchase Option and implementing of the Purchase Obligation by the Charterers pursuant to paragraphs (a) and (c) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) of this Charter;
 - (v) such other activities relevant to the transaction contemplated herein other than any financing activities undertaken by the Owners, whether or not such financing activities are undertaken for the purposes of entering this Charter, the MOA or any of the Transaction Documents and other than any incorporation, setting up or continued operation of the Owners in their place of incorporation; and
 - (vi) any amendment to, or any waiver or consent under, this Charter, any other Transaction Documents or any Finance Documents requested by the Charterers.

55. Stamp duties, Taxes

The Charterers shall pay promptly 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 on demand against any and all liabilities with respect to or resulting from any delay on the part of the Charterers to pay such duties or taxes.

56. Operational notifiable events

The Owners are to be advised as soon as reasonably possible after the occurrence of any of the following events:

- (a) when a condition of class is applied by the Classification Society;
- (b) whenever the Vessel is arrested, confiscated, seized, requisitioned, impounded, forfeited or detained by any government or other competent authorities or any other persons for more than five (5) consecutive Business Days;
- (c) whenever a class or flag authority refuses to issue or withdraws trading

certification;

- (d) whenever the Vessel is planned for dry-docking in accordance with Clause 10(g) (Part II) and whether routine or emergency;
- (e) the Vessel is taken under tow;
- (f) any (i) death, or (ii) serious injury on board which would require the Vessel to be diverted from its then trading route;
- (g) any damage to the Vessel the repair costs of which (whether before or after adjudication) are likely to exceed the Major Casualty Amount; or
- (h) any actual Environmental Incident occurs in connection with the Vessel.

57. Further indemnities

- (a) **Further indemnities** Whether or not any of the transactions contemplated hereby are consummated, the Charterers shall indemnify, protect, defend and hold harmless the Owners and their officers, directors, agents and employees (collectively, the "**Indemnitees**") throughout the Agreement Term from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, taxes (save for any taxes levied on the Owners by the tax authorities in their place of incorporation), fees, claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including legal fees and expenses, of whatsoever kind and nature, imposed on, suffered or incurred by or asserted against any Indemnatee, 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 requested by the Charterers;
 - (ii) the Vessel or any part thereof, including with respect to:
 - (A) the ownership of, 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 or any Sub-Charterer;
 - (C) death or property damage of shippers or others;
 - (D) any liens in respect of the Vessel or any part thereof; or
 - (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, including, without limitation, any registration fees and annual registration fees

in connection with registering and maintaining the Owners as a foreign maritime entity (or its equivalent) in the jurisdiction of a Pre-Approved Flag for the purpose of registering and maintaining the Owners' title with such Pre-Approved Flag;

- (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 they are a party or the falsity of any representation or warranty of the Charterers in any Transaction Document to which they are a party or the occurrence of any Termination Event;
- (iv) in connection with:
 - (A) preventing or attempting to prevent the arrest, confiscation, seizure, taking and execution, requisition, impounding, forfeiture or detention of the Vessel; or
 - (B) in securing or attempting to secure the release of the Vessel,in each case 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) recovering possession of the Vessel following termination of this Charter under Clause 50 (*Termination Events*);
 - (C) arranging for a transfer of the title of the Vessel in accordance with paragraphs (d) to (e) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*);
 - (D) the registration of the Vessel at any registry of ships; and
- (vi) 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 Charterers Group, together with any 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.

Nothing in this Clause 57 will require the Charterers to indemnify the Owners against or pay to the Owners any amount in respect of any liabilities, obligations, losses, damages, penalties, claims, actions, suits, fees, costs, expenses and disbursements incurred by the Owners solely and directly as a result of any wilful breach of this Charter by the Owners.

- (b) **Cost indemnities** The Charterers shall pay to the Owners 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 including (without limitation) (i) any 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) **Run-off indemnities** 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 in full force and effect for a period of twelve (12) months after the Agreement Term.

58. Set-off

The Owners may set off any matured obligation due from the Charterers or the Sellers under the Transaction Documents (to the extent beneficially owned by the Owners) against any obligation (whether matured or not) owed by the Owners to the Charterers or the Sellers, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, the Owners may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

59. Further assurances and undertakings

Each party shall 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.

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. Day count convention

Unless otherwise specified, any Variable Hire, interest, commission or fee accruing under a Transaction Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, where the amount is payable in a currency other than US Dollars, such period as is customary for such currency).

62. 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 accepted 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.

63. Entire agreement

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.

64. 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.

65. 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.

66. 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.

67. Notices

- (a) Any notices to be given to the Owners under this Charter shall be sent in writing by registered letter or email and addressed to:

Tianjin Color-VI Leasing Limited

Address: c/o CDB Leasing Co. Ltd., 3502-03, Century Link Tower 2, No.
1196 Century Avenue, Pudong New District, Shanghai 200122, the
People's Republic of China

Email: wangmeng@cdb-leasing.com

Attention: Wang Meng

or to such other address or email address as the Owners may notify to the Charterers in accordance with this Clause 67.

- (b) Any notices to be given to the Charterers under this Charter shall be sent in writing by registered letter, facsimile or email and addressed to:

Lance Shipping S.A.

Address: c/o Dynagas Ltd., 97 Poseidonos Avenue and 2 Foivis Street, 166-74
Glyfada, Athens, Greece

Email: lngcoordination@dynagas.com

Attention: Michael Gregos

or to such other address or email address as the Charterers may notify to the Owners in accordance with this Clause 67.

- (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 a registered letter). A notice or other such communication received on a non-working day or after 5:00 pm in the place of receipt shall be deemed to be served on the following working day in such place.

68. 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 74 (*FATCA*), the provisions of Clauses 32 (*Definitions*) to 74 (*FATCA*) shall prevail.

69. Survival of Charterers' obligations

The termination of this Charter for any cause whatsoever shall not affect the right of the Owners to recover from the Charterers any money due to the Owners in consequence thereof and all other rights of the Owners (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Charter) are reserved hereunder.

70. 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.

71. 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, to 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);
 - (iv) in the case of the Charterers, (A) to the Relevant Parties in respect of obtaining any consent required under the terms of any Relevant Documents or (B) as may be required in connection with public disclosure requirements arising from the issuance of securities by any member of the Charterers Group or any of its Affiliates that is publicly listed; and
 - (v) any Approved Manager, the Classification Society and flag authorities, in each case as may be necessary in connection with the transactions contemplated hereunder.
- (b) Any other disclosure by each Party shall be subject to the prior written consent of the other Party.

72. Third Parties Act

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.

73. Waiver of immunity

- (a) To the extent that either Party 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 such Party or its assets or revenues, each Party agrees not to claim and irrevocably waive such immunity to the full extent permitted by the laws of such jurisdiction.
- (b) The Charterers 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 Charterers 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.

74. FATCA

- (a) **Definitions** For the purpose of this Clause 74, 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 to 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 IRS, the US government or any governmental or taxation authority in any other jurisdiction;

“**FATCA Deduction**” means a deduction or withholding from a payment under this Charter or the other Transaction Documents required by or under FATCA;

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

“**FATCA Non-Exempt Party**” means any Relevant FATCA Party who is not a FATCA Exempt Party;

“**Relevant FATCA Party**” means any Obligor.

“**IRS**” means the United States Internal Revenue Service or any successor taxing authority or agency of the United States government.

- (b) **FATCA Information**

- (i) Subject to paragraph (iii) below, the Charterers shall procure that each Relevant FATCA Party shall, on the date of this Charter, and thereafter within ten (10) Business Days of a reasonable request by another Relevant FATCA Party:
 - (A) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party; and
 - (B) supply to the requesting party (with a copy to all other Relevant FACTA Parties) such other form or forms (including IRS Form W-8 or Form W-9 or any successor or substitute form, as applicable) and any other documentation and other information relating to its status under FATCA (including its applicable “pass thru percentage” or other information required under FATCA or other official guidance including intergovernmental agreements) as the requesting party reasonably requests for the purpose of the requesting party’s compliance with FATCA.
 - (ii) If a Relevant FATCA Party confirms to any other Relevant FATCA Party that it is a FATCA Exempt Party or provides an IRS Form W-8 or W-9 showing that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, or that the said form provided has ceased to be correct or valid, the Charterers shall procure that that party shall so notify all other Relevant FATCA Parties or provide the relevant revised form, as applicable, reasonably promptly.
 - (iii) Nothing in this clause shall oblige any Relevant FATCA Party to do anything which would or, in its reasonable opinion, might constitute a breach of any law or regulation, any policy of that party, any fiduciary duty or any duty of confidentiality, or to disclose any confidential information (including, without limitation, its tax returns and calculations); provided, however, that nothing in this paragraph shall excuse any Relevant FATCA Party from providing a true, complete and correct IRS Form W-8 or W-9 (or any successor or substitute form where applicable). Any information provided on such IRS Form W-8 or W-9 (or any successor or substitute forms) shall not be treated as confidential information of such party for purposes of this paragraph.
 - (iv) If a Relevant FATCA Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with the provisions of this Charter or the provided information is insufficient under FATCA, then:
 - (A) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of this Charter and the other Transaction Documents as if it is a FATCA Non-Exempt Party; and
 - (B) if that party failed to confirm its applicable passthru percentage then such party shall be treated for the purposes of this Charter and the other Transaction Documents (and payments made thereunder) as if its applicable passthru percentage is 100%,until (in each case) such time as the party in question provides sufficient confirmation, forms, documentation or other information to establish the relevant facts.
- (c) ***FATCA Deduction and gross-up by Charterers***

- (i) If the representation made by the Charterers under paragraph (xxvii) (*Tax*) of Clause 46 (*Charterers' representations and warranties*) proves to be untrue or misleading such that the Charterers are required to make a FATCA Deduction, the Charterers shall make the FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (ii) If the Charterers are required to make a FATCA Deduction then the Charterers shall increase the payment due from them to the Owners to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (iii) The Charterers shall promptly upon becoming aware that they must make a FATCA Deduction (or that there is any change in the rate or basis of a FATCA Deduction) notify the Owners accordingly. Within thirty (30) days of the Charterers making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Charterers shall deliver to the Owners evidence reasonably satisfactory to the Owners that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.
- (d) **FATCA Deduction by Owners** The Owners may make any FATCA Deduction they are required by FATCA to make, and any payment required in connection with that FATCA Deduction, and the Owners shall not be required to increase any payment in respect of which they make such a FATCA Deduction or otherwise compensate the recipient for that FATCA Deduction.
- (e) **FATCA Mitigation** Notwithstanding any other provision to this Charter, if a FATCA Deduction is or will be required to be made by any party under paragraph (c) (*FATCA Deduction and gross-up by Charterers*) in respect of a payment to the Owners as a result of the Owners not being a FATCA Exempt Party, the Owners shall have the right to transfer their interest in the Vessel (and this Charter) to any person nominated by the Owners and approved by the Charterers and all costs in relation to such transfer shall be for the account of the Charterers.

SCHEDULE 1
RELATED VESSELS AND RELEVANT INFORMATION

Name of Vessel	Owners	Charterers
m.v. "Arctic Aurora"	Tianjin Color-IV Leasing Limited	Fareastern Shipping Limited
m.v. "Clean Energy"	Tianjin Color-V Leasing Limited	Pegasus Shipholding S.A.
m.v. "Amur River"	Tianjin Color-VII Leasing Limited	Seacrown Maritime Ltd.

SCHEDULE 2
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 **Tianjin Color-VI Leasing Limited** (the "**Owner**") as owner and **Lance Shipping S.A.** (the "**Bareboat Charterer**") as bareboat charterer (as maybe amended and supplemented from time to time, the "**Bareboat Charter**") in respect of one (1) LNG carrier named "Ob River" and registered under the laws and flag of the Republic of the Marshall Islands with IMO number 9315692 (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 _____ 20[•] in [•].

THE OWNER

Tianjin Color-VI Leasing Limited

by: _____

THE BAREBOAT CHARTERER

Lance Shipping S.A.

by: _____

Name: _____

Title: _____

Date: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 3
FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE

PROTOCOL OF DELIVERY AND ACCEPTANCE

m.v. "Ob River"

Tianjin Color-VI Leasing Limited of Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China (the "**Owner**") deliver to **Lance Shipping S.A.** of Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Bareboat Charterer**") the Vessel described below and the Bareboat Charterer accept delivery of, title and risk to the Vessel pursuant to the terms and conditions of the bareboat charterer dated [•] 20[•] (as may be amended and supplemented from time to time) and made between (1) the Owner and (2) the Bareboat Charterer.

Name of Vessel:	m.v. "Ob River"
Flag:	the Republic of the Marshall Islands
Place of Registration:	Majuro
IMO Number:	9315692
Gross Registered Tonnage:	100,244
Net Registered Tonnage:	30,073
Dated:	20[•]
At: hours (Beijing time)	
Place of delivery:	

THE OWNER	THE BAREBOAT CHARTERER
Tianjin Color-VI Leasing Limited	Lance Shipping S.A.
by:	by:

_____ Name:	_____ Name:
_____ Title:	_____ Title:
_____ Date:	_____ Date:

SCHEDULE 4
PERCENTAGE FOR CALCULATING PURCHASE OPTION FEE AND PREPAYMENT
FEE

the day on which the Purchase Option Date falls or the Prepaid Amount is payable	Percentage of Cost Balance or the Prepaid Amount to be utilised for calculating Purchase Option Fee or Prepayment Fee (%)
commencing on the Actual Delivery Date and ending on (and inclusive of) the date immediately preceding the Third Anniversary Date	1.5
commencing on the Third Anniversary Date	0

SIGNATURE PAGE

TO BAREBOAT CHARTER FOR THE LNG CARRIER
NAMED "OB RIVER"

THE OWNERS

Tianjin Color-VI Leasing Limited

by:

/s/ Xiong Jianfeng

Name: Xiong Jianfeng

Title: Legal Representative

Date: 19 June 2024

THE CHARTERERS

Lance Shipping S.A.

by:

/s/ Angelos Chardouvelis

Name: Angelos Chardouvelis

Title: Attorney-in-fact

Date: 19 June 2024

Arctic LNG Carriers Ltd.
(as Sellers)

Tianjin Color-VI Leasing Limited
(as Buyers)

Memorandum of Agreement
in respect of one (1) LNG carrier named "Ob River"

Stephenson Harwood

罗夏信律师事务所

43/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

香港鰂鱼涌英皇道979号太古坊一座43楼

电话 T: +852 2868 0789 | 传真 F: +852 2868 1504

www.shlegal.com

**STEPHENSON
HARWOOD**

WEI TU CHINA ASSOCIATION

罗夏信-伟途 联营

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATIONS	4
2.	SALE AND PURCHASE	7
3.	PURCHASE PRICE	8
4.	CURRENCY OF PAYMENT	8
5.	PAYMENT NOTICE	9
6.	PAYMENT	9
7.	CONDITIONS PRECEDENT AND SUBSEQUENT	12
8.	DETERMINATION OF MARKET VALUE	13
9.	SELLERS' UNDERTAKINGS	13
10.	MOA TERMINATION EVENTS	14
11.	BUYERS' POWERS FOLLOWING CANCELLATION	15
12.	CHANGES TO PARTIES	16
13.	CUMULATIVE RIGHTS	16
14.	NO WAIVER	16
15.	ENTIRE AGREEMENT AND AMENDMENTS	17
16.	INVALIDITY	17
17.	ENGLISH LANGUAGE	17
18.	NO PARTNERSHIP	17
19.	NOTICES	17
20.	COUNTERPARTS	18
21.	THIRD PARTIES ACT	18
22.	SPARES, BUNKERS AND OTHER ITEMS	19
23.	ENCUMBRANCES	19
24.	TAXES, COSTS AND EXPENSES	19
25.	DELIVERY UNDER CHARTER	19
26.	INDEMNITIES	20
27.	CALCULATIONS AND CERTIFICATES	20

28. ENFORCEMENT	20
29. CONFLICT WITH CHARTER	22
30. BUYERS EVENT	22
SCHEDULE 1 CONDITIONS PRECEDENT AND SUBSEQUENT	23
SCHEDULE 2 FORM OF PAYMENT NOTICE	29

THIS AGREEMENT is made on 19 June 2024

BETWEEN:

- (1) **Arctic LNG Carriers Ltd.**, a corporation incorporated under the laws of the Marshall Islands with registration number 77480 whose registered address is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Sellers**"); and
- (2) **Tianjin Color-VI Leasing Limited**, a company incorporated under the laws of the People's Republic of China (with unified social credit code 91120118MADFC8JL43) whose registered address is Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China (the "**Buyers**").

BACKGROUND:

- (A) The Sellers have agreed to sell one (1) LNG carrier named "Ob River" (with IMO number 9315692) (the "**Vessel**") to the Buyers upon the terms and conditions set forth in this Agreement.
- (B) The Buyers (as owners) have agreed to let the Vessel to the Charterers (as bareboat charterers) and the Charterers have agreed to hire the Vessel from the Buyers immediately upon the acceptance of the Vessel by the Buyers from the Sellers under this Agreement, pursuant to the terms and conditions set forth in a bareboat charter agreement (as amended and or supplemented from time to time) (the "**Charter**") entered or to be entered into between the Buyers (as owners) and the Charterers (as bareboat charterers) on or about the date of this Agreement.

IT IS AGREED as follows:

1. Definitions and interpretations

1.1 Definitions

Words and expressions having defined meanings in the Charter shall, except where otherwise defined herein, have the same meanings when used in this Agreement, and in this Agreement:

"**Approved Valuer**" each of Poten & Partners, Lorentzen & Co, Arrow Valuations, BRS Shipprokers, Fearnleys LNG, Clarkson Platou, Associated Shipbrokers Monaco, Nordic Shipping or any other qualified and reputable shipbroker as mutually agreed by the Sellers and the Buyers.

"**Bill of Sale**" means the bill of sale in respect of the Vessel to be executed by the Sellers (in a form acceptable to the Buyers and the Pre-Approved Flag, transferring title of the Vessel to the Buyers and stating that the Vessel is free from all Encumbrances or any other debts whatsoever).

"**Cancellation Notice**" has the meaning given to such term in Clause 11.1(a). "**Cancelling Date**" means the date specified as such in the Cancellation Notice.

"**Charterers**" means Lance Shipping S.A., a corporation incorporated under the laws of the Marshall Islands with registration number 10149.

“Current Owner” means the Charterers in their capacity as the registered owner of the Vessel as at the date of this Agreement.

“Delivery Date” has the meaning given to such term in Clause 2.2(b) (*Delivery*).

“Delivery Date CPs” means the conditions precedent required under (a)(i), (ii) and (iii) of Clause 7.2 (*Delivery Date conditions precedent*).

“Existing Credit Amount” means the outstanding amount owed by the Current Owner to the Existing Finance Parties and secured by the Existing Mortgage.

“Existing Finance Parties” means the finance parties for whom the Existing Mortgagee acts as security agent and trustee in connection with the Existing Mortgage.

“Existing Mortgage” means the Marshall Islands mortgage dated 25 September 2019 and executed by the Current Owner in favour of the Existing Mortgagee.

“Existing Mortgagee” means Citibank, N.A., London Branch acting through its office at Citigroup Center, Canada Square, London E14 5LB, United Kingdom.

“Existing Mortgagee’s Portion” has the meaning given to such term in Clause 6(a)(i).

“First MOA” means the memorandum of agreement in respect of the Vessel between the Sellers (as buyers) and the Current Owner (as sellers) in relation to the sale and purchase of the Vessel, as may be amended, supplemented and/or varied from time to time.

“Long Stop Date” means 31 August 2024 or such other date as the Sellers and the Buyers may agree.

“Market Value” means the value of the Vessel ascertained in accordance with Clause 8 (*Determination of Market Value*).

“MOA Termination Event” means each of the events specified in paragraph (a) of Clause 10 (*MOA Termination Events*).

“Owners” means the Buyers in their capacity as owners under the Charter.

“Party” means a party to this Agreement, and **“Parties”** means both of them.

“Payment Notice” means the notice of the amount payable by the Buyers under this Agreement to be issued by the Sellers to the Buyers at least five (5) Business Days prior to the anticipated Prepositioning Date, or such reasonable shorter period as the Buyers may agree to from time to time, in substantially the form set out in Schedule 2 (*Form of Payment Notice*) hereto (or such other form as the Buyers may require).

“Port State” means the jurisdiction in which delivery of the Vessel will take place and/or the jurisdiction which would otherwise have the power under all applicable laws to detain the Vessel before she is delivered by the Sellers to the Buyers.

“Potential MOA Termination Event” means, an event or circumstance which would, with the giving of any notice, the lapse of time, a determination of the Buyers or any combination of the foregoing, be an MOA Termination Event.

“Pre-Delivery Period” means the period commencing from the date of this Agreement up to the delivery of the Vessel by the Buyers on the Delivery Date.

"Prepositioning Date" means the date specified in the Payment Notice as the date on which the Buyers shall pre-position the Purchase Price into the Existing Mortgagee, which shall not be earlier than three (3) Business Days prior to the Delivery Date.

"Purchase Price" means the lower of

- (a) US\$71,175,000; and
- (b) sixty-five per cent (65%) of the Market Value.

"Scheduled Delivery Date" means the date on which the Sellers are ready to deliver the Vessel in accordance with the terms of this Agreement, and in any event not later than the Long Stop Date, which Scheduled Delivery Date the Sellers shall notify to the Buyers in the Payment Notice.

"Sellers' Cancellation Notice" has the meaning given to such term in Clause 30.1.

"Sellers' PDA" means the protocol of delivery and acceptance in respect of the Vessel to be executed by the Sellers and the Buyers (in a form acceptable to the Buyers and the Pre-Approved Flag), evidencing the irrevocable and unconditional physical delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement.

"Sellers' Portion" has the meaning given to such term in Clause 6(a)(ii).

"Valuation Report" means, in relation to the Vessel, a desktop valuation report (without physical inspection) addressed to the Buyers and prepared:

- (a) by an Approved Valuer;
- (b) 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; and
- (c) on a date no earlier than thirty (30) days prior to the Delivery Date.

1.2 Interpretations

- (a) In this Agreement, unless the context otherwise requires, any reference to:
 - (i) to this Agreement includes the Schedules hereto and references to Clauses and Schedules are, unless otherwise specified, references to Clauses of and Schedules to this Agreement and, in the case of a Schedule, to such Schedule as incorporated in this Agreement 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;
 - (iv) "**assets**" includes present and future properties, revenues and rights of every description;
 - (v) the "**Buyers**", the "**Sellers**", the "**Charterers**", any "**Obligor**", "**Sub-Charterers**" or any other person include any of their respective successors, permitted assignees and permitted transferees;
 - (vi) a "**Relevant Document**" or any other 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;

- (vii) **"hereof", "herein" and "hereunder"** and other words of similar import means this Agreement as a whole (including the Schedules) and not any particular part hereof;
 - (viii) **"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;
 - (ix) **"month"** means, save as otherwise provided, 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;
 - (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) 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;
 - (xii) **"protection and indemnity risks"** means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Clubs, including pollution risks, extended passenger cover and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies;
 - (xiii) a Potential MOA Termination Event is **"continuing"** if it has not been remedied or waived and an MOA Termination Event is **"continuing"** if it has not been waived; and
 - (xiv) 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 Agreement.
- (c) A time of day (unless otherwise specified) is a reference to Shanghai time.

2. Sale and purchase

2.1 Agreement for sale and purchase

Subject to the Buyers entering into the Charter concurrently with the entry into this

Agreement, the Sellers hereby agree to sell and the Buyers hereby agree to purchase the Vessel on the terms and conditions hereinafter set forth.

2.2 Delivery

- (a) The Vessel is at the date of this Agreement legally and beneficially owned by the Current Owner. The Vessel will, subject to the terms and conditions of this Agreement, be delivered by the Sellers to the Buyers under this Agreement simultaneously upon the delivery of the Vessel by the Current Owner to the Sellers under the First MOA. The Sellers shall notify the Buyers of the Scheduled Delivery Date by setting out the Scheduled Delivery Date in the Payment Notice.
- (b) The Vessel shall be sold and delivered by the Sellers, with full title guarantee, to the Buyers "as is where is" on the Scheduled Delivery Date, (or such later date which is agreed between the Sellers and the Buyers (in each case the "**Delivery Date**")), free and clear of all Encumbrances.
- (c) On the Delivery Date, the following events are to occur simultaneously:
 - (i) delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement; and
 - (ii) delivery of the Vessel by the Buyers (as owners under the Charter) to the Charterers (as bareboat charterers under the Charter) pursuant to the Charter (such date being, for the avoidance of doubt, the "Actual Delivery Date" as defined under the Charter).
- (d) On the Delivery Date, the Sellers shall deliver to the Buyers an executed Bill of Sale and other documents set out in paragraph (f) below, whereupon all of the title to, interest in and all ownership rights with respect to the Vessel shall pass from the Sellers to the Buyers.
- (e) Upon delivery of the Vessel, the Sellers and the Buyers shall execute the Sellers' PDA, whereupon the Sellers shall be deemed to have given, and the Buyers shall be deemed to have received and accepted, possession of the Vessel.
- (f) Upon delivery of the Vessel, the Sellers shall provide the Buyers with (i) all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto and (ii) electronic copies of all classification certificates, plans, drawings, record books, instruction manuals and other requisite certificates in respect of the Vessel as may be reasonably requested by the Buyers.
- (g) The Vessel shall be delivered safely afloat, having not become an actual, constructive or compromised total loss.

3. Purchase Price

- (a) The purchase price of the Vessel payable by the Buyers to the Sellers under this Agreement shall be an amount equal to the Purchase Price.
- (b) For the avoidance of doubt, the purchase price referred to above shall cover the purchase of the Vessel and, to the extent owned by the Sellers, everything then belonging to her on board.

4. Currency of payment

- (a) Subject to the remaining provisions of this Clause 4, USD is the currency of account

and payment for any sum due from:

- (i) the Buyers to the Sellers under this Agreement; and
 - (ii) an Obligor to the Buyers under any Transaction 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.

5. Payment Notice

5.1 Delivery of the Payment Notice

The Sellers may request the Buyers to make a payment in respect of the Purchase Price by delivery to the Buyers of the duly completed Payment Notice not fewer than five (5) Business Days prior to the anticipated Prepositioning Date.

5.2 Completion of the Payment Notice

The Payment Notice is irrevocable and will not be regarded as having been duly completed or valid unless:

- (a) it is delivered by the Sellers and received by the Buyers before the Long Stop Date;
- (b) it clearly:
 - (i) identifies the proposed Prepositioning Date and the Scheduled Delivery Date; and
 - (ii) sets out the precise amount of the Existing Mortgagee's Portion and (if applicable) the Sellers' Portion;
- (c) it is signed by an authorised signatory of the Sellers;
- (d) the currency of the Existing Mortgagee's Portion and (if applicable) the Sellers' Portion to be paid is US Dollars;
- (e) the Scheduled Delivery Date is a Business Day and is no later than the Long Stop Date; and
- (f) the proposed Prepositioning Date is earlier than the Delivery Date.

5.3 Buyers' right to suspend payment

- (a) If the Buyers receive a Sellers' Cancellation Notice, then the Buyers shall be entitled to not make any payment in relation to any Payment Notice.

6. Payment

- (a) The Sellers and the Buyers agree that the Purchase Price shall be paid by the Buyers in the following manner:
 - (i) the Existing Mortgagee's portion of the Purchase Price (the "**Existing Mortgagee's Portion**") in such amount as the Sellers shall notify the Buyers in the Payment Notice shall be paid by the Buyers by depositing with the Existing Mortgagee the Existing Mortgagee's Portion which shall be subsequently released to the Existing Mortgagee in accordance with paragraph (b)(i) below; and

- (ii) the remaining balance (if any) of the Purchase Price after deducting the amount of the Existing Mortgagee's Portion (the "**Sellers' Portion**") shall be paid by the Buyers by depositing with the Existing Mortgagee the Sellers' Portion which shall be subsequently released to the Sellers in accordance with paragraph (b)(ii) below.
- (b) On or before the Prepositioning Date:
 - (i) if the Buyers have received evidence (in the form of confirmation that an MT199 message is acceptable to the Existing Mortgagee and the Parties, each acting reasonably) that the Existing Mortgagee's Portion will be held to the order of the Buyers, and only be released to the Existing Mortgagee or to such person(s) as may be nominated by the Existing Mortgagee upon presentation to the Existing Mortgagee of a copy (transmitted by email or otherwise) of the Sellers' PDA which is duly signed by an authorised signatory of the Buyers and an authorised signatory of the Sellers, then the Buyers shall deposit with the Existing Mortgagee the Existing Mortgagee's Portion, to be so held and so released, **provided that** the Buyers' obligation to deposit with the Existing Mortgagee the Existing Mortgagee's Portion is always subject to the Buyers being satisfied that
 - (A) all of the conditions precedent listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto have been satisfied;
 - (B) the Delivery Date CPs will be satisfied on or before the Delivery Date;
 - (C) the conditions precedent to the delivery of the Vessel by the Current Owner to the Sellers under the First MOA have been or will be satisfied on the Delivery Date; and
 - (D) the Buyers have received evidence that the Current Owner has the funding to pay to the Existing Finance Parties any part of the Existing Credit Amount which is not being financed by the Buyers;
 - (ii) if the Buyers have received evidence (in the form of confirmation that an MT199 message is acceptable to the Existing Mortgagee and the Parties, each acting reasonably) that the Sellers' Portion will be held to the order of the Buyers, and only be released to the Sellers or to such person(s) as may be nominated by the Sellers upon presentation to the Existing Mortgagee of a copy (transmitted by email or otherwise) of the Sellers' PDA which is duly signed by an authorised signatory of the Buyers and an authorised signatory of the Sellers, then the Buyers shall deposit with the Existing Mortgagee the Sellers' Portion, to be so held and so released, **provided that** the Buyers' obligation to deposit with the Existing Mortgagee the Sellers' Portion is always subject to the Buyers being satisfied that
 - (A) all of the conditions precedent listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto have been satisfied;
 - (B) the Delivery Date CPs will be satisfied on or before the Delivery Date;

- (C) the conditions precedent to the delivery of the Vessel by the Current Owner to the Sellers under the First MOA have been or will be satisfied on the Delivery Date; and
 - (D) the Buyers have received evidence that the Current Owner has the funding to pay to the Existing Finance Parties any part of the Existing Credit Amount which is not being financed by the Buyers;
- (c) For the avoidance of doubt:
 - (i) either the amount of the Existing Mortgagee's Portion or the amount of the Sellers' Portion may be zero;
 - (ii) subject to paragraph (c) (iii) (2) below, if the Sellers fail to notify the Buyers of the amount of the Existing Mortgagee's Portion in accordance with paragraph (a)(i) above, the amount of Existing Mortgagee's Portion will be deemed zero;
 - (iii) if (1) as the Sellers notify the Buyers in accordance with paragraph (a)(i) above, the amount of the Existing Mortgagee's Portion is zero or (2) the amount of the Existing Mortgagee's Portion is deemed zero pursuant to paragraph (c)(ii) above, then the Sellers' Portion will equal the Purchase Price and paragraph (b)(i) above shall not apply; and
 - (iv) if the Sellers' Portion is zero, then the Existing Mortgagee's Portion will equal the Purchase Price and paragraph (b)(ii) above shall not apply.
- (d) The Sellers agree to release, discharge, defend, indemnify, waive and hold harmless the Buyers from and against any liability, obligation or claim which may be asserted, claimed or recovered against the Buyers for any reason directly arising out of the release or the failure to release (as the case may be) of any part of the Purchase Price by the Existing Mortgagee except if the same results from or is a direct consequence of the Buyers' gross negligence or wilful misconduct or failure to perform their obligations under this Agreement or their breach of any provisions under this Agreement.
- (e) Interest on the part of the Purchase Price actually deposited with the Existing Mortgagee at the rate per annum which is the aggregate of the Margin and the Overnight SOFR for the relevant period (the **"Remittance Interest"**) shall:
 - (i) in the event that the Vessel is delivered to the Buyers on the Delivery Date, accrue from (and including) the Prepositioning Date until (but excluding) the Delivery Date; and
 - (ii) in the event that the Vessel is not delivered to the Buyers on the Delivery Date, accrue from the Prepositioning Date until the date the Purchase Price is returned by the Sellers to the Buyers in accordance with Clause 9(c) (both dates inclusive),

provided that the calculation of any Remittance Interest for each day during the relevant period shall be by reference to the Overnight SOFR applicable to that day.

The Sellers shall pay to the Buyers the amount of the Remittance Interest (or any part thereof) as notified by the Buyers to the Sellers within three (3) Business Days of the Buyers' demand.

In this Clause, “**Overnight SOFR**” means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate) on the relevant date and, if any such rate is below zero, that rate will be deemed to be zero, provided that if no such rate is available:

- (i) the Buyers shall give notice to the Sellers of the occurrence of such event; and
- (ii) the overnight rate shall be the rate notified to the Sellers by the Buyers as soon as practicable, and in any event before the relevant part of the Remittance Interest is due to be paid, to be that which expresses as a percentage rate per annum the cost to the Buyers of funding the Purchase Price from whatever source they may reasonably select.

7. Conditions precedent and subsequent

7.1 Initial conditions precedent

The Sellers may not deliver the Payment Notice unless the Buyers have received all the documents and other evidence listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers.

7.2 Delivery Date conditions precedent

- (a) The Buyers will only be obliged to purchase the Vessel, sign the Sellers’ PDA and agree to the release of the pre-positioned Purchase Price and accept the Vessel under this Agreement on the Delivery Date if:
 - (i) on the Delivery Date, the Buyers have received all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (acting reasonably);
 - (ii) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment or release of the Purchase Price; and
 - (iii) the Repeating Representations are true in all material respects as if made on the Delivery Date.
- (b) For the avoidance of doubt, the Sellers must, on or before the Delivery Date, deliver to the Buyers all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (acting reasonably).

7.3 Conditions subsequent

The Sellers undertake to deliver or caused to be delivered to the Buyers the documents and evidence listed in Part III (*Conditions subsequent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto within the relevant time periods stipulated therein in form and substance satisfactory to the Buyers (acting reasonably).

7.4 No waiver

- (a) The conditions set out in this Clause are for the benefit of the Buyers and may be waived or deferred by the Buyers in whole or in part and with or without conditions. The foregoing is without prejudice to the Buyers' rights to require fulfilment of any such conditions by the Sellers in whole or in part at any time after the date of payment or release of the Purchase Price.
- (b) If the Buyers in their sole discretion agree to advance or release all or any part of the Purchase Price to the Sellers before all of the documents and evidence required by this Clause 7 have been delivered to the Buyers, the Sellers undertake to deliver all outstanding documents and evidence to the Buyers no later than the date specified by the Buyers (acting reasonably).

7.5 Form and content

All documents and evidence delivered to the Buyers under this Clause 7 shall be in form and substance acceptable to the Buyers (acting reasonably).

8. Determination of Market Value

- (a) The Market Value of the Vessel shall be the arithmetic mean of the valuation from two Valuation Reports, each issued by an Approved Valuer designated by the Sellers.
- (b) The Sellers shall arrange, deliver to the Buyers and bear the cost of the issue of the Valuation Reports required under this Clause 8.
- (c) If an Approved Valuer determines that the valuation of the Vessel shall fall within a range, the valuation as determined by such Approved Valuer shall be deemed to be the lower value of such range.
- (d) The valuation shall be provided by an Approved Valuer in US Dollars.

9. Sellers' undertakings

The Sellers hereby undertake to the Buyers that they will comply in full and procure compliance (where applicable) with the following undertakings throughout the Pre-Delivery Period.

- (a) **Notification of MOA Termination Event** The Sellers shall promptly, upon becoming aware of the same, inform the Buyers in writing of the occurrence of any MOA Termination Event (and the steps, if any, being taken to remedy this) and, upon receipt of a written request to that effect from the Buyers, confirm to the Buyers that, save as previously notified to the Buyers or as notified in such confirmation, no MOA Termination Event is continuing or if an MOA Termination Event is continuing specifying the steps, if any, being taken to remedy it.
- (b) **Delivery costs and expenses** The Sellers shall pay for all delivery costs in relation to the Vessel.
- (c) **Refund of pre-positioned amount** If the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*) but delivery of the Vessel does not occur on or before the Long Stop Date, then the Sellers shall refund to the Buyers the Purchase Price so transferred by the Buyers on demand by the Buyers together with the Remittance Interest, **provided that** the Sellers' obligations under this subparagraph (c) shall be deemed to be complied by any repayment (but

only to the extent and amount of such repayment) by the Existing Mortgagee to the Buyers of any part of the Purchase Price so transferred by the Buyers in connection with Clause 6 (*Payment*).

(d) **Emissions Legislation etc**

(i) The Sellers shall:

(A) comply with all Emissions Legislation applicable to them prior to the Delivery Date; and

(B) whenever requested by the Buyers, promptly provide to the Buyers particulars of all and any outstanding charges due or collectable by the relevant entities charged with administering compliance with Emissions Legislation applicable to them and/or the Vessel or in respect of the Emissions Legislation prior to the Delivery Date; and

(ii) The Sellers will pay or cause to be paid all amounts required to be paid by them and/or the Vessel in respect of the Emissions Legislation arising out of or in connection with the Emissions Legislation prior to the Delivery Date, and the Sellers will on demand indemnify the Buyers for any and all amounts paid or required to be paid by the Buyers and/or the Vessel in connection with the Emissions Legislation for voyages taking place prior to the Delivery Date, together with (i) all losses, costs and expenses suffered or incurred by the Buyers and/or the Vessel arising out of or in connection with the Emissions Legislation for voyages taking place prior to the Delivery Date, and (ii) any penalties, charges or other amounts levied against the Buyers and/or the Vessel due to any failure of the Sellers to comply with the Emissions Legislation for voyages taking place prior to the Delivery Date.

(iii) **No breach of Sanctions** The Sellers shall not, and shall not permit or authorise any other person to, directly utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds or any other benefits of any transaction(s) contemplated by the Transaction Documents to fund any trade, business or other activities:

(A) involving or for the benefit of any Restricted Party if to do so would be prohibited by Sanctions applicable to any Obligor, the Buyers or any Finance Party; and

(B) in any other manner that would result in any Obligor, the Owners or any Finance Party (if applicable) being in breach of any applicable Sanctions or becoming a Restricted Party.

(iv) **Anti-corruption and anti-bribery laws** The Sellers warrant, represent and agree that they and their respective officers, directors, employees, consultants, agents and/or intermediaries have complied with, and shall comply with, all applicable Business Ethics Laws in connection with this Agreement.

10. MOA Termination Events

(a) Each of the following events shall constitute an MOA Termination Event:

(i) **Conditions precedent and subsequent**

Following the service of the Payment Notice:

- (A) any of the conditions set out in Clause 7 (*Conditions precedent and subsequent*) is not satisfied by the date specified by the Buyers pursuant to Clause 7.4(b) (*No waiver*); or
- (B) any of the conditions referred to in Clause 7.3 (*Conditions subsequent*) is not satisfied by the relevant time specified pursuant to Clause 7.3 (*Conditions subsequent*) or such later time period specified by the Buyers in their discretion, acting reasonably; or

(ii) **Charter and Related MOA termination events**

- (A) the Buyers (as owners under the Charter) served a Termination Notice on the Charterers (as charterers under the Charter); or
- (B) there occurs any event or circumstance referred to in paragraph (a) of clause 10 (*MOA Termination Events*) of a Related MOA; or

(iii) **Late delivery of Vessel** the Vessel is not delivered by the Sellers to the Buyers under this Agreement by the Long Stop Date (including, without limitation, by reason of failure by the Sellers to satisfy any of their obligations under Clause 7 (*Conditions precedent and subsequent*)); or

(iv) **Sellers' undertakings** the Sellers fail duly to perform or comply with any of their obligations under Clause 9 (*Sellers' undertakings*) **provided that** no MOA Termination Event under this paragraph will occur if the failure to perform or comply is capable of remedy (to the extent that the Buyers consider, in their reasonable discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Buyers within three (3) Business Days after the earlier of (A) the Buyers having given notice thereof to the Sellers and (B) the Sellers becoming aware of such failure to perform or comply.

- (b) Upon the occurrence of an MOA Termination Event which is continuing, and without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement, the Buyers may exercise their rights and powers referred to under Clause 11 (*Buyers' powers following cancellation*).

11. Buyers' powers following cancellation

11.1 Powers following cancellation

Without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement and the other Transaction Documents, at any time after the occurrence of an MOA Termination Event which is continuing:

- (a) the Buyers may by notice in writing to the Sellers (such notice being the "**Cancellation Notice**") cancel the Buyers' purchase of the Vessel under this Agreement on the Cancelling Date, whereupon the Buyers shall be relieved from any obligation to pay any part of the Purchase Price (or any other amount) under this Agreement from the Cancelling Date, and the Sellers shall upon demand:
 - (i) if the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*), refund to the Buyers the full amount

of the Purchase Price which the Buyers have already paid by the Cancelling Date; and

- (ii) to the extent that the same has not be recovered by the Buyers under the Charter, pay the Buyers any documented expenses, costs and disbursements (including, without limitation, any legal and other experts' costs) incurred by the Buyers, and any liabilities of the Buyers suffered or incurred by the Buyers, arising out of the transactions contemplated by this Agreement and the other Transaction Documents; and
- (b) if the Sellers have not paid the Buyers in full the amounts payable under paragraph (a) above, the Buyers shall become immediately entitled:
 - (i) to collect, recover, compromise and give a good discharge for, all claims then outstanding or arising subsequently under or in respect of all or any part of such claims, and to take over or institute (if necessary using the names of the Sellers) all such proceedings as the Buyers in their sole and absolute discretion think fit;
 - (ii) to recover from the Sellers on demand all documented costs and expenses (including, without limitation, legal fees) incurred or paid by the Buyers in connection with the exercise of the powers (or any of them) referred to in this Clause 11.1; and
 - (iii) to not make any payment in relation to the Payment Notice.

11.2 Delegation

The Buyers may delegate in any manner to any person any rights exercisable by the Buyers under this Agreement, provided always that any such person to whom rights are delegated is not a Restricted Party. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Buyers (acting reasonably) think fit.

11.3 Survival of Sellers' obligations

The termination of this Agreement for any cause whatsoever shall not affect the right of the Buyers to recover from the Sellers any money due to the Buyers in consequence thereof and all other rights of the Buyers (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Agreement) are reserved hereunder.

12. Changes to parties

The Sellers may not assign or transfer any or all of their rights or obligations under this Agreement.

The Buyers may not assign or transfer any or all of their rights under this Agreement other than (i) by way of security, (ii) where an MOA Termination Event has been continuing for thirty (30) days or more, (iii) after the issuance of a Cancellation Notice by the Buyers or (iv) after the issuance of a Sellers' Cancellation Notice by the Sellers.

13. Cumulative rights

The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.

14. 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 Agreement will operate as a waiver. No waiver of any breach of any provision of this Agreement 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.

15. Entire agreement and amendments

- (a) The written terms of this Agreement comprise the entire agreement between the Buyers and the Sellers in relation to the sale and purchase of the Vessel and supersede all previous agreements whether oral or written between the Parties in relation to this Agreement.
- (b) Each of the Parties acknowledges that in entering into this Agreement, it has not relied on and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether or not made negligently) other than as expressly set out in this Agreement.
- (c) Any terms implied into this Agreement by the Sale of Goods Act 1979 are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud.
- (d) This Agreement may not be amended, altered or modified except by a written instrument executed by each of the Parties.

16. Invalidity

If any term or provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable the remainder of this Agreement 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 Agreement) not be affected thereby and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

17. English language

All notices, communications and financial statements and reports under or in connection with this Agreement 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.

18. No partnership

Nothing in this Agreement 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 Agreement.

19. Notices

- (a) Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by letter or email.

- (b) The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement are:

- (i) in the case of the Sellers:

Arctic LNG Carriers Ltd.

Address: c/o Dynagas Ltd., 97 Poseidonos Avenue and 2 Foivis Street, 166-74 Glyfada, Athens, Greece

Email: lngcoordination@dynagas.com

Attention: Michael Gregos

- (ii) in the case of the Buyers:

Tianjin Color-VI Leasing Limited

Address: c/o CDB Leasing Co. Ltd., 3502-03, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai 200122, the People's Republic of China

Email: wangmeng@cdb-leasing.com

Attention: Wang Meng

or any substitute address, email address, department or officer as either Party may notify to the other by not less than five (5) Business Days' notice.

- (c) Any communication or document made or delivered by one Party to the other under or in connection with this Agreement will only be effective:

- (i) if by way of email, when sent with no error message received; or

- (ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under paragraph (b) above, if addressed to that department or officer.

Any communication or document which becomes effective, in accordance with this paragraph (c), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

20. Counterparts

This Agreement 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.

21. Third Parties Act

- (a) Any person which is an Indemnitee or a Finance Party from time to time and is not a Party shall be entitled to enforce such terms of this Agreement as provided for in this Agreement in relation to the obligations of the Sellers to such Indemnitee or

(as the case may be) Finance Party, subject to the provisions of Clause 28.1 (*Law and arbitration*) and the Third Parties Act. The Third Parties Act applies to this Agreement as set out in this Clause 21.

- (b) Save as provided above, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Agreement.

22. Spares, bunkers and other items

- (a) To the extent owned by the Sellers, the Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board and on shore.
- (b) All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of delivery used or unused, whether on board or not shall become the Buyers' property.
- (c) Any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and any unused stores and provisions shall be included in the sale and be taken over by the Buyers without extra payment.
- (d) Forwarding charges, if any, shall be for the Sellers' account.
- (e) Concurrent with the delivery of the Vessel under this Agreement, the Buyers shall obtain title and ownership to the classification certificate(s) as well as all plans, drawings and manuals, which are on board the Vessel and shall remain on board the Vessel. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the same are required to be handed over to the Charterers (as bareboat charterers under the Charter), in which case the Buyers have the right to take copies.
- (f) Copies of other technical documentation in respect of the Vessel which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at the Sellers' expense, if the Buyers so request.

23. Encumbrances

The Sellers warrant that the Vessel, at the time of delivery, is free from all charters (other than the Charter and the Sub-Charter), Encumbrances or any other debts whatsoever, and is not subject to any Port State or other administrative detentions. The Sellers hereby undertake to indemnify the Buyers against, and hold the Buyers harmless from, all direct or indirect consequences of claims made against the Vessel which have been incurred prior to the time of delivery.

24. Taxes, costs and expenses

Any Taxes (save for any taxes levied on the Buyers by competent tax authorities in their place of incorporation by reference to the net income received by the Buyers), costs and reasonable and documented expenses in connection with the purchase and registration in the Pre-Approved Flag and any similar charges incurred in connection with the sale of the Vessel under this Agreement shall be for the Sellers' account.

25. Delivery under Charter

- (a) The Buyers undertake to simultaneously with the delivery of the Vessel under this Agreement deliver the Vessel to the Charterers (as bareboat charterers) pursuant the Charter.

- (b) The Sellers shall be fully responsible for the Buyers' fulfilment of physical delivery as new owner of the Vessel to the Charterers (as charterers) under the Charter. The Buyers' obligation to make or release a payment in respect of the Purchase Price under this Agreement is subject to the Charterers (as charterers) taking delivery of the Vessel under the Charter immediately after the Buyers take delivery of the same from the Sellers under this Agreement.

26. Indemnities

- (a) Whether or not any of the transactions contemplated hereby are consummated, the Sellers shall indemnify, protect, defend and hold harmless the Buyers and their officers, directors, agents and employees (collectively, the "**Indemnitees**") throughout the Pre-Delivery Period from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, fees, tax (save for any taxes levied on the Buyers by competent tax authorities in their place of incorporation by reference to the net income received by the Buyers), claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including documented and reasonable legal fees and expenses, of whatsoever kind and nature imposed on, suffered or incurred by or asserted against any Indemnatee, 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 Agreement and any amendment, supplement or modification thereof or thereto requested by the Sellers;
 - (ii) the delivery (including the Vessel not being delivered on the Scheduled Delivery Date after the Sellers have informed the Buyers of the Scheduled Delivery Date), or registration and purchase of the Vessel by the Buyers, whether or not the Vessel is in the possession or the control of the Sellers;
 - (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 Sellers under this Agreement or the falsity of any representation or warranty of the Sellers in this Agreement or the occurrence of any MOA Termination Event;
 - (iv) funding, or making arrangements to fund, an amount required to be paid by the Buyers pursuant to the Payment Notice but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of the default or negligence of the Buyers).
- (b) Notwithstanding anything to the contrary herein, the indemnities provided by the Sellers in favour of the Buyers shall continue in full force and effect notwithstanding any breach of the terms of this Agreement or termination of this Agreement pursuant to the terms hereof.

27. Calculations and certificates

- (a) In any litigation or arbitration proceedings arising out of or in connection with this Agreement, the entries made in the accounts maintained by the Buyers are, in the absence of manifest error or any question of law, prima facie evidence of the matters to which they relate excepting in respect of payment of the Purchase Price which shall require independent evidence.
- (b) Any certification or determination by the Buyers of a rate or amount under this Agreement is, in the absence of manifest error or any question of law, conclusive evidence of the matters to which it relates.

- (c) Unless otherwise specified, any interest, commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, where the amount is payable in a currency other than US Dollars, such period as is customary for such currency).

28. Enforcement

28.1 Law and arbitration

- (a) This Agreement and any non-contractual obligations arising from or in connection with it shall in all respects be governed by and interpreted in accordance with English law.
- (b) 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 28.1(b).
 - (i) The arbitration shall be conducted in accordance with the London Maritime Arbitrators' Association ("LMAA") Terms current at the time when arbitration proceedings are commenced.
 - (ii) The reference shall be to three (3) arbitrators, one to be appointed by each Party and the third, subject to the provisions of the LMAA Terms, by the two so appointed. The arbitration proceedings shall be conducted in English.
 - (iii) 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.
 - (iv) 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.
 - (v) The award of a sole arbitrator shall be binding on both Parties as if he had been appointed by agreement.
 - (vi) Nothing herein shall prevent the Parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
 - (vii) In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
 - (viii) The seat of the arbitration shall be England, even where any hearing takes place outside England.
 - (ix) The law governing this Clause 28.1(b) shall be English law.

28.2 Waiver of immunity

To the extent that the Sellers have acquired or may, after the date of this Agreement, acquire any immunity, with respect to themselves and their revenues and assets (irrespective of their use or intended use), on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of their assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which they or their revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and they irrevocably agree, to the extent permitted by applicable law, that they will not claim any immunity in any such proceedings),

the Sellers irrevocably and expressly waives, to the extent permitted by applicable law, such immunity in respect of their obligations under this Agreement.

29. Conflict with Charter

This Agreement is subject to the terms and provisions of the Charter and to the extent there is any conflict between this Agreement and the Charter, the terms and provisions of the Charter shall prevail.

30. Buyers Event

30.1 If (x) the Owners or an Owners' Affiliate become a Restricted Party or (y) the Owners fail to pay the Purchase Price in accordance with this Agreement (otherwise than, for the avoidance of any doubt, as a result of (A) the occurrence of an MOA Termination Event or (B) a failure by the Sellers to comply with the provisions of Clause 7) unless payment is made within five (5) Business Days of its due date (each of (x) and (y) above, a "**Buyers Event**") and that Buyers Event is not remedied within 30 Business Days after the receipt by the Buyers of written notice from the Sellers requesting remedy, the Sellers may give the Buyers notice (the "**Sellers' Cancellation Notice**") of their intention to do so and pay to the Buyers:

- (a) if the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*), the full amount of the Purchase Price which the Buyers have already paid; and
- (b) to the extent that the same has not been recovered by the Buyers under the Charter, any documented expenses, costs and disbursements (including, without limitation, any legal and other experts' costs) incurred by the Buyers, and any liabilities of the Buyers suffered or incurred by the Buyers, arising out of the transactions contemplated by this Agreement and the other Transaction Documents.

30.2 Following the receipt by the Buyers of all the amounts referred to above in this Clause, the Sellers' sale of the Vessel under this Agreement shall be cancelled and the Sellers and the Buyers shall be relieved from any further obligation under this Agreement.

Schedule 1
Conditions precedent and subsequent

Part I – Initial conditions precedent

1. Obligors

- (a) **Constitutional documents** Certified true copies of the constitutional documents (or equivalent documents) (and all amendments thereto) of each Obligor and any other documents required to be filed or registered or issued under the laws of their jurisdiction of incorporation to establish their incorporation.
- (b) **Written resolutions** Certified true copies of written resolutions or (as the case may be), resolutions passed at separate meetings, in each case, of the board of directors and (if required by any legal advisor to the Buyers) shareholders of each Obligor (or, in the case of the Charter Guarantor, its sole member or general partners), in each case evidencing their respective approvals of the Transaction Documents and authorising appropriate officers or attorneys to execute the same and to sign all notices required to be given hereunder or thereunder on their behalf or other evidence of such approvals and authorisations as shall be acceptable to the Buyers.
- (c) **Certificate of good standing and power of attorney** A certified true copy of a certificate of good standing of each Obligor issued no earlier than ten (10) days prior to its provision to the Buyers and, if applicable, the original power of attorney of each Obligor under which any document (including the Transaction Documents) are to be executed or transactions undertaken by that party.
- (d) **Officer's certificates** A certificate of a duly authorised representative of each Obligor:
 - (i) certifying that each copy document relating to it specified in this Part I of Schedule 1 is correct, complete and in full force and effect;
 - (ii) setting out the names of the directors, officers and shareholders of that Obligor and the proportion of shares held by each shareholder; and
 - (iii) confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on that Obligor to be exceeded.

2. Transaction Documents and related documents

- (a) **Vessel-related documents** Photocopies, certified as true, accurate and complete by a duly authorised representative of the Sellers, of all Relevant Documents (excluding the Transaction Documents).
- (b) **Transaction Documents** A duly executed original of each Transaction Document (other than any Quiet Enjoyment Agreement and any Finance Party Quiet Enjoyment Agreement), in each case together with all other documents required by any of them according to their terms, including, without limitation, all notices of assignment, charge and/or pledge and acknowledgements of all such notices of assignment, charge and/or pledge (other than (i) the acknowledgements from the Sub-Charterers of the notices of assignment given pursuant to the Charterers' Assignment and (ii) the letters of undertaking referred to in the Charterers' Assignment).
- (c) **No disputes** The written confirmation of the Sellers that to the best of their

knowledge there is no dispute under any of the Relevant Documents as between the parties to any such document.

- (d) **Title transfer documents** Agreed forms of the following documents:
 - (i) the Bill of Sale;
 - (ii) the Sellers' PDA; and
 - (iii) the bill of sale (which shall be in a form recordable in the Pre-Approved Flag) pursuant to the First MOA and the protocol of delivery and acceptance (which shall be in a form acceptable to the Pre-Approved Flag) pursuant to the First MOA.
 - (e) **Commercial invoice** An agreed form of the commercial invoice for the Vessel to be issued by the Sellers.
 - (f) **Payment Notice** A copy of the duly completed Payment Notice.
 - (g) **Sellers' contribution** Evidence of full payment to the Existing Mortgagee of any part of the Existing Credit Amount which is due and payable on or before the Payment Date and which is not being financed by the Buyers.
3. **Legal opinions** A legal opinion of the legal advisers to the Buyers in each relevant jurisdiction (including England and Wales, the Marshall Islands, Switzerland and the PRC or confirmation satisfactory to the Buyers that such an opinion will be given.
4. **Other documents and evidence**
- (a) **Other Authorisation** A copy of any other Authorisation or other document, opinion or assurance which the Buyers consider to be necessary or desirable 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, which, at the date of this Agreement, the Buyers are not aware of, and the Buyers shall to the extent any authorisation becomes necessary after the date of this Agreement, provide reasonable notice to the Seller of such required authorisation.
 - (b) **Fees** Evidence that the fees, costs and expenses due from the Sellers to the Buyers under Clauses 24 (*Taxes, costs and expenses*) and 26 (*Indemnities*) have been paid in accordance with the terms of such Clauses; evidence that the Arrangement Fee under clause 54 (*Fees and expenses*) of the Charter has been paid in accordance with such clause.
 - (c) **"Know your customer" documents** Such documentation and other evidence as is reasonably requested by the Buyers or the Finance Parties in order for the Buyers or the Finance Parties to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Transaction Documents.
 - (d) **Valuation** Copies of the Valuation Reports referred to in Clause 8.
5. **Evidence of insurance**
- (a) Evidence that the Vessel will on the Delivery Date be insured in the manner required by the Transaction Documents.
 - (b) Agreed form of an insurance report from BankServe Insurance Services Limited or

other insurance consultants approved by the Buyers in form and substance satisfactory to the Buyers on the insurances effected or to be effected on the Vessel pursuant to the Transaction Documents (such approval not to be unreasonably withheld).

6. **Evidence of Current Owner's title** Copies of (1) the certificate of registry and (2) a transcript of register issued by the competent authority of the Pre-Approved Flag evidencing the Current Owner's ownership of the Vessel.

Part II – Delivery Date conditions precedent

1 Vessel-related documents

(a) Title transfer documents

- (i) Originals of the Bill(s) of Sale, duly executed, notarially attested and legalised or apostilled, as required by the Pre-Approved Flag; and
- (ii) Original of the duly executed Sellers' PDA;
- (iii) Original of the bill of sale duly executed by the Current Owner in favour of the Sellers (duly notarially attested and legalised or apostilled, as required by the Pre-Approved Flag) pursuant to the First MOA; and
- (iv) A copy of the protocol of delivery and acceptance duly executed by the Current Owner and the Sellers pursuant to the First MOA

(b) Technical documents Copies of the following (or provisional versions thereof):

- (i) the Approved Manager's current Document of Compliance (as such term is defined pursuant to the ISM Code);
- (ii) the Vessel's current IAPPC;
- (iii) the Vessel's current tonnage certificate;
- (iv) the Vessel's classification certificate evidencing that it is free of all recommendations and requirements from the Classification Society;
- (v) the Vessel's current Safety Management Certificate (as such term is defined pursuant to the ISM Code); and
- (vi) the Vessel's current ISSC,

in each case together with all addenda, amendments or supplements.

- (c) **Evidence of Current Owner's clean title** A copy of the transcript of register issued on the Delivery Date by the competent authority of the Pre-Approved Flag evidencing the Current Owner's ownership of the Vessel and that the Vessel is free from registered Encumbrances.
- (d) **Evidence of Buyers' title** Evidence that any Encumbrance registered against the Vessel has been cancelled and evidence that on the Delivery Date the Vessel will be registered under the Pre-Approved Flag in the ownership of the Buyers.
- (e) **Commercial invoice** An original of the commercial invoice for the Vessel issued by the Sellers.
- (f) **Sellers' letter of confirmation** An original of the Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not black listed by any nation or international organisation.

2 Other Authorisation Such other Authorisation or other document, opinion or assurance which the Buyers consider to be necessary 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 Buyers).

- 3 **Conditions precedent under the Charter** Evidence that all the documents and evidence required as conditions precedent under clause 36 (*Conditions precedent*) of the Charter have been or will be received by the Buyers (as owners under the Charter) on the Delivery Date.

Part III – Conditions subsequent

The Sellers undertake to deliver or cause to be delivered to the Buyers the following documents and evidence within the relevant time period as specified below:

1. **Technical documents**

To the extent that any certificate received by the Buyers and referred to in paragraph 1(c) of Part II (*Delivery Date conditions precedent*) of this Schedule was in provisional form at the time of the receipt, deliver or cause to be delivered to the Buyers the corresponding formal certificate as soon as possible after the Sellers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate.

2. **Insurance Report** Within fifteen (15) Business Days from the Delivery Date, a copy of an insurance report signed by BankServe Insurance Services Limited or other insurance consultants approved by the Buyers on the insurances effected on the Vessel pursuant to this Agreement, in a form approved by the Buyers prior to the Delivery Date (such approval not to be unreasonably withheld).
3. **Evidence of Buyers' title** On the Delivery Date (as evidenced by the Sellers' PDA), the Vessel's certificate of ownership and encumbrance issued by the registry of ships of the Pre-Approved Flag confirming that the Vessel is registered under that flag in the ownership of the Buyers.
4. **Letters of undertaking** Within ten (10) Business Days from the Delivery Date letters of undertaking in respect of the Insurances as required by the Transaction Documents, together with copies of the relevant policies or cover notes or entry certificates in respect of the Insurances duly endorsed with the interest of the Buyers.
5. **Legal opinions** Such of the legal opinions specified in Part I of this Schedule 1 as have not already been provided to the Buyers.
6. **Charge registrations** Within thirty (30) days after the Delivery Date, evidence that the prescribed particulars of any Security Documents have been delivered to the registry of companies/corporations of the relevant Obligor's jurisdiction within the statutory time limit.

**Schedule 2
Form of Payment Notice**

To: **Tianjin Color-VI Leasing Limited**

From: **Artic LNG Carriers Ltd.**

20[●]

Dear Sirs

**LNG carrier named “Ob River”
memorandum of agreement dated**

2024 (the “MOA”)

1. We refer to the MOA. This is a Payment Notice.
2. Terms defined in the MOA shall have the same meaning in this Payment Notice unless given a different meaning in this Payment Notice.
3. Pursuant to clause 5.2 (*Completion of the Payment Notice*) of the MOA we irrevocably request that you pre-position a sum of US\$[●], being the aggregate of:
 - (i) the Existing Mortgagee's Portion of US\$[●]; and
 - (ii) the Sellers' Portion of US\$[●]

with the Existing Mortgagee on _____ (being the Prepositioning Date), which is a Business Day, by remitting such sum (accompanied by an MT199 message) on that date to the following account:

Beneficiary Bank:	[●]
Beneficiary Bank Swift Code:	[●]
Beneficiary Bank Address:	[●]
Account Number:	[●]
Account Name:	[●]

on terms that (unless returned to you in accordance with that MT199 message) such sum is to be held by the Existing Mortgagee and released by it, in each case according to the terms of that MT199 message.

7. The Scheduled Delivery Date is [●].
8. We warrant that:
 - (a) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment of the Existing Mortgagee's Portion and/or the Sellers' Portion;
 - (b) the Repeating Representations are true in all material respects on the date of this Payment Notice and the actual date of payment; and
 - (c) we shall hold you harmless and keep you indemnified against all consequences of any inaccuracy of any details set out in this Payment Notice or any other payment instructions sent or purported to be sent to you by us or on our behalf.
9. We confirm that to the best of our knowledge there is no dispute under any of the Relevant Documents, as between the parties to any such document as at the date of this Payment Notice.

Yours faithfully

For and on behalf of
Arctic LNG Carriers Ltd.

Name:
Title:

IN WITNESS of which the parties to this Agreement have executed this Agreement the day and year first before written.

SELLERS

Signed by Angelos Chardouvelis /s/ Angelos Chardouvelis
as duly authorised Attorney-in- fact
for and on behalf of
Arctic LNG Carriers Ltd.
in the presence of:

Witness signature: /s/ Daniela Lianou
Name: Daniela Lianou
Address: 2 Foivis street, 166 74 Glyfada, Greece

BUYERS

Signed by Xiong Jianfeng /s/ Xiong Jianfeng
as duly authorised Legal Representative
for and on behalf of
Tianjin Color-VI Leasing Limited
in the presence of:

Witness signature: /s/ Wang Meng
Name: Wang Meng
Address: Room 3502-03, 35F, Century Link Tower 2, No. 1196 Century Avenue, Pudong New
District, Shanghai

Contract number: CDBLV-2024-BC-0604

BARECON 2001



STANDARD BAREBOAT CHARTER

PART 1

1. Shipbroker N/A		2. Place and date 19 June 2024	
3. Owners/Place of business (Cl. 1) Tianjin Color-VII Leasing Limited, a company incorporated under the laws of the People’s Republic of China (with unified social credit code 91120118MADHEDWD8R) Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People’s Republic of China		4. Bareboat Charterers/Place of business (Cl. 1) Seacrown Maritime Ltd. Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960	
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: m.v. Amur River Call Sign: V7NQ5 Flag: The Republic of the Marshall Islands			
6. Type of Vessel LNG carrier		7. GT/NT 100,244/30,073	
8. When/Where built 2008 Hyundai Heavy Industries Co., Ltd.		9. Total DWT (abt.) in metric tons on freeboard 84,598	
10. Classification Society (Cl. 3) Lloyd’s Register		11. Date of last special survey by the Vessel's N/A	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) N/A			
13. Port or Place of delivery (Cl. 3) As per MOA (as defined in Additional Clause 32 (Definitions))		14. Time for delivery (Cl. 4) See Additional Clause 35 (Delivery)	
		15. Cancelling date N/A	
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) N/A	

18. Running days' notice if other than stated in Cl. 4 N/A	19. Frequency of dry-docking (Cl. 10(g)) In accordance with Classification Society or flag state requirements
20. Trading limits (Cl. 6) Trading worldwide always within International Navigating Limits	
21. Charter period (Cl. 2) Charter Period (as defined in Additional Clause 32 (Definitions))	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)) See Additional Clause 39(c) (Structural changes and alterations)	
24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV See Additional Clause 40 (Hire)	25. Currency and method of payment (Cl. 11) US Dollars (See also Additional Clause 40 (Hire))
26. Place of payment; also state beneficiary and bank account (Cl. 11) See Additional Clause 40 (Hire)	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) N/A
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) Clause 12(b) applies; form of Financial Instrument and name of mortgagee to be determined, subject to Additional Clause 44	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)) See Additional Clause 41 (Insurance)	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) N/A	33. Brokerage commission and to whom payable (Cl. 27) N/A
34. Grace period (state number of clear banking days) (Cl. 28) N/A	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) choose an item Clause 30(a) applies
36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) No; Part III does not apply	38. Name and place of Builders (only to be filled in if PART III applies) N/A
39. Vessel's Yard Building No. (only to be filled in if PART III applies) N/A	40. Date of Building Contract (only to be filled in if PART III applies) N/A

41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) (a) N/A (b) N/A (c) N/A	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) No; Part IV does not apply	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) No; Part V does not apply
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) N/A	45. Country of the Underlying Registry (only to be filled in if PART V applies) N/A
46. Number of additional clauses covering special provisions, if agreed Clause 32 (Definitions) to Clause 74 (FATCA)	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)	Signature (Charterers)
---------------------------	-------------------------------

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

"The Owners" shall mean the party identified in Box 3;

"The Charterers" shall mean the party identified in Box 4;

"The Vessel" shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument ~~as~~ in respect of the Vessel and granted by the Owners in accordance with Additional Clause 44, annexed to this Charter and stated in Box 28.

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (~~"The Charter Period"~~).

3. Delivery - See Additional Clause 35 (Delivery).

(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 (Delivery)

(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 when Part III applies, as indicated in Box 37)

(a) ~~Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

(b) ~~If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty eight (168) running hours of the receipt by the Charterers of such notice or within thirty six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

~~(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 ~~(unless such additional insurances as may be reasonably acceptable to the Owners in relation to the trading of the Vessel outside such limits have been obtained and all other insurances in respect of the Vessel remain in full force and effect).~~

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~~ **Insurances (as defined in Additional Clause 32 (Definitions))** (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 **in accordance with applicable laws** or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery

~~(not applicable when Part III applies, as indicated in Box 37)~~

~~The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro-rata thereof.~~

8. Inspection - See paragraph (gg) (Inspection of Vessel) of Additional Clause 47 (Charterers' undertakings).

~~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 log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.~~

9. Inventories, Oil and Stores

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, **subject to Additional Clause 43. Without limiting the foregoing, the Charterers shall also provide** and the Owners, ~~respectively, shall at the time of delivery and redelivery take over and pay for with a complete inventory of~~ 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~~

94 ~~ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the~~
 95 ~~inventory and used during the Charter Period are replaced at their expense prior to on redelivery of the Vessel. See also Additional Clause 37~~
 96 ~~(Bunkers and Luboils).~~

96 10. Maintenance and Operation

- 97 (a) (i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the
 98 absolute disposal for all purposes of the Charterers and under their complete control in every respect. The
 99 Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of
 100 repair, in efficient operating condition and in accordance with good commercial maintenance practice and,
 101 except as provided for in Clause 14(I), if applicable, at their own expense they shall at all times keep the Vessel's
 102 Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary
 103 certificates in force at all times.
- 104 ~~(ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new~~
 105 ~~equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements~~
 106 ~~or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in~~
 107 ~~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~~
 108 ~~any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between~~
 109 ~~the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the~~
 110 ~~Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence~~
 111 ~~of agreement, be referred to the dispute resolution method agreed in Clause 30.~~
- 112 (iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party
 113 liabilities as required by any government, including federal, state or municipal or other division or authority
 114 thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place,
 115 territorial or contiguous waters of any country, state or municipality in performance of this Charter without any
 116 delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such
 117 government or division or authority thereof.
- 118 The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy
 119 such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all
 120 consequences whatsoever (including loss of time) for any failure or inability to do so.
- 121 (b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual,
 122 navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period Agreement Term and they
 123 shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of
 124 the Vessel under this Charter, including annual flag state fees and any foreign general municipality and/or state
 125 taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes
 126 whatsoever, even if for any reason appointed by the Owners.
- 127 Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's
 128 flag or any other applicable law.
- 129 (c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-
 130 docking and major repairs of the Vessel, as reasonably required. See also Additional Clause 56 (Operational notifiable events).
- 131 (d) Flag and Name of Vessel – During the Charter Period, the Charterers shall have the liberty to paint the Vessel in
 132 their own colours, install and display their funnel insignia and fly their own house flag. For so long as a Sub-Charter is in existence, the word "their"
 133 whenever used in the preceding sentence shall be construed as a reference to the Sub-Charterer. The Charterers shall also
 134 have the liberty, ~~with the Owners' consent, which shall not be unreasonably withheld,~~ to (i), change the flag ~~and/or~~
 135 ~~the name~~ of the Vessel to any Pre-Approved Flag or any other flag approved by the Owners (such approval not to be unreasonably withheld)
 136 during the Charter Period and (ii) with the Owners' prior consent (which consent shall not be unreasonably withheld) to change the name of the
 137 Vessel during the Charter Period. Painting and re-painting, instalment and re instalment,
 138 registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time.
- 136 (e) Changes to the Vessel – See Additional Clause 39 (Structural changes and alterations) ~~Subject to Clause 10(a)(ii), the Charterers shall make no~~
 137 ~~structural changes in the Vessel~~
 138 ~~or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing~~
 139 ~~the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the~~
 140 ~~Vessel to its former condition before the termination of this Charter.~~
- 140 (f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment,
 141 and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent
 142 shall be returned to the Owners on redelivery (in the event that redelivery is required in accordance with this Charter) in the same good order and
 condition as when received, ordinary

PART II

- 143 wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of
144 equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs
145 to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards
146 workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right
147 to fit additional equipment at their expense and risk but title to such additional equipment shall, unless agreed between the Owners and the
Charterers, be deemed to have passed to the Owners immediately upon such fitting, and the Charterers shall, at the Charterers' costs, remove
such equipment and make good any damage caused by the fitting or removal of such additional equipment at the end
148 of the period if requested by the Owners (acting reasonably), unless the title to the Vessel is transferred to the Charterers pursuant to this Charter.
Any equipment including radio equipment on hire on the Vessel at
149 time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations
150 and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners
151 for all expenses incurred in connection therewith, also for any new equipment required in order to comply with
152 radio regulations.
- 153 (g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts
154 whenever the same may be necessary, but not less than once during the period stated in Box 19 or, if Box 19 has
155 been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the
156 Classification Society or flag state.
- 157 11. Hire - See Additional Clause 40 (Hire)
- 158 (a) ~~The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect~~
159 ~~of which time shall be of the essence.~~
- 160 (b) ~~The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22~~
161 ~~which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable~~
162 ~~on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the~~
163 ~~Charter Period.~~
- 164 (c) ~~Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25~~
165 ~~and at the place mentioned in Box 26.~~
- 166 (d) ~~Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally~~
167 ~~according to the number of days and hours remaining before redelivery and advance payment to be effected~~
168 ~~accordingly.~~
- 169 (e) ~~Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of.~~
170 ~~The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last~~
171 ~~reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to~~
172 ~~be adjusted accordingly.~~
- 173 (f) ~~Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If~~
174 ~~Box 24 has not been filled in, the three months Interbank offered rate in London (LIBOR or its successor) for the~~
175 ~~currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due,~~
176 ~~increased by 2 per cent, shall apply.~~
- 177 (g) ~~Payment of interest due under sub clause 11(f) shall be made within seven (7) running days of the date of the~~
178 ~~Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire~~
179 ~~payment date.~~
- 180 12. Mortgage - See Additional Clause 44 (Owners' mortgage) and paragraph (p) (Further assurance) of Additional Clause 47 (Charterers'
undertakings).
- 181 ~~(only to apply if Box 28 has been appropriately filled in)~~
- 182 (a)* ~~The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any~~
183 ~~mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- 184 (b)* The Vessel chartered under this Charter ~~is~~may be financed by a mortgage according to the Financial Instrument.
185 The Charterers undertake to comply, and provide such information and documents to enable the Owners to
186 comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and
187 maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time
188 during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The
189 Charterers confirm that, for this purpose, they will, once such Financial Instrument is available, ~~have acquainted themselves with all relevant terms,~~
~~conditions~~

and provisions of the Financial Instrument and agree to acknowledge this such Financial Instrument in writing in any form that may be reasonably required by the mortgagee(s), provided that the Owners will ensure that such Financial Instrument will only impose obligations on the Charterers in line with the provisions contained in this Charter, and, for the avoidance of doubt, shall not result in additional obligations on the part of the Charterers. The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.

*(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).

13. Insurance and Repairs - See Additional Clause 41 (Insurance)

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(e) above, including any deviation, shall be for the Charterers' account.

(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

(d) Subject to the provisions of the Financial Instrument, if any, 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 the 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

(Optional, only to apply if expressly agreed and stated in Box 20, 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.

PART II

- 239 (b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection
240 and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel;
241 including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall
242 in writing approve which approval shall not be unreasonably withheld.
- 243 (c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the
244 Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which
245 would otherwise have been covered by such insurance.
- 246 (d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs,
247 and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as
248 well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for
249 under the provisions of sub-clause 14(a).
- 250 The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon
251 presentation of accounts.
- 252 (e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred
253 thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible
254 franchise(e) or deductibles provided for in the insurances.
- 255 (f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects
256 according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of
257 the Charter Period.
- 258 The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for
259 such time as may be required to make such repairs.
- 260 (g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall
261 be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers
262 as the case may be shall immediately furnish the other party with particulars of any additional insurance effected,
263 including copies of any cover notes or policies and the written consent of the insurers of any such required
264 insurance in any case where the consent of such insurers is necessary.
- 265 (h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances
266 required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall
267 distribute the moneys between themselves and the Charterers according to their respective interests.
- 268 (i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged
269 by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.
- 270 (j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to
271 enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.
- 272 (k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub
273 clause 14(a), the value of the Vessel is the sum indicated in Box 29.
- 274 (l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if
275 applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in
276 Box 10 and maintain all other necessary certificates in force at all times.
- 277 **15. Redelivery - See Additional Clauses 42 (Redelivery) and 43 (Redelivery conditions)**
- 278 At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe
279 and ice free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The
280 Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range
281 of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice
282 of expected date and port or place of redelivery.
- 283 Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.
- 284 The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding
285 ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel
286 within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within
287 the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per
288 cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is
289 exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.
- 290 Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good

- 291 structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class
 292 excepted.
- 293 The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at
 294 least the number of months agreed in Box 17.
- 295 **16. Non-Lien - See also paragraph (z) (Negative pledge) of Additional Clause 47 (Charterers' undertakings)**
 296 The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their
 297 agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further
 298 agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the ~~Charter Period~~ **Agreement Term** a notice
 299 reading as follows:
 300 "This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of
 301 the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or
 302 permit to be imposed on the Vessel any lien whatsoever."
- 303 **17. Indemnity**
- 304 (a) ~~The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising~~
 305 ~~out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature~~
 306 ~~arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by~~
 307 ~~reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their~~
 308 ~~own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including~~
 309 ~~the provision of bail.~~
 310 Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all
 311 consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.
- 312 (b) ~~If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners~~
 313 ~~shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released,~~
 314 ~~including the provision of bail.~~
 315 In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred
 316 by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.
- 317 **18. Lien**
- 318 ~~The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any~~
 319 ~~sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on~~
 320 ~~the Vessel for all moneys paid in advance and not earned.~~
- 321 **19. Salvage**
- 322 All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing
 323 damage occasioned thereby shall be borne by the Charterers.
- 324 **20. Wreck Removal**
- 325 In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the
 326 Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence
 327 of the Vessel becoming a wreck or obstruction to navigation.
- 328 **21. General Average**
- 329 The Owners shall not contribute to General Average.
- 330 **22. Assignment, Sub-Charter and Sale - See Additional Clause 51 (Sub-chartering and assignment)**
- 331 (a) ~~The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior~~
 332 ~~consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and~~
 333 ~~conditions as the Owners shall approve.~~
- 334 (b) ~~The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of~~
 335 ~~the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of~~
 336 ~~this Charter.~~
- 337 **23. Contracts of Carriage**
- 338 (a)* The Charterers are to procure that all documents issued during the ~~Charter Period~~ **Agreement Term** evidencing the terms and
 339 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 Hague Rules (or any successor thereto, including the Rotterdam Rules) or the Hamburg 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

(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 Agreement Term 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 Agreement Term, 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, in the absence of a Termination Event, 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

(a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.

(b) The Vessel, ~~unless the written consent of the Owners be first obtained,~~ shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks, provided that if the Charterers have (at their costs) placed and will maintain the necessary Insurances against the relevant War Risks in accordance with Additional Clause 41 (Insurance) and evidence of such insurance cover (or a written confirmation from the relevant insurers and/or brokers that such insurance has or will, prior to the commencement of the relevant voyage, become effective) has been provided to the Owners then such voyage shall be permitted hereunder. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area.

(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

389 (d) If the insurers of the war risks insurance, ~~when Clause 14 is applicable~~, should require payment of premiums
 390 and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within,
 391 any area or areas which are specified by such insurers as being subject to additional premiums because of War
 392 Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as
 393 the next payment of hire is due.

394 (e) The Charterers shall have the liberty:

395 (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in
 396 convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which
 397 are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or
 398 group whatsoever acting with the power to compel compliance with their orders or directions;

399 (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the
 400 authority to give the same under the terms of the war risks insurance;

401 (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of
 402 the European Community, the effective orders of any other Supranational body which has the right to issue and
 403 give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey
 404 the orders and directions of those who are charged with their enforcement.

405 (f) ~~In the event of outbreak of war (whether there be a declaration of war or not)~~

406 ~~(i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom;~~
 407 ~~France; and the People's Republic of China,~~

408 ~~(ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have~~
 409 ~~the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance~~
 410 ~~with Clause 16, if the Vessel has cargo on board after discharge thereof at destination, or if debarré under this~~
 411 ~~Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has~~
 412 ~~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~~
 413 ~~the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all~~
 414 ~~other provisions of this Charter shall apply until redelivery.~~

415 27. Commission

416 ~~The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid~~
 417 ~~under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the~~
 418 ~~actual expenses of the Brokers and a reasonable fee for their work.~~

419 ~~If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall~~
 420 ~~indemnify the Brokers against their loss of commission.~~

421 ~~Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of~~
 422 ~~commission but in such case the commission shall not exceed the brokerage on one year's hire.~~

423 28. Termination - See Additional Clauses 50 (Termination Events) and 53 (Total Loss)

424 (a) Charterers' Default

425 ~~The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter~~
 426 ~~with immediate effect by written notice to the Charterers if:~~

427 ~~(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual~~
 428 ~~payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers,~~
 429 ~~the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as~~
 430 ~~recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such~~
 431 ~~number of days following the Owners' notice, the payment shall stand as regular and punctual.~~

432 ~~Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners'~~
 433 ~~notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and~~
 434 ~~terminate the Charter without further notice;~~

435 ~~(ii) the Charterers fail to comply with the requirements of:~~

436 ~~(1) Clause 6 (Trading Restrictions)~~

437 ~~(2) Clause 13(a) (Insurance and Repairs)~~

438 ~~provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a~~

PART II

439 specified number of days grace within which to rectify the failure without prejudice to the Owners' right to
440 withdraw and terminate under this Clause if the Charterers fail to comply with such notice;
441 (iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance
442 and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any
443 event so that the Vessel's insurance cover is not prejudiced.

444 (b) Owners' Default

445 If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that
446 the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14)
447 running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall
448 be entitled to terminate this Charter with immediate effect by written notice to the Owners.

449 (c) Loss of Vessel

450 This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive
451 or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be
452 lost unless she has either become an actual total loss or agreement has been reached with her underwriters in
453 respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is
454 not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

455 (d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party
456 in the event of an order being made or resolution passed for the winding up, dissolution or liquidation or
457 bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver
458 is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or
459 composition with its creditors.

460 (e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to
461 the date of termination and to any claim that either party might have.

462 29. Repossession

463 In the event of the termination of this Charter in accordance with the applicable provisions of ~~Clause 28~~ this Charter, the
464 Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at
465 a port or place convenient to them without hindrance or interference by the Charterers, courts or local
466 authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall
467 hold the Vessel as gratuitous bailee only to the Owners and the Charterers shall procure that the master and crew follow the orders and directions
of the Owners. The Owners shall arrange for an authorised
468 representative to board the Vessel as soon as reasonably practicable following the termination of the Charter.
469 The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the
470 Vessel by the Owners' representative. All arrangements and expenses relating to the se lling of wages,
471 disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of
472 the Charterers.

473 30. Dispute Resolution

474 (a)* This Contract and any non-contractual obligations arising from or in connection with it shall in all respects be governed by and ~~construed~~ interpreted
475 in accordance with English law and any dispute arising out of
476 or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration
477 Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the
478 provisions of this Clause.
479 The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA)
480 Terms current at the time when the arbitration proceedings are commenced.
481 The reference shall be to three arbitrators. The arbitration proceedings shall be conducted in English. A party wishing to refer a dispute to
482 arbitration shall appoint its
483 arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint
484 its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole
485 arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14
486 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within
487 the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further
488 prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly.
489 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.

PART II

490 In cases where neither the claim nor any counterclaim exceeds the sum of US\$~~5~~100,000 (or such other sum as the
491 parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure
492 current at the time when the arbitration proceedings are commenced.

493 ~~(b)* This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the~~
494 ~~Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be~~
495 ~~referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the~~
496 ~~two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any~~
497 ~~award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be~~
498 ~~conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

499 ~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the~~
500 ~~parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure~~
501 ~~of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

502 ~~(c)* This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by~~
503 ~~the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a~~
504 ~~mutually agreed place, subject to the procedures applicable there.~~

505 ~~(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference~~
506 ~~and/or dispute arising out of or in connection with this Contract.~~

507 ~~In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the~~
508 ~~following shall apply:~~

509 ~~(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation~~
510 ~~by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to~~
511 ~~mediation.~~

512 ~~(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they~~
513 ~~agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days,~~
514 ~~failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal~~
515 ~~("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted~~
516 ~~in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event~~
517 ~~of disagreement, as may be set by the mediator.~~

518 ~~(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and~~
519 ~~may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.~~

520 ~~(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers~~
521 ~~necessary to protect its interest.~~

522 ~~(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall~~
523 ~~continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account~~
524 ~~when setting the timetable for steps in the arbitration.~~

525 ~~(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in~~
526 ~~the mediation and the parties shall share equally the mediator's costs and expenses.~~

527 ~~(vii) The mediation process shall be without prejudice and confidential and no information or documents~~
528 ~~disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law~~
529 ~~and procedure governing the arbitration.~~

530 ~~(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)~~

531 ~~(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~~
532 ~~apply in all cases.~~

533 ~~*Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.~~

534 **31. Notices - See Additional Clause 67 (Notices).**

535 ~~(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex,~~
536 ~~registered or recorded mail or by personal service.~~

537 ~~(b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.~~

4 **4. Specifications and Building Contract**

- 2 (a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract")
 3 as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications
 4 and plans annexed thereto, such Building Contract, specifications and plans having been counter signed as
 5 approved by the Charterers.
- 6 (b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by
 7 the Charterers as aforesaid, without the Charterers' consent.
- 8 (c) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during
 9 the course of her construction to satisfy themselves that construction is in accordance with such approved
 10 specifications and plans as referred to under sub-clause (a) of this Clause.
- 11 (d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein.
 12 Subject to the provisions of sub-clause 2(e)(ii) hereunder, the Charterers shall be bound to accept the Vessel from
 13 the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the
 14 Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims
 15 against the Owners in respect of the Vessel's performance or specification or defects, if any.
 16 Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from
 17 delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any
 18 defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or
 19 remedies.
- 20 However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim
 21 against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to
 22 the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover
 23 under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so
 24 recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time
 25 incurred.
- 26 Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box
 27 41(a) or if not filled in shall be shared equally between the parties.
- 28 The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders)
 29 shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

30 **2. Time and Place of Delivery**

- 31 (a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance
 32 with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the
 33 Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the
 34 Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the
 35 parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be
 36 ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall
 37 be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that
 38 be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance
 39 of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be
 40 entitled to make any claim against the Owners in respect of any conditions, representations or warranties,
 41 whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.
- 42 (b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled
 43 under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers
 44 written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers
 45 and upon receipt of such notice by the Charterers this Charter shall cease to have effect.
- 46 (c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall,
 47 before exercising such right of rejection, consult the Charterers and thereupon
- 48 (i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7)
 49 running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease
 50 to have effect; or
- 51 (ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7)
 52 running days require the Owners to negotiate with the Builders as to the terms on which delivery should
 53 be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the

PART III

54 Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and
55 deliver her to the Charterers;
56 (iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to
57 reject the Vessel from the Builders;
58 (iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be
59 liable to the Charterers for any claim under or arising out of this Charter or its termination.
60 (d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a
61 claim therefor shall accrue to the account of the party stated in Box 41(e) or if not filled in shall be shared
62 equally between the parties.

63 **3. Guarantee Works**
64 If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be
65 performed in accordance with the building contract terms, and hire to continue during the period of guarantee
66 works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

67 **4. Name of Vessel**
68 The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be
69 painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

70 **5. Survey on Redelivery**
71 The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing
72 the condition of the Vessel at the time of redelivery.
73 Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any,
74 including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall
75 also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be
76 paid at the rate of hire per day or pro rata.

PART IV

1 On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and
2 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
3 Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.
4 In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.
5 The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.
6 The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens
7 or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing
8 mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to
9 the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all
10 consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any
11 taxes, notarial, consular and other charges and expenses connected with the purchase and registration under
12 Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with
13 closing of the Sellers' register, shall be for Sellers' account.
14 In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale
15 duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On
16 delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a
17 certificate of deletion to the Buyers.
18 The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors,
19 chains, etc.), as well as all plans which may be in Sellers' possession.
20 The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra
21 payment.
22 The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the
23 Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be
24 delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for
25 possible faults or deficiencies of any description.
26 The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the
27 Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent
28 cost for their journey to any other place.

1. **Definitions**

2 For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

3 "The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which
4 the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

5 "The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered
6 as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat
7 Charter Registration.

8 **2. Mortgage**

9 The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II)
10 shall apply.

11 **3. Termination of Charter by Default**

12 If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if
13 the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the
14 Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying
15 Registry as shown in Box 45.

16 In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default
17 by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to
18 terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners
19 under this Charter.

CONTENTS

	Page
32. Definitions	3
33. Interpretations	20
34. MOA, Quiet Enjoyment Agreement	22
35. Delivery	22
36. Conditions precedent	23
37. Bunkers and luboils	26
38. Further maintenance and operation	26
39. Structural changes and alterations	27
40. Hire	28
41. Insurance	34
42. Redelivery	40
43. Redelivery conditions	41
44. Owners' mortgage	42
45. Diver's inspection at redelivery	43
46. Charterers' representations and warranties	44
47. Charterers' undertakings	47
48. Earnings Account	54
49. Value maintenance	54
50. Termination Events	56
51. Sub-chartering and assignment	62
52. Purchase Option, Purchase Obligation and transfer of title	62
53. Total Loss	66
54. Fees and expenses	66
55. Stamp duties, Taxes	67
56. Operational notifiable events	67
57. Further indemnities	68
58. Set-off	70
59. Further assurances and undertakings	70
60. Cumulative rights	70
61. Day count convention	70
62. No waiver	70
63. Entire agreement	70
64. Invalidity	70
65. English language	71
66. No partnership	71

67.	Notices	71
68.	Conflicts	72
69.	Survival of Charterers' obligations	72
70.	Counterparts	72
71.	Confidentiality	72
72.	Third Parties Act	72
73.	Waiver of immunity	73
74.	FATCA	73
SCHEDULE 1 RELATED VESSELS AND RELEVANT INFORMATION		76
SCHEDULE 2 FORM OF PROTOCOL OF DELIVERY AND ACCEPTANCE		77
SCHEDULE 3 FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE		78
SCHEDULE 4 PERCENTAGE FOR CALCULATING PURCHASE OPTION FEE AND PREPAYMENT FEE		79
SIGNATURE PAGE		80

ADDITIONAL CLAUSES
TO BAREBOAT CHARTER FOR
THE LNG CARRIER
NAMED "AMUR RIVER"

32. Definitions

In this Charter:

"2018 Withdrawal Act" means the European Union (Withdrawal) Act 2018.

"2020 Withdrawal Act" means the European Union (Withdrawal Agreement) Act 2020.

"Account Bank" means UBS AG (or such other bank or financial institution as the Owners may approve);

"Account Charge" means the account charge over the Earnings Account and all amounts from time to time standing to the credit to the Earnings Account from the Charterers in favour of the Security Trustee.

"Actual Delivery Date" means the date of delivery of the Vessel by the Owners to the Charterers under this Charter.

"Actual Owners' Costs" means the Purchase Price (as defined in the MOA).

"Affiliate" means, in relation to any entity, a Subsidiary of that entity, a Holding Company of that entity or any other Subsidiary of that Holding Company.

"Agreed Charter Period" means the period of sixty (60) months commencing from the Actual Delivery Date.

"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 Obligors 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 Obligors of any nature to the Owners or otherwise in connection with the Transaction Documents or with the Vessel remain unperformed or undischarged excluding, for the avoidance of doubt, any obligations included in the definition of "Indebtedness" in any Transaction Document expressed to be owed in respect of the Related Vessels rather than the Vessel.

"Applicable Rate" means, subject to Clause 40(o) (*Cost of funds*), for any Hire Period, the Reference Rate applicable to that Hire Period.

"Approved Manager" in relation to the Vessel, means the Dynagas Manager or any other internationally recognised and reputable management company with the prior written consent of the Owners (acting reasonably) and appointed by the Charterers.

"Approved Valuer" means each of Clarkson Platou, Fearnleys LNG, Braemar, Nordic Shipping, Poten & Partners and Associated Shipbrokers Monaco.

"Arrangement Fee" has the meaning given to such term in paragraph (a) (*Arrangement fee*) of Clause 54 (*fees and expenses*).

“Assigned Documents” means together, Initial Time Charter and the Replacement Time Charter, and **“Assigned Document”** means either one (1) of them.

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

“Balloon” has the meaning given to such term in paragraph (a) of the definition of **“Purchase Obligation Price”** as set out below.

“Break Costs” means all costs, losses, premiums or penalties (excluding the Margin) incurred by the Owners (including any hedging or swap-related costs) as a result of the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the original due date for payment of the sum in question, or as a result of the Termination Sum or the Purchase Option Price being paid, or as a result of the relevant payment made by the Charterers under Clause 49(c)(ii)(B), or as a result of the relevant payment made by the Charterers under Clause 40(p).

“Breakfunding Gain” means all additional amounts received by the Owners as a result of the receipt by the Owners of any payment under or in relation to the Transaction Documents on a day other than the original due date for payment of the sum in question, or as a result of the Termination Sum or the Purchase Option Price being paid, or as a result of the relevant payment made by the Charterers under Clause 49(c)(ii)(B), or as a result of the relevant payment made by the Charterers under Clause 40(p).

“Business Day” means:

- (a) (in relation to the determination of the Actual Delivery Date) a day (other than a Saturday or Sunday) on which banks are open for general business in Marshall Islands; and
- (b) in any other cases, a day (other than a Saturday or Sunday) on which banks are open for general business in Athens, Hong Kong, New York and Shanghai.

“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 any relevant person or entity or to any jurisdiction where activities of such relevant person or entity are performed and which shall include: (i) the United Kingdom Bribery Act 2010, (ii) the United States Foreign Corrupt Practices Act 1977 and (iii) any United States, United Nations or European Union sanctions.

“Change of Control” occurs at any time if:

- (a) the Charterers cease to be a direct wholly-owned Subsidiary of the Shareholder; and/or
- (b) the Charter Guarantor (i) ceases to own (legally and/or beneficially, directly and/or indirectly) 100% of total share capital, total common partnership interest or units or the total limited liability company interest (as the case may be) in the Shareholder or the Charterers; and/or (ii) ceases to have the ability to control, either directly or indirectly, the affairs or composition of the majority of the board of directors or board of managers or single manager or sole member (as the case may be) of the Shareholder or the Charterers; and/or
- (c) any person (i) owns (legally and/or beneficially, directly and/or indirectly) a higher percentage of the total common partnership interest or units in the Charter Guarantor than Dynagas Holding Ltd; and/or (ii) has the ability to control, either

directly or indirectly, the affairs or composition of the majority of the board of directors or the board of managers of the Charter Guarantor; and/or

- (d) No Permitted Holder is a member of the board of managers and/or the Chairman of the board of managers of the Charter Guarantor; and/or
- (e) Dynagas GP LLC ceases to be the general partner of the Charter Guarantor; and/or
- (f) Permitted Holders (i) cease to control, directly or indirectly, the affairs or the composition of the board of directors or board of managers (or equivalent, as applicable) of Dynagas GP LLC or Dynagas Holding Ltd or the Dynagas Manager; and/or (ii) cease to own (legally and/or beneficially, directly and/or indirectly) 100% of the total limited liability company interest of Dynagas GP LLC.

"Charter Guarantee" means the guarantee and indemnity made or to be made by the Charter Guarantor in favour of the Owners in respect of the Charterers' obligations under the Transaction Documents.

"Charter Guarantor" means Dynagas LNG Partners LP, a limited partnership formed under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"Charter Period" means, subject to paragraph (i) (*Illegality*) of Clause 40 (*Hire*), Clause 50 (*Termination Events*), paragraph (a) Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) and Clause 53 (*Total Loss*), the Agreed Charter Period.

"Charterers Group" means, collectively, the Charterers and the Charter Guarantor.

"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 relation to certain of the Charterers' rights and interest in and to (amongst other things) (a) the Earnings, (b) the Insurances, (c) the Requisition Compensation and (d) the Assigned Documents.

"Classification Society" means the vessel classification society referred to in Box 10 (*Classification Society*) of this Charter, or such other reputable classification society which the Owners may approve from time to time.

"Core Obligors" means the Charterers, the Charter Guarantor and (during the Pre-Delivery Period) the Sellers, and **"Core Obligor"** means any one of them.

"Cost Balance" means, at any relevant time during the Agreement Term, an amount equal to the aggregate of the Actual Owners' Costs as may be reduced by payment, prepayment, or deemed payment of Fixed Hire or Cost Balance pursuant to paragraph (a) of Clause 40 (*Hire*), Clause 40(p) or Clause 49(c)(ii)(B).

"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 the Charterers to the Owners under all or any of the Transaction Documents.

"Default Termination" means a Termination pursuant to the provisions of Clause 50 (*Termination Events*).

"Dynagas Manager" means Dynagas Ltd., a company incorporated under the laws of The Republic of Liberia whose registered office is at 80 Broad Street, Monrovia, Liberia.

"Earnings" means:

- (a) all hires, freights and other sums payable to or for the account of the Charterers in

respect of the Vessel including (without limitation) all earnings received or to be received from any Sub-Charter, 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; and

- (b) whenever the Vessel is employed on terms whereby any moneys falling within (i) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangements which is attributable to the Vessel.

"Earnings Account" means the US Dollar account in the name of the Charterers (with account number 73044943142007 opened with the Account Bank, and includes any subaccount thereof and such account which is designated by the Owners as the earnings account for the purposes of this Charter.

"Emissions Legislation" means:

- (a) the EU-ETS Regulations; and
- (b) any other laws, directives or regulations to which the Owners or the Charterers are subject in respect of greenhouse gas emissions (including any related emissions trading schemes),

as amended from time to time and in each case as applicable to the Owners or the Charterers.

"Encumbrance" means a mortgage, charge, assignment, pledge, lien, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Environmental Approvals" means any present or future permit, licence, approval, ruling, variance, exemption or other Authorisation required under the applicable Environmental Law.

"Environmental Claim" means any claim, proceeding or investigation by any person in respect of any Environmental Law.

"Environmental Incident" means:

- (a) any release, emission, spill or discharge from the Vessel or into or upon the air, sea, land or soils (including the seabed) or surface water of Environmentally Sensitive Material within or from the Vessel in connection with which the Vessel is actually or reasonably likely to be potentially liable to be arrested, attached, detained or injuncted and/or the Vessel and/or the Charterers and/or the Approved Manager is at fault or allegedly at fault or otherwise reasonably likely to be liable to any legal or administrative action; or
- (b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water from a vessel other than the Vessel and which involves a collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, in connection with which the Vessel is actually arrested, attached, detained or injuncted and/or the Vessel and/or the Charterers and/or any Approved Manager of the Vessel is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or

- (c) any other incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water otherwise than from the Vessel and in connection with which the Vessel is actually arrested and/or the Charterers and/or any Approved Manager 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 applicable law and regulation in any applicable jurisdiction in which the Charterers and/or Approved Manager conducts business which relates to the pollution or protection of the environment (to the extent relating to exposure to Environmentally Sensitive Material) or harm to or the protection of human health or the health of animals or plants (to the extent relating to exposure to Environmentally Sensitive Material).

"Environmentally Sensitive Material" means (i) oil and oil products and (ii) any other waste, pollutant, contaminant or other toxic substance (including any chemical, gas or hazardous or noxious substance) that is harmful to human health or other life or the environment.

"EU ETS Mandate Letter" means the mandate letter in respect of the Vessel addressed to the relevant entities charged with administering compliance with Emissions Legislation and duly executed by the Owners and the Dynagas Manager, mandating the Dynagas Manager as the party required to comply with and be responsible for compliance with the Emissions Legislation 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 (the **"Implementing Regulation"**) 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.

"EUR", **"€"** and **"euro"** denote the single currency of the Participating Member States.

"Fair Market Value" means the fair market value of the Vessel ascertained in accordance with paragraph (b) (*Valuations*) of Clause 49 (*Value maintenance*).

"FATCA Deduction" has the meaning given to such term in Clause 74 (*FATCA*).

"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 financing or refinancing all or any part of the Actual Owners' Costs and/or any "Actual Owners' Costs" under any Related Charter.

"Finance Party" means any bank or financial institution which is or will be party to a Finance Document (other than the Owners, the Related 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.

"Finance Party Quiet Enjoyment Agreement" means, in relation to the Vessel, either:

- (a) an agreement which the Finance Parties and the Owners (or, if any, their authorised agent on their behalf) shall execute in favour of the Charterers (or, as the context may require, a Sub-Charterer), such agreement to be in a form reasonably acceptable to the Charterers (or, as the context may require, the relevant Sub-Charterer) and the Finance Parties, or
- (b) the relevant Quiet Enjoyment Agreement as acceded to by the Finance Parties.

"Financial Half-Year" means, in respect of the Charterers and the Charter Guarantor, their interim semi-annual accounting period ending on 30 June in any calendar year that falls within the Agreement Term.

"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 obligations under any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including any actual amount is due as a result of the termination or close-out of that derivative transaction);
- (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 Year" means, in respect of the Charterers and the Charter Guarantor, their annual accounting period ending on 31 December in each calendar year during the Agreement Term.

"Fifth Anniversary Date" means the date falling 60 months after the Actual Delivery Date.

"First Anniversary Date" means the date falling 12 months after the Actual Delivery Date.

"Fixed Hire" has the meaning given to such term under paragraph (a)(i) of Clause 40 (*Hire*).

"GAAP" means generally accepted accounting principles in the United States of America or

IFRS.

"Hire" means each or any combination or aggregate of (a) Fixed Hire and (b) Variable Hire.

"Hire Payment Date" means the last day of each and any Hire Period.

"Hire Period" means each and every three (3)-month period during the Charter Period, the first Hire Period to commence on the Actual Delivery Date and each successive Hire Period to commence on the last day of the immediately previous Hire Period **provided that** if a Hire Period would otherwise extend beyond the last day of the Charter Period, then such Hire Period shall end on the last day of the Charter Period, and, in relation to an Unpaid Sum, each period determined in accordance with Clause 40(g) (*Default interest*).

"Holding Company" means, in relation to any entity, any other entity in respect of which it is a Subsidiary.

"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).

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

"Indemnitee" has the meaning given to such term in Clause 57 (*Further indemnities*).

"Initial Charter Quiet Enjoyment Agreement" means in relation to the Initial Time Charter, the quiet enjoyment deed made or to be made between (a) the Owners (as lessor), (b) the Charterers (as lessee), and (c) the Initial Time Charterer, in such form as agreed between the parties thereto.

"Initial Time Charter" means the time charter dated 17 April 2014 and made between the Charterers (as owner) and the Initial Time Charterer (as charterer) in respect of the chartering of the Vessel (ex "Clean Force"), as may be amended, supplemented, extended, novated and/or replaced from time to time.

"Initial Time Charterer" means SEFE Marketing & Trading Singapore Pte. Limited (formerly known as "Gazprom Marketing & Trading Singapore Pte. Ltd.") of 10 Collyer Quay #10-01 Ocean Financial Centre, Singapore, 049315.

"Innocent Owners' Interest Insurances" means all policies and contracts of innocent owners' interest insurance and innocent owners' additional perils (oil pollution) 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.

"Interpolated Term SOFR" means, in relation to a Hire Period, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either
 - (A) the applicable Term SOFR (as of the relevant Specified Time) for the longest period (for which Term SOFR is available) which is less than three (3) months; or

- (B) if no such Term SOFR is available for a period which is less than three (3) months, Overnight SOFR for the day which is two (2) US Government Securities Business Days before the relevant Variable Hire Determination Date; and
- (b) the applicable Term SOFR (as of the relevant Specified Time) 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).

"ISM Company" means, at any given time, the company responsible for the Vessel's compliance with the ISM Code under paragraph 1.1.2 of 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).

"ISPS Company" means, at any given time, the company responsible for the Vessel's compliance with the ISPS Code.

"ISSC" means a valid international ship security certificate for the Vessel 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 Act 1980 and the Foreign Limitation Periods Act 1984;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and;
- (d) any reservations as to matters of law (but excluding at all times any reservations or qualifications as to matters of fact) referred to in the legal opinions delivered to the Owners under Clause 36 (*Conditions precedent*) of this Charter.

"Long Stop Date" has the meaning given to such term in the MOA.

"Major Casualty Amount" means three million US Dollars (US\$3,000,000) or the equivalent in any other currency or currencies.

"Management Agreement" means, in relation to the Vessel and if applicable, the technical and/or commercial ship management agreement executed or to be executed (as the case may be) between the Approved Manager and the Charterers.

"Manager's Undertaking" means, in relation to the Vessel, the deed of undertaking executed or to be executed by the Approved Manager in favour of the Owners and the Security Trustee.

"Margin" means two point one per cent. (2.1%) per annum.

"Market Disruption Rate" means the percentage rate per annum which is the Reference Rate.

"MARPOL" means the International Convention for the Prevention of Pollution from Ships adopted by the International Maritime Organisation (as the same may be amended, supplemented or superseded from time to time).

"Material Adverse Effect" means a material adverse change in, or a material adverse effect on:

- (a) the business, financial condition or operations of the Obligors; or
- (b) the validity, legality or enforceability of the Transaction Documents; or
- (c) the ability of any Obligor to perform its obligations under any Transaction Document,

which adversely affects the ability of each of the Obligors to perform its respective obligations under the Transaction Documents to which it is a party.

"MOA" has the meaning given to such term in Clause 34 (*MOA, Quiet Enjoyment Agreement*).

"Mortgagees' Interest Insurances" means all policies and contracts of mortgagees' interest insurance and mortgagees' additional perils (oil pollution) insurance from time to time taken out by the Finance Parties in relation to the Vessel.

"Necessary Authorisations" means all Authorisations of any person including any government or other regulatory authority required by applicable law to enable it to:

- (a) lawfully enter into and perform its obligations under the Transaction Documents to which it is party;
- (b) ensure the legality, validity, enforceability or admissibility in evidence in England and, if different, its jurisdiction of incorporation, of such Transaction Documents to which it is party; and
- (c) carry on its business from time to time.

"Negative Share Pledge" means the negative pledge over all issued shares of the Charterers executed or (as the case may be) to be executed by the Shareholder in favour of the Owners.

"Net Sale Proceeds" means the proceeds of a sale of the Vessel received, net of any reasonable and documented fees, commissions, costs, disbursements or other expenses incurred by the Owners as a result of the Owners arranging the proposed sale.

"Obligors" means, together:

- (a) (during the Pre-Delivery Period) the Sellers;
- (b) the Charterers;
- (c) the Dynagas Manager;
- (d) the Shareholder;

- (e) the Charter Guarantor; and
- (f) and any person designated as such by the Owners and the Charterers from time to time),

and in each case an “**Obligor**”.

“**Owners’ Account**” has the meaning given to such term in paragraph (d) (*Payment account information*) of Clause 40 (*Hire*).

“**Overnight SOFR**” means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

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

“**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 Protocol of Delivery and Acceptance*) hereto.

“**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.

“**Permitted Holder**” means Mr. George Prokopiou (being the Chairman of the board of managers of the Charter Guarantor as at the date of this Charter) and any of his direct lineal descendants.

“**Permitted Encumbrance**” means:

- (a) any Encumbrance created or to be created in accordance with the Security Documents;
- (b) liens for unpaid master’s and crew’s wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime practice;
- (c) liens for salvage;
- (d) liens for master’s disbursements incurred in the ordinary course of trading;
- (e) any other liens securing obligations incurred in the ordinary course of trading and/or operating the Vessel and not more than sixty (60) days overdue;
- (f) any Encumbrance created or to be created by the Owners in favour of the Finance Parties in accordance with the relevant Finance Documents (but subject to any Finance Party Quiet Enjoyment Agreement);
- (g) other liens arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Vessel where the Charterers are contesting the claim giving rise to such lien in good faith by appropriate steps and for the payment of which adequate reserves have been made in case the Charterers finally have to pay such claim so long as any such proceedings shall not, and may reasonably be considered unlikely to lead to the arrest, sale, forfeiture or loss of the Vessel, or any interest in the Vessel;
- (h) Encumbrances arising by operation of law in respect of Taxes which are not

overdue for payment or Taxes which are overdue for payment but which are being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made so long as any such proceedings or the continued existence of such Encumbrance shall not and may reasonably be considered unlikely to lead to the arrest, sale, forfeiture or loss of the Vessel, or any interest in the Vessel; and (i) any Encumbrance which has the prior written approval of the Owners.

"Potential Termination Event" means an event or circumstance which, with the expiry of any permitted grace period, the giving of any notice, the lapse of time or any combination of the foregoing is a Termination Event.

"Pre-Approved Flag" means Marshall Islands.

"Pre-Delivery Period" has the meaning given to such term in the MOA.

"Prepaid Amount" has the meaning given to such term in Clause 40(p).

"Prepayment Fee" means an amount that is calculated by multiplying (x) the Prepaid Amount by (y) the percentage applicable to the relevant period in which the Purchase Option Date falls, as set out in Schedule 4 (*Percentage for calculating Purchase Option Fee and Prepayment Fee*).

"Purchase Obligation" means the Charterers' obligation to purchase the Vessel at the applicable Purchase Obligation Price in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Obligation Price" means the amount due and payable by the Charterers to the Owners pursuant to paragraph (c) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*), being the aggregate of:

- (a) an amount (the **"Balloon"**) which is twenty per cent (20%) of the Actual Owners' Costs;
- (b) any difference by which the then current Cost Balance exceeds the Balloon;
- (c) any Variable Hire accrued and remains unpaid, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (d) Break Costs (if any) net of Breakfunding Gain (if any);
- (e) any costs and expenses (including legal fees) reasonably incurred or suffered by the Owners as a result of the implementation of the Purchase Obligation;
- (f) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (g) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Purchase Option" means the option to purchase the Vessel at the applicable Purchase Option Price which the Charterers may exercise in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Date" has the meaning given to such term in paragraph (a) of Clause

"Purchase Option Fee" means an amount that is calculated by multiplying (x) the then current Cost Balance by (y) the percentage applicable to the relevant period in which the Purchase Option Date falls, as set out in Schedule 4 (*Percentage for calculating Purchase Option Fee and Prepayment Fee*).

"Purchase Option Notice" has the meaning given to such term in paragraph (a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).

"Purchase Option Price" means the aggregate of:

- (A) (where the Purchase Option is exercised pursuant to Clause 52(g) and the Purchase Option Date falls on or after the First Anniversary Date, or where the Purchase Option is exercised other than pursuant to Clause 44(iv), Clause 52(g) or Clause 52(h)) the applicable Purchase Option Fee;
- (B) the then current Cost Balance;
- (C) any Variable Hire accrued and remains unpaid, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (D) (if the Purchase Option Date does not fall on a Hire Payment Date) Break Costs (if any) net of Breakfunding Gain (if any);
- (E) any reasonable and documented costs and expenses (including legal fees) incurred or suffered by the Owners as a result of the implementation of the Purchase Option (excluding any costs and expenses (including legal fees) incurred or suffered by the Owners under the Finance Documents as a result of the implementation of the Purchase Option);
- (F) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (G) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

"Quiet Enjoyment Agreement" means any one (1) of the following:

- (a) in relation to the Initial Time Charter, the Initial Charter Quiet Enjoyment Agreement; or
- (b) in relation to the Replacement Time Charter, such quiet enjoyment agreement as may be required by the Replacement Time Charter; or
- (c) if any such quiet enjoyment agreement is replaced by a Finance Party Quiet Enjoyment Agreement, that Finance Party Quiet Enjoyment Agreement, and **"Quiet Enjoyment Agreements"** means any two (2) or more of them.

"Relevant Jurisdictions" means, in relation to an Obligor:-

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to any

Encumbrance to be created by it pursuant to the relevant Security Document is situated;

- (c) any jurisdiction where it is licensed to conduct its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"Reference Rate" means, in relation to a Hire Period,

- (i) the Term SOFR as of the relevant Specified Time and for a period of three (3) months; or
- (ii) as otherwise determined pursuant to Clause 40(m) (*Unavailability of Term SOFR*),

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

"Related Charter" means, in relation to each Related Vessel, a bareboat charter (as the same may be amended, supplemented, extended, replaced and/or novated from time to time) entered into between the relevant Related Owners (as owners) and the relevant Related Charterers (as bareboat charterers), as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related Charterers" means, in relation to each Related Vessel, her charterers as listed under the column headed "Related Charterers", as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related MOA" means, in relation to each Related Vessel, the memorandum of agreement pursuant to which the relevant Related Owners acquired or will acquire title (as the case may be) to that Related Vessel.

"Related Obligor" means any "Obligor" as defined in any Related Charter.

"Related Owners" means, in relation to each Related Vessel, her owner as listed under the column headed "Related Owners", as more particularly set out in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related Vessel" means each vessel listed in Schedule 1 (*Related Vessels and relevant information*) hereto.

"Related Vessel Total Loss Proceeds Surplus" means the "Vessel Total Loss Proceeds Surplus" defined in any Related Charter and paid to the Owners by the relevant Related Owners pursuant to clause 53(d) of that Related Charter.

"Relevant Documents" means, together, the Transaction Documents, any Assigned Document and any EU ETS Mandate Letter.

"Relevant Party" means each of the Obligors and the parties to the Relevant Documents (other than the Owners, the Related Owners, any Finance Party and the Account Bank).

"Repeating Representations" means the representations and warranties referred to in Clause 46 (*Charterers' representations and warranties*), save in respect of sub-clauses (x), (xi), (xii), (xiii), (xviii), (xxi), (xxii), (xxiii), (xxiv) and (xxv).

"Replacement Time Charter" has the meaning given to such term in Clause 50(a)(xxiii)(B).

"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 Party" means a person or entity that is (a) listed on, or fifty per cent. (50%) owned or controlled by a person listed on any Sanctions List; or (b) a national of, located in, incorporated under the laws of, or fifty per cent. (50%) or more owned or (directly or indirectly) controlled by a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions.

"Sanctions" means the economic sanction laws, regulations, embargoes or restrictive measures administered, enacted or enforced by: (a) the United States government; (b) the United Nations; (c) the European Union; (d) the United Kingdom; (e) the People's Republic of China or (f) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (**"OFAC"**), the United States Department of State and His Majesty's Treasury (**"HMT"**); (together, the **"Sanctions Authorities"**).

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by the OFAC, the Consolidated List of Financial Sanctions Targets 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 the following:

- (a) the Account Charge;
- (b) the Charterers' Assignment;
- (c) the Charter Guarantee;
- (d) the Negative Share Pledge;
- (e) the Manager's Undertaking;
- (f) the Security Trust Deed; and
- (g) any other document that may at any time be executed by any person creating, evidencing or perfecting any Encumbrance to secure all or part of the Obligors' obligations under or in connection with the Transaction Documents,

and **"Security Document"** means any one of them.

"Security Trust Deed" means the deed executed or to be executed by the Security Trustee, the Owners, the Related Owners, the Charterers, the Related Charterers and the Approved Manager.

"Security Trustee" means Tianjin Color-IV Leasing Limited.

"Sellers" means the Shareholder in its capacity as sellers in respect of the Vessel under the MOA.

"Settlement Date" means, following a Total Loss of the Vessel, the earlier of:

- (a) the date which falls one hundred and eighty (180) 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.

"Shareholder" means Arctic LNG Carriers Ltd., a corporation incorporated under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"SMC" means a valid safety management certificate issued for the Vessel by or on behalf of the Administration under paragraph 13.7 of the ISM Code.

"Specified Time" means, in relation to any Hire Period, the Variable Hire Determination Date prior to 5:00 p.m. (New York time).

"Sub-Charter" means any one of:

- (a) the Initial Time Charter; and
- (b) the Replacement Time Charter.

"Sub-Charterer" means any one of:

- (a) the Initial Time Charterer; and
- (b) the charterer under the Replacement Time Charter.

"Subsidiary" means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

"Tax" or **"tax"** means 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", "taxes", "Taxation" and "taxation" shall be construed accordingly.

"Tax Payment" means either the increase in a payment made by the Charterers to the Owners under paragraph (ii) of Clause 40 (*Hire*) or a payment by the Charterers under paragraph (n) of Clause 47 (*Taxation*).

"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" means the termination at any time of the chartering of the Vessel under this Charter.

"Termination Event" means each of the events specified in paragraph (a) of Clause 50 (*Termination Events*).

"Termination Notice" has the meaning given to such term in (as the context may require):

- (a) paragraph (i) (*Illegality*) of Clause 40 (*Hire*); and
- (b) paragraph (c) of Clause 50 (*Termination Events*).

"Termination Payment Date" means, as the context may require:

- (a) in respect of a Termination in accordance with paragraph (i) (*Illegality*) of Clause 40 (*Hire*), the date specified as such in the Termination Notice served on the Charterers pursuant to that Clause;
- (b) in respect of a Default Termination, the date specified in the Termination Notice served on the Charterers pursuant to paragraph (c) of Clause 50 (*Termination Events*) in respect of such Default Termination; and
- (c) 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 Termination prior to the expiry of the Agreed Charter Period (other than by virtue of the Charterers exercising the Purchase Option in accordance with Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*)), 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)
 - (i) (if the Termination occurs on or after the Actual Delivery Date but before the First Anniversary Date) an amount equivalent to one hundred and two per cent (102%) of the then current Cost Balance;
 - (ii) (if the Termination occurs on or after the First Anniversary Date but before the Third Anniversary Date) an amount equivalent to one hundred and one point five per cent (101.5%) of the then current Cost Balance;
 - (iii) (if the Termination occurs on or after the Third Anniversary Date) an amount equivalent to then current Cost Balance;
- (b) any Variable Hire accrued before the relevant Termination Payment Date and which remains unpaid at such Termination Payment Date, plus any interest on such Variable Hire accrued due and unpaid pursuant to paragraph (g) of Clause 40 (*Hire*) to the date of actual payment;
- (c) Break Costs (if any) net of Breakfunding Gain (if any);
- (d) any documented costs and expenses (including legal fees) incurred or suffered by the Owners as a result of the Termination (including any costs and expenses (including legal fees) incurred or suffered by the Owners under the Finance Documents as a result of the Termination);
- (e) any sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 57 (*Further indemnities*); and
- (f) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to paragraph (g) of Clause 40 (*Hire*) from the due date for payment thereof up to the date of actual payment.

“Third Anniversary Date” means the date falling 36 months after the Actual Delivery Date.

“Third Parties Act” means the Contracts (Rights of Third Parties) Act 1999.

“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

"Total Loss" means during the Charter Period:

- (a) actual or constructive or compromised or agreed or arranged total loss of the Vessel;
- (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);
- (c) the capture, seizure, arrest, detention, 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 thirty (30) days after the capture, seizure, arrest, detention, hijacking, theft, condemnation as prize, confiscation or forfeiture in question, or in the case of piracy, the shorter of (i) twelve (12) months and (ii) such period as stipulated in the relevant insurance policy (which period according to the policy has to expire in order for there to be a total loss of the Vessel as a result of piracy),

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 pursuant to the provisions of paragraph (a) of Clause 53 (*Total Loss*).

"Transaction Documents" means, together, this Charter, the MOA, the Security Documents, any Quiet Enjoyment Agreement, any Finance Party Quiet Enjoyment Agreement, and such other documents as may be designated as such by the Owners and the Charterers 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.

"US Government Securities Business Day" means a day other than:

- (a) a Saturday or Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"US Tax Obligor" means a person:

- (a) which is resident for tax purposes in the United States of America; or
- (b) some or all of whose payments under the Relevant Documents are from sources

"Valuation Report" means, in relation to the Vessel, a desktop valuation report (without physical inspection) addressed to the Owners from an Approved Valuer on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer.

"Variable Hire" has the meaning given to such term under paragraph (a)(ii) of Clause 40 (*Hire*).

"Variable Hire Determination Date" means, in relation to a Hire Period, the date falling five (5) US Government Securities Business Days prior to the first day of such Hire Period.

"Vessel" means the LNG carrier named "Amur River" with IMO number 9317999 as more particularly described in Boxes 5 (*Vessel's name, call sign and flag*) to 10 (*Classification Society*) of this Charter.

33. Interpretations

(a) In this Charter, unless the context otherwise requires, any reference to:

- (i) this Charter includes 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;
- (iv) the **"Owners"**, the **"Charterers"**, any **"Obligor"**, the **"Related Owners"**, the **"Related Charterers"**, the **"Charter Guarantor"**, any **"Relevant Party"** 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) **"control"** over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the cast of, more than fifty per cent. (50%), of the maximum number of votes that might be cast at a general meeting of such company;
 - (B) appoint or remove all, or the majority of the directors or other equivalent officers of such company; or
 - (C) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;
- (vii) 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' bank at or about 11:00 a.m. (Beijing time) 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 purpose of the first currency with the second currency for delivery and value on such date;

- (viii) **"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;
 - (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) **"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;
 - (xi) 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;
 - (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 Clubs, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02 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 or a Termination Event which is **"continuing"** is a reference to (respectively) a Potential Termination Event or Termination Event which 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. MOA, Quiet Enjoyment Agreement

MOA

- (a) By a memorandum of agreement (the “**MOA**”) of even date herewith made between the Owners (as buyers thereunder) and the Sellers (as sellers thereunder), the Owners have agreed to purchase and the Sellers have agreed to sell the Vessel subject to the terms and conditions therein.
- (b) Accordingly the parties hereby agree that the Owners’ obligations to charter the Vessel to the Charterers under this Charter are subject to the effective transfer of ownership of the Vessel to the Owners pursuant to the MOA.

Quiet Enjoyment Agreement

- (c) 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 Agreement or any Finance Party Quiet Enjoyment Agreement (as applicable)) will:
- (i) provided that no Termination Event has occurred and is continuing, interfere with the Charterers’ quiet use and possession of the Vessel throughout the Charter Period; or
- (ii) fail to transfer title to the Vessel to the Charterers or their nominee when obliged to do so by the terms of this Charter.

35. Delivery

- (a) **Owners’ conditions** The obligation of the Owners to charter the Vessel to the Charterers pursuant to this Charter shall be subject to the following conditions:
- (i) delivery of the Vessel by the Sellers (as sellers) to the Owners (as buyers) pursuant to the terms of the MOA;
- (ii) the Owners obtaining full title to the Vessel pursuant to the terms of the MOA;
- (iii) no Termination Event or Potential Termination Event having occurred which is continuing on or prior to the date of this Charter or the Actual Delivery Date;
- (iv) the Repeating Representations being true and correct on the date of this Charter and the Actual Delivery Date;
- (v) the Actual Delivery Date falling on or before the Long Stop Date (or such later date as may be agreed between the Owners (as buyer under the MOA) and the Sellers); and
- (vi) the Owners having received the documents and evidence referred to in Clause 36 (*Conditions precedent*), in each case in all respects in form and substance satisfactory to them on or before the Actual Delivery Date.
- (b) **Delivery and acceptance** Provided that the conditions referred to in paragraph (a) 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;
 - (ii) the Charterers shall take delivery of the Vessel from the Owners under this Charter (such delivery to be conclusively evidenced by a duly executed PDA) simultaneously with the acceptance of delivery of the Vessel by the Owners from the Sellers pursuant to the MOA;
 - (iii) the Charterers will accept the Vessel:
 - (A) on an "as is where is" basis in exactly the same form and state as the Vessel is delivered by the Sellers to the Owners pursuant to the MOA; and
 - (B) in such form and state with any faults, deficiencies and errors of description; and
 - (C) for the avoidance of doubt, no underwater inspection shall be performed at the time of commencement of the Charter Period on the basis that any repairs required at the next scheduled dry-docking are the responsibility of the Charterers; and
 - (iv) 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 (as buyers) from the Sellers (as sellers) pursuant to the MOA; and
 - (v) the Charterers shall have no right to refuse acceptance of delivery of the Vessel under this Charter if the Vessel is delivered to the Owners pursuant to the MOA, notwithstanding and without prejudice to the foregoing, the Owners and the Charterers each agree to enter into and execute the PDA on delivery of the Vessel under this Charter.
- (c) **No representation or warranty from Owners** 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. The Charterers 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, or arising out of design, materials, workmanship, construction, quality, classification, condition, operation, performance, capacity of the Vessel, fitness for use of the Vessel and the chartering thereof under this Charter (including, without limitation, in respect of the seaworthiness, merchantability or eligibility for particular trade or operation or otherwise of the Vessel).
- (d) **No liability from Owners** In particular, and without prejudice to the generality of paragraph (c) 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 (d), "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

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 the following documents and evidence (in each case in form and substance acceptable to the Owners) on or before the Actual Delivery Date:

- (a) an original of each of the following:
 - (i) the duly executed Charter;
 - (ii) the other duly executed Transaction Documents (other than any Quiet Enjoyment Agreement and any Finance Party Quiet Enjoyment Agreement), together with all documents required by any of them other than:
 - (A) the acknowledgements from the Sub-Charterers of the notices of assignment given pursuant to the Charterers' Assignment; and
 - (B) the letters of undertaking in respect of the Insurances required under the Charterers' Assignment;
- (b) certified true copies of the constitutional documents (or equivalent documents) (and all amendments thereto) of each Obligor and any other documents required to be filed or registered or issued under the laws of their jurisdiction of incorporation to establish their incorporation;
- (c) certified true copies of written resolutions or (as the case may be), resolutions passed at separate meetings, in each case, of the board of directors and (if required by any legal advisor to the Owners) shareholders of each Obligor (or its sole member or general partners), in each case evidencing their respective approvals of the Transaction Documents and authorising appropriate officers or attorneys to execute the same and to sign all notices required to be given hereunder or thereunder on their behalf or other evidence of such approvals and authorisations as shall be acceptable to the Owners;
- (d) a certified true copy of a certificate of good standing of each Obligor issued no earlier than ten (10) days prior to its provision to the Owners and, if applicable, the original power of attorney of each Obligor under which any documents (including the Transaction Documents) are to be executed or transactions undertaken by that party;
- (e) a certificate of a duly authorised representative of each Obligor:
 - (i) certifying that each copy document relating to it specified in this Clause 36 is correct, complete and in full force and effect;
 - (ii) setting out the names of the directors, officers and shareholders of that Obligor and the proportion of shares held by each shareholder; and
 - (iii) confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on that Obligor to be exceeded;
- (f) if applicable, copies of all governmental and other consents, licences, approvals and authorisations as may be necessary to authorise the performance by each Obligor of its obligations under the Transaction Documents to which it is a party, and the execution, validity and enforceability of such Transaction Documents;
- (g) a copy of the following:

- (i) the duly executed Management Agreement;
- (ii) the duly executed Relevant Documents (other than the Transaction Documents);
- (iii) the Vessel's current Safety Management Certificate;
- (iv) the Approved Manager's current Document of Compliance;
- (v) the Vessel's current ISSC;
- (vi) the Vessel's current IAPPC;
- (vii) the Vessel's current tonnage certificate; and
- (viii) the Vessel's classification certificate evidencing that it is free of all overdue recommendations and requirements from the Classification Society,

in each case (A) together with all addenda, amendments or supplements, and (B) in respect of any of the Safety Management Certificate, ISSC, IAPPC and classification certificate, such document may be issued in provisional form (where applicable);

(h) evidence that:

- (i) all the conditions precedents under clause 7 (*Conditions precedent and subsequent*) of the MOA have been satisfied by the Sellers or, in the Owners' opinion, will be satisfied by the Sellers on the Actual Delivery Date;
- (ii) on or immediately after the Actual Delivery Date, the Vessel will be registered under the laws and flag of the flag state as set out in Box 5 of this Charter (or any other flag state approved by the Owners in writing) and in the name of the Owners as legal owner; and
- (iii) the Vessel is insured in the manner required by the Transaction Documents (such evidence to be provided ten (10) days prior to the Actual Delivery Date), together with the written approval of the Insurances (in the form of an insurance opinion) by an insurance adviser appointed by the Owners.

(i) evidence that the Arrangement Fee and all other fees, costs and expenses then due from the Charterers pursuant to Clauses 54 (*Fees and expenses*) and 57 (*Further indemnities*) have been paid pursuant to such Clauses or (where applicable) will be paid on or by the Actual Delivery Date;

(j) a legal opinion issued by legal advisers to the Owners in the following jurisdictions, each in form and substance satisfactory to and agreed by the Owners prior to the Actual Delivery Date (or confirmation satisfactory to the Owners that such an opinion will be given):

- (i) England and Wales;
- (ii) the Republic of the Marshall Islands;
- (iii) Switzerland; and
- (iv) the PRC

- (k) such other Authorisation or other document, opinion or assurance which the Owners (acting reasonably) consider to be necessary 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; and
- (l) such documentation and other evidence as is requested by the Owners (acting reasonably) in order for the Owners to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Transaction Documents.

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 by 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 evidence required by this Clause 36.

Prior to delivery, the Owners will provide the Charterers with (1) a copy of the Owners' articles of association, (2) a copy of a power of attorney of the Owners appointing one or more representatives to act on behalf of the Owners in the execution of this Charter and the other Transaction Documents and (3) the names of the directors, officers and shareholders of the Owners and the proportion of shares held by each shareholder (if appropriate).

37. Bunkers and luboils

- (a) At delivery the Charterers shall take over all bunkers, lubricating oil, hydraulic oil, greases, water, paints, ropes and unbroached stores and provisions in the Vessel without cost.
- (b) To the extent that Clause 42 (*Redelivery*) applies, at redelivery the Owners shall take over all bunkers, unused lubricating oil, hydraulic oil, greases, water, paints, ropes and unbroached provisions and other consumable stores in the said Vessel without cost.

38. Further maintenance and operation

- (a) **Maintenance** 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;
 - (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) Charterers' operations and maintenance manuals;

- (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) **Online access to class records** In addition to the above, the Charterers covenant with the Owners to arrange online access to class records for the Owners as available to the Charterers.
- (c) **Extra equipment** Any equipment that is found not to be required on board as a result of regulation or operational experience is either to be removed at the Charterers expense or to be maintained in operable condition.
- (d) **Maintenance by Charterers** Without prejudice to any other provisions under this Charter, the Charterers shall maintain, use and operate the Vessel with reasonable care as if the Charterers were the owner of the same.

39. Structural changes and alterations

- (a) Unless required by the Classification Society or compulsory legislation or pursuant to the provision of the Sub-Charter (in relation to which any costs incurred shall, for the avoidance of doubt, be on the account of the Charterers), the Charterers may only make structural changes in the Vessel or changes in the machinery, engines, or appurtenances thereof without in each instance first securing the Owners' consent (such consent not to be unreasonably withheld or delayed) if the following conditions are satisfied:
 - (i) any such changes do not have a material adverse effect on the Vessel's certification or the Vessel's fitness for purpose;
 - (ii) none of such 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;
 - (iii) the Charterers shall bear all time, costs and expenses in relation to any such changes; and
 - (iv) the Charterers shall furnish the Owners with:
 - (A) copies of all plans in relation to such changes; and
 - (B) if applicable, confirmation from the Classification Society that such changes will not adversely affect the class of the Vessel, provided always that such Classification Society agrees to issue such confirmation.
- (b) Upon the occurrence of any Termination Event which is continuing, if the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date, and the Owners decide to retake possession of the Vessel, the Charterers shall at their expense restore the Vessel to its former condition as at the Actual Delivery Date unless the changes made are carried out:

- (i) to improve the performance, operation or marketability of the Vessel; or
 - (ii) as a result of a regulatory compliance; or
 - (iii) otherwise with the prior written consent of the Owners.
- (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 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, to the extent that Clause 42 (*Redelivery*) applies, 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 during Charter Period** In consideration of the Owners' agreement to charter the Vessel to the Charterers during the Charter Period pursuant to the terms hereof, the Charterers agree to pay to the Owners each of the following sums on the relevant date as follows:

- (i) on each and every Hire Payment Date, by way of fixed hire (each a "**Fixed Hire**") an amount equal to 1/20th of the amount by which the Actual Owners' Costs exceeds the Balloon;
- (ii) on each and every Hire Payment Date, by way of variable hire (each a "**Variable Hire**") the variable hire then payable on the corresponding Hire Payment Date. The amount of Variable Hire payable on each Hire Payment Date is calculated in accordance with the following formula:

$A \times B \times C$

whereby

- A = (in relation to the first Hire Payment Date) the Actual Owners' Costs or (in relation to any other Hire Payment Date) the Cost Balance immediately after the immediately preceding Hire Payment Date
- B = the aggregate of (i) the Margin and (ii) the Applicable Rate for the Hire Period ending on that Hire Payment Date
- C = a fraction whose denominator is three hundred and sixty (360) and numerator is the number of days which have elapsed from (in respect of the first Hire Payment Date) the Actual Delivery Date (including that date) to the first Hire Payment Date (not including that date), (in respect of all other Hire Payment Dates except the last Hire Payment Date) the immediately preceding Hire Payment Date (including that date) to that Hire Payment Date (not including that date) and (in respect of the last Hire Payment Date) the immediately preceding Hire Payment Date (including that date) to the last Hire Payment Date (including that date).

- (b) **Payment of Hire** All payments of Hire shall be paid in arrears on each Hire Payment Date (Beijing time) (in respect of which time is of the essence).

- (c) **Non- Business Days** Any payment under this Charter which is due to be made on a day that is not a Business Day shall be made on the immediately preceding Business Day.
- (d) **Payment account information** All payments under this Charter shall be made to:
- (i) the account opened in the name of the Owners with Bank of China, the details of which shall be notified by the Owners to the Charterers prior to the first Hire Payment Date, or
 - (ii) such other account as the Owners may thereafter upon notice notify the Charterers from time to time which the Charterers may approve (acting reasonably),
- (the “**Owners’ Account**”) for credit to the account of the Owners.
- (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 shall be absolute irrespective of any contingency whatsoever including but not limited to:
- (i) any set-off, counterclaim, recoupment, defence or other right which the Charterers may have against the Owners, the Finance Parties or any other third party;
 - (ii) the occurrence of a Total Loss or any other occurrence including the loss, destruction, confiscation, seizure, damage to the Vessel, or the interruption or cessation in or prohibition of the use, possession or enjoyment of the Vessel by the Charterers for any reason whatsoever;
 - (iii) any unavailability of the Vessel, for any reason, including but not limited to 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 or any dry-docking of the Vessel;
 - (iv) any lack or invalidity of title or any other defect in title, provided such lack or invalidity of title or defect does not affect the quiet and peaceful use, possession and enjoyment of the Vessel;
 - (v) 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;
 - (vi) any insolvency, bankruptcy, reorganisation, arrangement, readjustment of debt, dissolution, administration, liquidation or similar proceedings by or against the Owners, any Obligor or the Sub-Charterer or any change in the constitution of the Owners, any Obligor or the Sub-Charterer;
 - (vii) any invalidity or unenforceability or lack of due authorisation of or any defect in this Charter or the Sub-Charter;
 - (viii) 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, 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. For the avoidance of doubt, the obligation of Charterers to pay Hire under this Charter shall not be affected by any breach of this Charter by the Owners, but shall be without prejudice to any claim for compensation for their documented losses, damages or expenses solely caused by such breach (excluding Hire paid under this Charter).

(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 and any Taxes (other than a FATCA Deduction).
- (ii) In the event that the Charterers are required by any law or regulation to make any deduction or withholding (other than a FATCA Deduction) 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 three (3) Business Days or any other applicable shorter time limits and in any event prior to the date on which penalties attach thereto; and
 - (C) unless payment has been effected in accordance with paragraph (B) above, 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 satisfactory to the Owners (acting reasonably) 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 them 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 which is two per cent. (2.00%) per annum higher than the aggregate of the Margin and the Applicable Rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted the Actual Owners' Costs or the Cost Balance (for the purpose of calculating Variable Hire) for successive Hire Periods, each of a duration selected by the Owners (acting reasonably). 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 that Unpaid Sum at the end of each Hire Period applicable to that Unpaid Sum 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 the Charterers shall notify the other party of the relevant event and negotiate in good faith for a period of thirty (30) days (or such longer period as may be agreed by the Owners (acting reasonably)) from the date of the receipt of the relevant notice by the other party to agree an alternative. If such agreement is not reached within such thirty (30)-day or longer period, the Parties agree that, in such circumstances:
- (i) the Owners shall have the right to terminate this Charter by delivering to the Charterers a Termination Notice specifying a Termination Payment Date that falls, to the extent permitted by law, no earlier than thirty (30) days after the date of such Termination Notice, whereupon the Charterers shall be obliged to pay to the Owners the Termination Sum in accordance with paragraph (d) of Clause 50 (*Termination Events*) and/or such other terms and conditions as may be specified in such Termination Notice; and
- (ii) the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).
- (j) **Increased Costs**
- (i) Subject to paragraphs (ii) and (iii) below, the Charterers shall, within ten (10) 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, or (iii) the implementation or application of or compliance with Basel III or CRD-IV or any other law or regulation which implements Basel III or CRD-IV (whether such implementation, application or compliance is by a government, regulator or the Owners) made after the date of this Charter.

In this Clause:

(A) **"Basel III"** means:

- (1) 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;
- (2) 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

- (3) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.
- (B) **“CRD IV”** means EU CRD IV and UK CRD IV.
- (C) **“EU CRD IV”** means:
 - (i) 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; and
 - (ii) 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.
- (D) **“UK CRD IV”** means:
 - (i) 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 it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act;
 - (ii) the law of the United Kingdom or any part of it, which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented 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 and its implementing measures; and
 - (iii) direct EU legislation (as defined in the 2018 Withdrawal Act), which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act.
- (E) **“Increased Costs”** means:
 - (1) a reduction in the rate of return from the Hire or on the Owners’ overall capital;
 - (2) an additional or increased cost; or
 - (3) 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, excluding, for the avoidance of doubt, any such loss or reduction resulting in connection with a Finance Document.

- (ii) The Owners shall notify the Charterers of any claim arising from paragraph (j)(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, such confirmation to include (in reasonable details) an explanation and calculations regarding such Increased Costs. The Owners agree to use reasonable endeavours to mitigate any losses connected with any such claim.
- (iii) Paragraph (j)(i) above does not apply to the extent any Increased Costs is:
 - (A) compensated for by a payment made under paragraph (f)(ii)(C) above; or
 - (B) attributable to a FATCA Deduction required to be made by either Party, an Obligor or a Finance Party (if applicable); or
 - (C) attributable to the wilful or negligent breach by the Owners of any law or regulation; or
 - (D) attributable to the implementation or application of, or compliance with, the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Charter (but excluding any amendment arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator or the Owners).
- (k) **Break Costs** The Charterers shall, within three (3) Business Days of demand by the Owners, pay to the Owners the Break Costs net of Breakfunding Gain (if any) where such Break Costs have been agreed to be paid pursuant to this Charter.
- (l) **Certificates and determinations** In any litigation or arbitration proceedings arising out of or in connection with a Transaction Document, the entries made in the accounts maintained by the Owners are, in the absence of manifest error or any question of law, prima facie evidence of the matters to which they relate. Any certification or determination by the Owners of a rate or amount under any Transaction Document is, in the absence of manifest error or any question of law, conclusive evidence of the matters to which it relates.
- (m) **Unavailability of Term SOFR**
 - (A) If as of the Specified Time in respect of the relevant Hire Period, no Term SOFR for a period of three (3) months is available, the applicable Reference Rate shall be the Interpolated Term SOFR for a period of three (3) months.
 - (B) If paragraph (A) above applies but it is not possible to calculate the Interpolated Term SOFR, Clause 40(o) (*Cost of funds*) shall apply to the

- (n) **Market disruption** If before 5 p.m. in Shanghai on the Business Day immediately following the Variable Hire Determination Date for the relevant Hire Period, the Charterers receive notifications from the Owners that the cost to them of funding the Cost Balance would be in excess of the Market Disruption Rate, then Clause 40(o) (*Cost of funds*) shall apply to the Cost Balance for the relevant Hire Period.
- (o) **Cost of funds**
 - (i) If this Clause 40(o) applies, the Applicable Rate for the relevant Hire Period shall be the rate certified by the Owners to the Charterers (such certification to include (in reasonable details) an explanation and calculations of such rate) as soon as practicable, and in any event before the first day of that Hire Period, to be that which expresses as a percentage rate per annum the cost to the Owners of funding the Cost Balance (as the Owners may reasonably determine) and if such rate is less than zero then it shall be deemed to be zero.
 - (ii) If this Clause 40(o) applies, and either the Owners or the Charterers so require, the Owners and the Charterers shall enter into good faith negotiations (for a period of not more than 30 days) with a view to agreeing to the use of an alternative basis for determining the rate of interest used to calculate the Variable Hire, taking into account the then current market standards.
 - (iii) If an alternative basis is not agreed pursuant to sub-paragraph (ii) above by the first day of the relevant Hire Period, the Applicable Rate shall continue to be determined in accordance with sub-paragraph (i) above and the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).
- (p) **Voluntary prepayment** After the First Anniversary Date, the Charterers may prepay any part of the remaining Fixed Hire and the Balloon (being an amount (the "**Prepaid Amount**") that reduces the remaining Fixed Hire and the Balloon by an amount which is an integral multiple of five million US Dollars (US\$5,000,000)) subject as follows:
 - (i) they give the Owners not less than twenty (20) Business Days' prior written notice;
 - (ii) the proposed prepayment date shall fall on a Hire Payment Date;
 - (iii) any prepayment under this paragraph (p) shall be applied in prepayment of the remaining Fixed Hire and the Balloon pro rata;
 - (iv) any prepayment under this paragraph (p) shall be made together with accrued Variable Hire, the Prepayment Fee and any Break Costs;
 - (v) any amount which is prepaid in accordance with this paragraph (p) shall not be refundable in any circumstance whatsoever.

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 and excess risks) (on terms of cover not

less wide than Institute Time Clauses (Hulls) 1.10.83), oil pollution liability risks, war (including, if applicable, "War Risks" as defined in paragraph (a) of Clause 26 (*War*)), protection and indemnity risks, any other risks against which it is compulsory to insure for the operation of the Vessel and any other risks which the Owners reasonably consider necessary having regard to then available insurance cover and market standard practice in the operation of LNG carriers:

- (i) in US Dollars;
 - (ii) in such market and on such terms as are customary for reputable and prudent owners of vessels similar to the Vessel; and
 - (iii) with such insurers acceptable to the Owners.
- (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 Finance Parties, and the Charterers shall be at liberty to protect under such insurances the interests of any Approved Manager.
- (c) **Scope of Insurance** Insurance policies shall cover the Owners, the Charterers, the Approved Manager and (if any) the Finance Parties according to their respective interests. Subject to the approval of 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.
- (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, at any time during the Agreement Term, the hull and machinery and war risks insurance (including increased value insurance, general average, salvage and sue & labour cover) shall be in an amount not less than one hundred and ten per cent. (110%) of the then current Cost Balance.
- (f) **Protection and indemnity coverage** The Vessel shall be entered in a P&I Club which is a member of the International Group Association on customary terms and shall include freight, demurrage and defence insurances, Running Down Clause (RDC) and Fixed or Floating Objects (FFO), and shall be covered against liability for pollution claims in an amount not less than the maximum amount available, which is currently one thousand million US Dollars (US\$1,000,000,000). All insurances shall include customary protection in favour of the Owners, the Approved Manager and (if any) the Finance Parties as notice of cancellation and exclusion from liability for premiums or calls.
- (g) **Insurance undertakings** Without prejudice to paragraph (e) (*H&M and war risks coverage*) and paragraph (f) (*Protection and indemnity coverage*) above, the Charterers:
 - (i) undertake to place the Insurances in such markets, in such currency, on such terms and conditions as are customary for reputable and prudent owners of vessels similar to the Vessel, and with such brokers, underwriters and associations acceptable to the Owners;
 - (ii) shall not significantly 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 will supply the Owners from time to time on request with such information as the Owners 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

- (iii) shall reimburse the Owners on demand for all costs and expenses reasonably incurred by the Owners in obtaining a report on the adequacy of the Insurances from an insurance adviser instructed by the Owners, where such report was obtained (i) on or around the Actual Delivery Date and (ii) where the Owners determine that there have been material changes in the requirement to insure the Vessel.
- (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 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.
- (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 in all respects to the satisfaction of the Owners, and the Charterers will promptly notify the Owners of any new requirement imposed by any broker, underwriter or association in relation to any of the Insurances.
- (j) **Renewal of Insurances** The Charterers shall:
 - (i) no later than ten (10) days before the Actual Delivery Date, give the Owners the details of the proposed insurers and the proposed main terms of the Insurances;
 - (ii) no later than seven (7) days before the expiry of any of the Insurances renew them; and
 - (iii) no later than three (3) days of such renewals, give the Owners, and, if applicable, the Finance Parties such details of those renewals (including identity of insurers and main terms of the Insurances) as the Owners and, if applicable, the Finance Parties may require.
- (k) **Delivery of documents relating to Insurances** The Charterers shall:

- (i) 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 reasonably 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);
 - (ii) procure that a loss payable clause (substantially in the form attached to the Charterers' Assignment) or, in the case of entries in a protection and indemnity association, a note of the Owners' interest in such form as the Owners may reasonably approve, shall be endorsed on or attached to the policies, cover notes or certificates of entry relating to the Insurances; and
 - (iii) procure that letters of undertaking (in such form 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, accident or damage** The Charterers shall promptly upon the same being available provide the Owners with full information regarding any casualty or other accident or damage to the Vessel which is likely to result in damages, liabilities, claims or repairs exceeding the Major Casualty Amount, including, without limitation, any communication with all parties involved in case of a claim under any of the Insurances.
- (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) pay collecting brokers the customary commission on all sums collected in respect of those claims;
 - (iii) compromise all such claims or refer them to arbitration or any other form of judicial or non-judicial determination; and
 - (iv) otherwise 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) **Disputes with brokers, underwriters or associations** In the event of any claim in

respect of any of the Insurances (other than in respect of a Total Loss), if the Charterers shall fail to reach agreement with any of the brokers, underwriters or associations for the immediate restoration of the Vessel, or for payment to third parties, within such time as the Owners and, if applicable, the Finance Parties may reasonably stipulate, the Owners and, if applicable, the Finance Parties shall be entitled to require payment to themselves. In the event of any dispute arising between the Charterers and any broker, underwriter or association with respect to any obligation to make any payment to the Charterers or to the Owners and/or (if applicable) the Finance Parties under or in connection with any of the Insurances, or with respect to the amount of any such payment, the Owners and/or (if applicable) the Finance Parties shall be entitled to settle that dispute directly with the broker, underwriter or association concerned. Any such settlement shall be binding on the Charterers.

(q) **Payment of insurance proceeds**

- (i) The Owners agree that any amounts which may become due under any protection and indemnity entry or insurance 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 is continuing, in which event the Owners shall be entitled to receive the amounts in question and to apply them either:
 - (A) towards reduction of the Termination Sum owed by the Charterers pursuant to paragraph (d) of Clause 50 (*Termination Events*); or
 - (B) at the option of the Owners, to the Charterers and/or other third parties in discharge of the liability in respect of which such amounts were paid.
- (ii) Without prejudice to the foregoing, all other claims in relation to the Insurances (other than in respect of a Total Loss), shall, unless and until the occurrence of a Termination Event which is continuing, 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 insurers does not exceed the Major Casualty 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; and
 - (B) a claim in respect of any one casualty where the aggregate claim against all insurers exceeds the Major Casualty Amount prior to adjustment for any franchise or deductible under the terms of the relevant policy shall be payable directly to the Owners unless the Owners have, by prior written consent, agreed for such claim to 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 insurers may with such consent make payment on account of repairs in the course of being effected. Without prejudice to the foregoing, in respect of any claim paid to the Owners pursuant to this paragraph (B), the Owners shall, upon the written request of the

Charterers and subject to the Owners being satisfied (acting reasonably) that the Charterers have restored the Vessel to her former state and condition and the liability in respect of which the insurance loss is payable is discharged, pay to Charterers an amount equal to such claim so received.

- (r) **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 a claim of less than the Major Casualty Amount arising other than from a Total Loss) without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed).
- (s) **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 on demand for all such premiums, calls or contributions paid by the Owners, together with interest calculated in accordance with paragraph (g) of Clause 40 (*Hire*) from the date of payment by the Owners until the date of reimbursement.
- (t) **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
 - (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
 - (iv) implement any recommendations contained in the reports issued following the surveys referred to in sub-paragraph (t)(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 upon request 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) procure the Approved Manager to 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.
- (u) ***Innocent Owners' Interest Insurance*** The Owners shall be at liberty to, in relation to the Vessel, take out an Innocent Owners' Interest Insurance on such terms and conditions as the Owners may from time to time decide but always within prevailing market practice. The Charterers shall from time to time within seven (7) Business Days of the Owners' demand reimburse the Owners for all premiums, reasonable and documented costs and expenses paid or incurred by the Owners in connection with such Innocent Owners' Interest Insurance, but only to the extent corresponding to an Innocent Owners' Interest Insurance for an amount not exceeding one hundred and ten per cent. (110%) of the then current Cost Balance.
- (v) ***Mortgagees' Interest Insurance*** Any Finance Party shall be at liberty to, in relation to the Vessel, take out a Mortgagees' Interest Insurance on such terms and conditions as that Finance Party may, acting reasonably, from time to time decide, but always within prevailing market practice. The Charterers shall from time to time within seven (7) Business Days of the Owners' demand reimburse the Owners or that Finance Party for all costs, premiums and expenses paid or incurred by the Owners or that Finance Party in connection with such Mortgagees' Interest Insurance, but only to the extent corresponding to a Mortgagees' Interest Insurance for an amount not exceeding one hundred and ten per cent. (110%) of the then current Cost Balance.
- (w) ***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) at the request of the Owners and at the cost of the Charterers, place any other insurance (to the extent commercially reasonable and in line with international industry standards) as may be requested by the Owners, subject to the opinion(s) of international reputable and independent insurance consultants; and
 - (iv) 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 reasonably 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).

42. Redelivery

Upon:

- (a) the Owners delivering a Termination Notice to the Charterers under paragraph (i) (*Illegality*) of Clause 40 (*Hire*) but the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date; or
- (b) the Owners delivering a Termination Notice to the Charterers under paragraph (c) (*Owners' options after occurrence of a Termination Event*) of Clause 50 (*Termination Events*) but the Charterers fail to pay the relevant Termination Sum on the Termination Payment Date; or
- (c) the Charterers delivering a Purchase Option Notice to the Owners under paragraph (a) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) but the Charterers fail to pay the relevant Purchase Option Price on the Purchase Option Date; or
- (d) the expiry of the Agreed Charter Period (and subject to no Total Loss having occurred, no Purchase Option being exercised and no Purchase Obligation being fulfilled),

the Charterers shall, at their own cost and expense, redeliver or cause to be redelivered the Vessel to the Owners at a safe, ice free port (at the Owners' option) where the Vessel would be afloat at all times in a ready safe berth or anchorage, in accordance with Clauses 43 (*Redelivery conditions*) and 45 (*Diver's inspection at redelivery*), provided however that upon the Charterers' payment of the Termination Sum (in the case of (a) and (b) above), the Purchase Option Price (in the case of (c) above) or the Purchase Obligation Price (in the case of (d) above) and any other amounts due under this Charter, in each case pursuant to the terms of this Charter, the Charterers shall no longer be obliged to comply with the requirements under Clauses 42 (*Redelivery*), 43 (*Redelivery conditions*) and 45 (*Diver's inspection at redelivery*).

43. Redelivery conditions

- (a) If the Vessel is to be redelivered pursuant to Clause 42 (*Redelivery*), in addition to what has been agreed in Clause 42 (*Redelivery*), the condition of the Vessel shall at redelivery be as follows:
 - (i) 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) 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;
 - (ii) 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 for a period of at least three (3) months beyond the redelivery date;
 - (iii) 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;
 - (iv) 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;

- (v) 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, clean and free of infestation and odours; 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;
 - (vi) the Vessel shall be free and clear of all liens (other than any Permitted Encumbrance);
 - (vii) at the costs and expenses of the Charterers, a final joint report from the surveyors appointed by the Owners and the Charterers respectively shall be carried out as to the condition of the Vessel and a list of agreed deficiencies if any shall be drawn up; and
 - (viii) recently taken lube oil samples for all major machinery shall be made available within one (1) week of redelivery and results forwarded to Owners' technical management for review.
- (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 equipment controlling the habitability of the accommodation and service areas to be in proper working order, fair wear and tear excepted; and
 - (ii) available deadweight to be within one per cent. (1.00%) 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 shall be entitled to appoint (at the cost of the Charterers) one independent surveyor for the purpose of determining and agreeing in writing the condition of the Vessel at redelivery. 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 prepared by the surveyor and the Charterers shall be obliged to repair/remedy prior to redelivery all deficiencies identified in such list.
- (d) 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.
- (e) Until such time as any compensatory amount in respect of any repairs/remedial work outstanding as at redelivery has been paid in accordance with the terms of this Charter and the Vessel has been redelivered, the Charterers shall continue to pay Hire in accordance with the terms of this Charter.

44. Owners' mortgage

The Charterers:

- (i) acknowledge that the Owners and the Related 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 Actual Owners' Costs and the "Actual Owners' Costs" under the Related Charters, 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** simultaneous with the Owners' execution of any such ship mortgages, the relevant Finance Parties shall execute and deliver to the Charterers a Finance Party Quiet Enjoyment Agreement;

- (ii) consent to any assignment in favour of the Finance Parties pursuant to the relevant Finance Documents of the Owners' rights under any Transaction Document;
- (iii) without limiting the generality of paragraph (p) (*Further assurance*) of Clause 47 (*Charterers' undertakings*), undertake to execute, provide or procure the execution or provision (as the case may be) of such further information or document as in the reasonable opinion of the Owners are necessary to effect the assignment referred to in sub-paragraph (ii) above; and
- (iv) in the event a Finance Party which is the mortgagee of the Vessel serves a notice on the Charterers that an event of default has occurred and is continuing under and in accordance with the Finance Documents and where such event of default is not in any way resulting from a Termination Event or a breach by any Obligor of any Transaction Document, the Charterers are entitled to exercise the Purchase Option subject to Clause 52(a).

45. Diver's inspection at redelivery

- (a) For the avoidance of doubt, the requirements of this Clause 45 will not apply if:
 - (i) after the occurrence of a Termination Event, the Charterers have paid:
 - (A) the Termination Sum; and
 - (B) any other amounts due under this Charter; or
 - (ii) the Charterers have paid the Purchase Option Price or the Purchase Obligation Price and the Vessel has been redelivered to the Charterer pursuant to Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).
- (b) Unless the Vessel is returned in dry-dock, a diver's inspection is required to be performed at the time of redelivery.
- (c) 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.
- (d) 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.
- (e) If damage to the underwater parts is found, the Charterers shall arrange, at their time and costs, for the Vessel to be dry-docked and repairs carried out to the satisfaction of the Classification Society.
- (f) If the conditions at the port of redelivery are unsuitable for such diver's inspection, the Charterers shall take the Vessel (in Owners' time but at Charterers' expense) to a suitable alternative place nearest to the redelivery port unless an alternative solution is agreed.

- (g) Without limiting the generality of sub-paragraph (b)(iii) of Clause 54 (*Fees and expenses*), all costs relating to any diver's inspection shall be borne by the Charterers.

46. Charterers' representations and warranties

The Charterers represent and warrant to the Owners, subject to the Legal Reservations (where relevant), on (A) the date of this Charter and (by reference to the facts and circumstances then pertaining), and in respect of the Repeating Representations, (B) the Actual Delivery Date and (C) each Hire Payment Date as follows:

- (i) **Status and due authorisation:** each Obligor is a corporation, limited partnership or limited liability company duly incorporated or formed under the laws of its jurisdiction of incorporation or formation (as the case may be) with power to enter into the Transaction Documents and to exercise its rights and perform its obligations under the Transaction Documents and all corporate and other action required to authorise its execution of the Transaction Documents and its performance of its obligations thereunder has been duly taken;
- (ii) **No deductions or withholding:** under the laws of the Obligor's respective jurisdictions of incorporation or formation in force at the date hereof, none of the Obligor's will be required to make any deduction or withholding from any payment it may make under any of the Transaction Documents;
- (iii) **Claims pari passu:** under the laws of the Obligor's respective jurisdictions of incorporation or formation in force at the date hereof, the payment obligations of each Obligor under each Transaction Document to which it is a party, rank at least *pari passu* with the claims of all other unsecured and unsubordinated creditors of such obligor save for any obligations which are preferred solely by any bankruptcy, insolvency or other similar laws of general application;
- (iv) **No immunity:** in any proceedings taken in any of the Obligor's respective jurisdictions of incorporation or formation in relation to any of the Transaction Documents, none of the Obligor's will be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
- (v) **Governing law and judgments:** in any proceedings taken in any of the Obligor's jurisdiction of incorporation or formation in relation to any of the Transaction Documents in which there is an 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;
- (vi) **Validity and admissibility in evidence:** as at the date hereof, all acts, conditions and things required to be done, fulfilled and performed in order (A) to enable each of the Obligor's lawfully to enter into, exercise its rights under and perform and comply with the 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 Obligor's in the Transaction Documents are legal, valid and binding, and (C) to make the Transaction Documents admissible in evidence in the jurisdictions of incorporation or formation of each of the Obligor's, have been done, fulfilled and performed;
- (vii) **No filing or stamp taxes:** under the laws of the Obligor's respective

jurisdictions of incorporation or formation in force at the date hereof, it is not necessary that any of the Transaction Documents be filed, recorded or enrolled with any court or other authority in its jurisdiction of incorporation or formation (other than the relevant maritime registry, to the extent applicable) or that any stamp, registration or similar tax be paid on or in relation to any of the Transaction Document;

- (viii) **Binding obligations:** the obligations expressed to be assumed by each of the Obligors in the Transaction Documents are legal and valid obligations, binding on each of them in accordance with the terms of the Transaction Documents 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;
- (ix) **No misleading information:** to the best of their knowledge, any factual information provided by any Obligor to the Owners in connection with the Transaction Documents was true and accurate in all material respects as at the date it was provided and is not misleading in any material respect;
- (x) **No winding-up:** none of the Obligors has taken any corporate, limited liability company or limited partnership action nor have any other steps been taken or legal proceedings been started or (to the best of the Charterers' knowledge and belief) threatened against any Obligor for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its assets or revenues;
- (xi) **Solvency:**
 - (A) none of the Obligors nor the Charterers Group taken as a whole is unable, or admits or has admitted its inability, to pay its debts or has suspended making payments in respect of any of its debts;
 - (B) none of the Obligors by reason of actual or anticipated financial difficulties, has commenced, or intends to commence, negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (C) the value of the assets of each Obligor (other than the Dynagas Manager) is not less than the liabilities of such entity and the value of the assets of the Charterers Group taken as a whole is not less than the liabilities of the Charterers Group taken as a whole (in each case taking into account contingent and prospective liabilities); and
 - (D) no moratorium has been, or may, in the reasonably foreseeable future be, declared in respect of any indebtedness of any Obligor.
- (xii) **No defaults:**
 - (A) without prejudice to paragraph (B) below, none of the Obligors is in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets which would have or is likely to have a Material Adverse Effect; and
 - (B) no Potential Termination Event or Termination Event is continuing or might be expected to result from each Obligor's entry into and performance of each Transaction Document to which such Obligor

is a party;

- (xiii) **No proceedings:** no action or administrative proceeding of or before any court, arbitral body or agency has been commenced, is pending or has been threatened against any Obligor which if adversely determined, would have or is likely to have a Material Adverse Effect;
- (xiv) **Accounts:** all financial statements relating to the Charterers and the Charter Guarantor required to be delivered under paragraphs (a) (*Financial statements*) and (c) (*Interim financial statements*) of Clause 47 (*Charterers' undertakings*) were each prepared in accordance with GAAP, give (in respect of the annual audited financial statements, in conjunction with the notes thereto) a true and fair view of (in the case of annual financial statements) or fairly represent (in the case of semi-annual financial statements) the financial condition of the Charterers and the Charter Guarantor (as the case may be) at the date as of which they were prepared and the results of their operations during the financial period then ended;
- (xv) **No obligation to create Encumbrance:** the execution of the Transaction Documents by the Obligors and their exercise of their rights and performance of their obligations thereunder will not result in the existence of nor oblige any Obligor to create any Encumbrance over all or any of their present or future revenues or assets, other than pursuant to the Security Documents;
- (xvi) **No breach:** the execution of the Transaction Documents by each of the Obligors and their exercise of their rights and performance of their obligations under any of the Transaction Documents do not constitute and will not result in any breach of any agreement or treaty to which any of them is a party;
- (xvii) **Security:** each of the Obligors is the legal and beneficial owner of all assets and other property which it purports to charge, mortgage, pledge, assign or otherwise secure pursuant to each Security Document and those Security Documents to which it is a party create and give rise to valid and effective security having the ranking expressed in those Security Documents;
- (xviii) **Necessary Authorisations:** the Necessary Authorisations required by each Obligor are in full force and effect, and each Obligor is in compliance with the provisions of each such Necessary Authorisation relating to it and, to the best of its knowledge, none of the Necessary Authorisations relating to it are the subject of any pending or threatened proceedings or revocation which are reasonably likely to have a Material Adverse Effect;
- (xix) **No money laundering:** the performance of the obligations of the Obligors under the Transaction Documents, will be for the account of members of the Charterers Group and will not involve any breach by any of them of any law or regulatory measure relating to "money laundering" as defined in Article 1 of the Directive ((EU) 2015/849) of the European Parliament and of the Council of the European Communities (as it forms part of the domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act);
- (xx) **Disclosure of material facts:** the Charterers are not aware of any material facts or circumstances which have not been disclosed to the Owners;
- (xxi) **No breach of laws:**

- (A) none of the Obligor has breached any law or regulation which is reasonably likely to have a Material Adverse Effect; and
 - (B) no labour disputes are current or (to the best of the Charterers' knowledge and belief) threatened against any member of the Charterers Group;
- (xxii) **Environmental Law:**
- (A) each member of the Charterers Group is in compliance with paragraph (i) (*Environmental compliance*) of Clause 47 (*Charterers' undertakings*) and (to the best of the Charterers' knowledge and belief) no circumstances have occurred which would prevent such compliance; and
 - (B) no Environmental Claim has been commenced or (to the best of the Charterers' knowledge and belief) is threatened against any member of the Charterers Group which is reasonably likely to have a Material Adverse Effect.
- (xxiii) **Taxation:**
- (A) no Obligor is overdue in the filing of any Tax returns and no Obligor is overdue in the payment of any amount in respect of Tax which is reasonably likely to have a Material Adverse Effect; and
 - (B) no claims or investigations are being made or conducted against any Obligor with respect to Taxes which is reasonably likely to have a Material Adverse Effect;
- (xxiv) **No Restricted Party:** to the best of the Charterers' knowledge and belief (having conducted reasonable due diligence), none of the Obligor is a Restricted Party nor has any Obligor received notice or are aware of any claim, action, suit, proceeding against any of them with respect to Sanctions by a Sanctions Authority;
- (xxv) **No Material Adverse Effect:** no event or circumstance has occurred which had, has or is likely to have a Material Adverse Effect; and
- (xxvi) **Copies of Relevant Documents:** the copies of the Relevant Documents provided or to be provided by the Charterers to the Owners in accordance with Clause 36 (*Conditions precedent*) are, or will be, true and accurate copies of the originals and represent, or will represent, the full agreement between the parties to those Relevant Documents in relation to the subject matter of those Relevant Documents and there are no commissions, rebates, premiums or other payments due or to become due in connection with the subject matter of those Relevant Documents other than in the ordinary course of business or as disclosed to, and approved in writing by, the Owners.
- (xxvii) **Tax** the Obligor and the Related Charterers are not US Tax Obligor and have not established a place of business in the United States of America.

47. Charterers' undertakings

The undertaking and covenants in this Clause 47 remain in force for the duration of the Agreement Term.

- (a) **Financial statements:** The Charterers shall supply to the Owners:
- (i) as soon as the same become available, but in any event within one hundred and fifty (150) days after the end of each of the Charterers' Financial Years, the Charterers' audited financial statements for that Financial Year; and
 - (ii) as soon as the same become available, but in any event within one hundred and fifty (150) days after the end of each of the Charter Guarantor's Financial Years, the Charter Guarantor's audited consolidated financial statements for that Financial Year.
- (b) **Requirements as to financial statements:** Each set of financial statements delivered to the Owners under paragraph (a) (*Financial statements*) above in relation to the Charterers and the Charter Guarantor (each a "Notifying Party"):
- (i) shall be certified by an authorised signatory of the relevant Notifying Party as fairly representing its financial condition as at the date as at which those financial statements were drawn up; and
 - (ii) shall be prepared in accordance with GAAP.
- (c) **Interim financial statements** The Charterers shall supply to the Owners, as soon as the same become available, but in any event within ninety (90) days after the end of each relevant Financial Half-Year:
- (i) the unaudited management prepared financial statements (excluding notes) of the Charterers for that Financial Half-Year; and
 - (ii) the unaudited consolidated financial statements of the Charter Guarantor for that Financial Half-Year; and
- (d) **Intentionally left blank**
- (e) **Information: miscellaneous** The Charterers shall:
- (i) supply to the Owners promptly upon becoming aware of them, details of any material litigation, arbitration or administrative proceedings which are current, threatened or pending against any Obligor and are likely to have a Material Adverse Effect;
 - (ii) supply to the Owners promptly, such further information and explanations regarding the financial condition, business and operations of any Obligor as the Owners may request;
 - (iii) notify the Owners in writing promptly upon becoming aware of any Environmental Claim against the Charterers (or any Sub-Charterer or any Approved Manager) which is current, or pending in writing in relation to the Vessel;
 - (iv) notify the Owners in writing promptly upon becoming aware of any Transaction Document being terminated, repudiated, cancelled or otherwise ceasing to remain in full force and effect;
 - (v) notify the Owners in writing promptly if a Sub-Charter is terminated, cancelled, repudiated, or expires, or otherwise ceases to remain in full force and effect;
 - (vi) *intentionally left blank*

- (vii) disclose all relevant information in relation to any Sub-Charter, including (but not limited to) any information in relation to any Sub-Charterer's fulfilment of its obligations pursuant to the relevant Sub-Charter, the delivery, redelivery and withdrawal of the Vessel under any Sub-Charter and any other information which the Owners may reasonably request and without prejudice to the foregoing, the Charterers shall deliver or procure the delivery to the Owners of the employment status together with (if requested by the Owners) the relevant contract of employment in respect of the Vessel which the Owners may request.
- (f) **Notification of Termination Event** The Charterers shall 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 it) and, upon receipt of a written request to that effect from the Owners, confirm to the Owners that, save as previously notified to the Owners or as notified in such confirmation, no Termination Event is continuing or, if a Termination Event is continuing, specifying the steps, if any, being taken to remedy it.
- (g) **Claims pari passu** The Charterers shall ensure that at all times the claims of the Owners against them under the Transaction Documents rank at least *pari passu* with the claims of all their other unsecured and subordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation, winding-up or other similar laws of general application.
- (h) **Necessary Authorisations** Without prejudice to any specific provision of the Transaction Documents relating to a Necessary Authorisation, the Charterers shall (i) obtain, comply with and do all that is necessary to maintain in full force and effect all Necessary Authorisations to enable them lawfully to enter into and perform their obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of the Transaction Documents in their jurisdiction of incorporation or formation and all other applicable jurisdictions, (ii) ensure that no failure to obtain, comply with or maintain any Necessary Authorisation may cause a Material Adverse Effect; and (iii) promptly upon request, supply certified copies to the Owners of all Necessary Authorisations.
- (i) **Compliance with applicable laws** Each Obligor shall comply with all applicable laws, including Environmental Laws, to which it may be subject (except as regards Sanctions to which paragraph (j) (*No breach of Sanctions*) below applies, and anticorruption and anti-bribery laws to which paragraph (k) (*Anti-corruption and antibribery laws*) below applies), the non-compliance of which is reasonably likely to have a Material Adverse Effect.
- (j) **No breach of Sanctions** The Charterers shall not, and shall not permit or authorise any other person to, directly utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds or any other benefits of any transaction(s) contemplated by the Transaction Documents to fund any trade, business or other activities:
 - (i) involving or for the benefit of any Restricted Party if to do so would be prohibited by Sanctions applicable to any Obligor, the Owners or any Finance Party; and
 - (ii) in any other manner that would result in any Obligor, the Owners or any Finance Party (if applicable) being in breach of any applicable Sanctions or becoming a Restricted Party.
- (k) **Anti-corruption and anti-bribery laws** The Charterers warrant, represent and

agree that they and their Affiliates and their respective officers, directors and employees have complied with, and shall comply with, all applicable Business Ethics Laws in connection with this Charter. For the purpose of this Clause only, an "Affiliate" means any member of the Charterers Group.

- (l) **Environmental compliance** The Charterers shall, and shall procure that each of the Obligors will:
 - (i) comply with any Environmental Law;
 - (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.
- (m) **Environmental Claims** The Charterers shall promptly upon becoming aware of the same, inform the Owners in writing of:
 - (i) any Environmental Claim against any member of the Charterers Group which is current, pending or threatened; and
 - (ii) any facts or circumstances which are likely to result in any Environmental Claim being commenced or threatened against any member of the Charterers Group.
- (n) **Taxation** The Charterers shall pay and discharge any Tax imposed upon them or their assets within the time period allowed without incurring penalties unless and only to the extent that such payment is being contested by the Charterers in good faith.
- (o) **Loans or other financial commitments** The Charterers shall not make any loan or enter into 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 loans made in the ordinary course of business.
- (p) **Further assurance** The Charterers shall at their own expense, 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 created or evidenced (or intended to be created or evidenced) by the Security Documents.
- (q) **Inspection of records** The Charterers will permit the inspection of their financial records and accounts on prior notice from time to time during business hours by the Owners or their nominee.
- (r) **Insurance** The Charterers shall procure that all of the assets, operation and liability of the Charterers are insured against such risks, liabilities and for amounts as normally adopted by the industry for similar assets and liabilities and, in the case of the Vessel, in accordance with the terms of this Charter.
- (s) **Merger and demerger** The Charterers shall not, and shall procure that the Charter Guarantor shall not, enter into any amalgamation, merger, demerger or corporate restructuring without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed if the Owners (acting reasonably) are satisfied that such amalgamation, merger, demerger or corporate restructuring will neither (i) have a Material Adverse Effect nor (ii) have a negative financial impact on the obligations of the Core Obligors under the Transaction Documents).

- (t) **Transfer of assets** The Charterers shall not sell or transfer any of its material assets other than:
- (i) on arm's length terms to third parties where the net proceeds of sale are used as a prepayment hereunder; or
 - (ii) on arm's length terms to its Affiliates, which are and remain members of the Charterers Group.
- (u) **Change of business** The Charterers shall not without the prior written consent of the Owners, make any substantial change to the general nature of their shipping business from that carried on at the date of this Charter.
- (v) **Acquisitions** The Charterers shall not make any acquisitions or investments without the prior written consent of the Owners (such consent not to be unreasonably withheld).
- (w) **"Know your customer" checks** 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 Charter;
 - (ii) any change in the status of the Charterers after the date of this Charter; or
 - (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 in order for 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.
- (x) **No borrowings** The Charterers shall not incur any liability or obligation except (i) liabilities and obligations under the Transaction Documents to which they are parties, and (ii) liabilities or obligations reasonably incurred in the ordinary course of operating, chartering, repairing and maintaining the Vessel.
- (y) **No dividends** The Charterers shall not pay any dividends or make other distributions to its shareholders whilst a Termination Event is continuing.
- (z) **Negative pledge** The Charterers shall not create, or permit to subsist, any Encumbrance (other than a Permitted Encumbrance) over all or any part of the Vessel, their other assets or undertakings nor dispose of the Vessel or any of those assets or all or any part of those undertakings other than, in the case of a sale of the Vessel, where such sale complies with the requirements of the MOA, this Charter, including, without limitation, to Clause 50 (*Termination Events*), or any other Transaction Documents.
- (aa) **Management of the Vessel** The Charterers shall ensure that:
- (i) the Vessel is at all times technically managed by an Approved Manager;
 - (ii) unless (A) the Charterers have promptly informed the Owners in writing of any proposed change of an Approved Manager, and (B) the Owners (acting

reasonably) have granted their prior written consent to such proposed change, the Approved Manager shall not be changed **provided that** upon the occurrence of an event of default (however described) that is continuing under the Management Agreement, the Owners shall have the right to appoint a substitute manager in respect of the Vessel (but if the Vessel is delivered to the relevant Sub-Charterer under the relevant Sub-Charter and remains under the employment of that Sub-Charter, such appointment shall be acceptable to that Sub-Charterer); and

- (iii) a Manager's Undertaking (in form and content satisfactory to the Owners) from the Approved Manager confirming that, among other things, all claims of the Approved Manager against the Charterers shall be subordinated to the claims of the Owners or the Finance Parties (if applicable) under the Transaction Documents.
- (bb) **Classification** The Charterers shall ensure that the Vessel maintains the highest classification required for the purpose of the relevant trade of the Vessel which shall be with the Vessel's Classification Society, in each case, free from any overdue recommendations and conditions, and adverse notations affecting that the Vessel's class.
- (cc) **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.
- (dd) **Registration** The Charterers shall not change or permit a change to the flag of the Vessel throughout the duration of this Charter other than to a Pre-Approved Flag or under such other flag with the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed). Any change to the flag of the Vessel shall be at the cost and expense of the Charterers (which shall include, without limitation, any Taxes payable in the state or jurisdiction of such Pre-Approved Flag and costs of the Finance Parties (if applicable)).
- (ee) **ISM and ISPS Compliance** The Charterers shall ensure that each ISM Company and ISPS Company complies in all 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.
- (ff) **Change of ownership** The Charterers shall, and shall procure that the Charter Guarantor will, ensure that throughout the Charter Period, there shall not occur any Change of Control, except with the prior written consent of Owners (such consent not to be unreasonably withheld, if the Owners (acting reasonably) are satisfied that such Change of Control will neither (i) have a Material Adverse Effect nor (ii) have a negative financial impact on the obligations of the Core Obligors under the Transaction Documents).
- (gg) **Inspection of Vessel** In the absence of a Potential Termination Event or Termination Event, subject to there being no undue interference with the operation of the Vessel, the Owners shall have the right to inspect the Vessel once in each calendar year at the Charterers' cost, **provided always however** that if a Potential Termination Event or Termination Event has occurred, the Owners may at any time and at the Charterers' cost conduct such inspection 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.

(hh) **Relevant Documents** In relation to the Relevant Documents, the Charterers undertake that:

- (i) there shall be no (A) termination by the Charterers of any Relevant Document without the prior written consent of the Owners (such consent to not be unreasonably withheld or delayed), or (B) alteration to or waiver of any material term of any Relevant Document, unless, in either case, the prior written consent of the Owners is obtained (such consent to not be unreasonably withheld or delayed);
- (ii) without limiting the generality of sub-paragraph (i) above, the Charterers will not, without the prior written consent of the Owners, effect any sale of the Vessel;
- (iii) without prejudice to the foregoing, the Charterers shall, where applicable, forthwith execute and deliver any and all such other agreements, instruments and documents (including any novation agreement) as may be required by law or deemed necessary to ensure that the Relevant Documents which are in effect on the date of this Charter shall remain in effect, so that all obligations previously owed by the applicable Relevant Party to the Charterers under such Relevant Documents shall continue to be owed to the Charterers throughout the Agreement Term (provided that this shall not be applicable to expiration of such Relevant Document through effluxion of time or where such Relevant Document is novated (in accordance with the terms of this Charter) and the Charterers are no longer a party to that Relevant Document after such novation); and
- (iv) no right or purported right to withdraw the Vessel from service under any Sub-Charter may be exercised by them without the prior written consent of the Owners.

(ii) **Conditions subsequent** The Charterers shall:

- (i) to the extent that any certificate received by the Owners pursuant to paragraph (g) of Clause 36 (*Conditions precedent*) was in provisional form at the time of the receipt, deliver or cause to be delivered to the Owners the corresponding formal certificate as soon as possible after the Charterers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate;
- (ii) within ten (10) Business Days from the Actual Delivery Date, deliver or cause to be delivered to the Owners letters of undertaking in respect of the Insurances as required by the Transaction Documents, together with copies of the relevant policies or cover notes or entry certificates duly endorsed with the interest of the Owners; and
- (iii) within five (5) Business Days after the execution of the Charterers' Assignment, deliver or cause to be delivered to the Owners acknowledgement by the Initial Time Charterer of the notice(s) of assignment given pursuant to the Charterers' Assignment in the form attached to the relevant notice(s);

(jj) **Emissions Legislation**

- (i) the Charterers shall:
 - (A) 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 to the relevant administering authority and take such action as the Owners may reasonably require for such EU ETS Mandate Letter to be submitted to and recorded by the relevant administering authority;

- (B) comply with all Emissions Legislation applicable to them; and
- (C) whenever reasonably requested by the 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 Emissions Legislation applicable to them or in respect of the Vessel; and

- (ii) the Charterers will pay or cause to be paid all amounts required to be paid by them or the Owners in respect of the Vessel arising out of or in connection with the Emissions Legislation, and the Charterers will on demand indemnify the Owners for any and all documented amounts actually paid by the Owners in connection with the Emissions Legislation 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 the Emissions Regulations in respect of the Vessel (save for those losses, costs or expenses solely caused by the gross negligence or wilful default of the Owners and not caused by any direct action, omission, contributory negligence by any Obligor, any manager of the Vessel or any charterer of the Vessel) and (ii) any penalties, charges or other amounts levied against the Owners due to any breach by the Charterers of their obligations under this Clause 47(ji) and the Owners shall inform the Charterers of any relevant claims to which such charges relate in a timely manner.

(kk) ***Intentionally left blank***

(ll) ***Intentionally left blank***

- (mm) ***Related Vessels*** the Charterers agree that the Owners may at their sole discretion and at any time during the Agreement Term apply towards any Unpaid Sum any Related Vessel Total Loss Proceeds Surplus and any other amounts received by the Owners from any Related Owners pursuant to the terms of any Related Charter.

48. Earnings Account

- (a) In addition to Clause 47 (*Charterers' undertakings*), the Charterers hereby undertake to the Owners that, throughout the Agreement Term, they will deposit all of the Earnings received by the Charterers into the Earnings Account, free and clear of any costs, fees, expenses, disbursements, withholdings or deductions.
- (b) Provided that no Termination Event has occurred and is continuing and subject to payment of any Hire that has become due and payable, the Charterers may freely withdraw any amount standing to the credit of the Earnings Account.

49. Value maintenance

- (a) ***Definitions*** In this Clause 49:

"Test Date" means any day during the Agreement Term on which the Owners may test the Value Maintenance Ratio, it being acknowledged and agreed that, prior to the occurrence of a Termination Event or a Potential Termination Event, there will be no more than one (1) Test Date in any twelve (12) months period.

"Value Maintenance Ratio" means the ratio (expressed as a percentage) of:

- (i) the Fair Market Value of the Vessel plus any cash already provided to restore the Value Maintenance Threshold to
- (ii) the aggregate of the then applicable Cost Balance.

"Value Maintenance Threshold" means the ratio (expressed as a percentage) of one hundred and twenty per cent. (120%).

(b) **Valuations**

- (i) In order to determine the Fair Market Value on a Test Date for the purposes of testing the Value Maintenance Ratio, the Fair Market Value shall be determined by the Owners to be the arithmetic mean of the valuation from two Valuation Reports, each issued by an Approved Valuer designated by the Charterers, provided that:

- (A) in the absence of a Termination Event, the Charterers shall arrange, deliver to the Owners and bear the cost of the issuance of such Valuation Reports once every twelve (12) months during the Agreement Term, and any additional Valuation Report shall be at the Owners' cost; and
- (B) upon the occurrence of a Termination Event, the Charterers shall arrange, deliver to the Owners and bear the cost of the issuance of all Valuation Reports as may be required by the Owners (acting in their sole discretion).

provided further that if the Charterers fail to deliver such Valuation Reports pursuant to this Clause 49, the Owners shall be entitled to arrange such Valuation Reports at the Charterers' cost.

- (ii) Each Valuation Report to be provided for the purpose of sub-paragraph (b)(i) above shall:
 - (A) be issued by an Approved Valuer, if for the purpose of testing the Value Maintenance Ratio, no earlier than forty-five (45) days before the relevant Test Date;
 - (B) be made without physical inspection of the Vessel and on a desktop basis;
 - (C) on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer; and
 - (D) be delivered to the Owners within forty-five (45) days from the day on which the Owners make a request for valuation of the Vessel pursuant to paragraph (b)(i) above.
- (iii) If an Approved Valuer determines that the Fair Market Value shall fall within a range, the valuation as determined by such Approved Valuer should be the lower value of such range.
- (iv) Each valuation shall be provided by an Approved Valuer in US Dollars.

(c) **Value Maintenance Ratio**

- (i) The Owners may test the Value Maintenance Ratio on any Test Date in accordance with the methodology described in sub-paragraph (b) (*Valuations*) above.
- (ii) If, after conducting testing the Value Maintenance Ratio on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is lower than the Value Maintenance Threshold, then the Charterers shall, within thirty (30) days of the Owners' request, undertake any of the following at the Charterers' option (but always subject to Owners' prior approval which shall not be unreasonably withheld):
 - (A) provide cash collateral in the amount of the shortfall (the "**Cash Collateral**") and deposit the same in the Owners' Account; or
 - (B) prepay such part of the Fixed Hire in inverse order of maturity (or, if no Fixed Hire is payable any more, to prepay such part of the Cost Balance) in the amount of the shortfall (together with any Break Costs or other associated costs, expenses or penalties) (it being understood and the Owners and the Charterers hereby agree and acknowledge that any amount prepaid in accordance with this sub-paragraph (B) shall, once so applied by the Owners, not be refundable in any circumstance whatsoever),

in each case in order to restore the Value Maintenance Ratio to comply with the Value Maintenance Threshold.

- (iii) If, after testing the Value Maintenance Ratio on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is higher than the Value Maintenance Threshold for a consecutive period of more than 120 days, the Owners shall release to the Charterers such part of the Cash Collateral provided by the Charterers to the Owners pursuant to subparagraph (A) above, as shall reduce the Value Maintenance Ratio to the Value Maintenance Threshold, subject to the Owners being satisfied that (1) no Termination Event and no Potential Termination Event will occur before or after such release and (2) immediately following such release, the Value Maintenance Ratio will not be less than the Value Maintenance Threshold.

50. Termination Events

- (a) Each of the following events shall constitute a Termination Event:
 - (i) **Failure to pay** an Obligor fails to pay any amount due from it under any Transaction Document to which it is a party at the time, in the currency and otherwise in the manner specified therein unless payment is made within five (5) Business Days of its due date, provided that no Termination Event shall occur under this sub-paragraph (i) in relation to a failure to pay any amount on the relevant date if such failure is solely and directly caused by the Owners or an Owners' Affiliate becoming a Restricted Party (an "**Owners Sanctions Event**") and payment of such amount is made as soon as such Owners Sanctions Event is no longer continuing ; or
 - (ii) **Misrepresentation** any representation or statement made by any Obligor in any Transaction Document to which it is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto or in connection therewith is or proves to have been incorrect or misleading in

any material respect, **provided that** no Termination Event will occur under this sub-paragraph if the circumstances giving rise to such misrepresentation are capable of remedy (to the extent that the Owners consider, in their absolute discretion, that such circumstances are capable of remedy) and are remedied to the satisfaction of the Owners within twenty (20) days of the date of the circumstances giving rise to the misrepresentation having occurred; or

- (iii) **Specific covenants** an Obligor fails duly to perform or comply with any of the obligations expressed to be assumed by or procured by the Charterers under paragraphs (i) (*Compliance with applicable laws*), (j) (*No breach of Sanctions*), (r) (*Insurance*), (z) (*Negative pledge*), (dd) (*Registration*) and (ff) (*Change of ownership*) of Clause 47 (*Charterers' undertakings*) and under Clause 48 (*Earnings Account*); or
- (iv) **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 paragraph (iii) (*Specific covenants*) above). No Termination Event under this paragraph will occur if the failure to comply is capable of remedy (to the extent that the Owners consider, in their absolute discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Owners within twenty (20) days after the earlier of (A) the Owners having given notice thereof to the relevant Obligor, and (B) any Obligor becoming aware of such failure to perform or comply; or
- (v) **Cross Default** any Financial Indebtedness of any Obligor is not paid when due (or within any applicable grace period) or any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity where (in either case) the aggregate of all such unpaid or accelerated indebtedness of:
 - (A) the Charter Guarantor is equal to or greater than ten million US Dollars (US\$10,000,000) or its equivalent in any other currency or currencies; or
 - (B) each of the other Obligors (other than the Dynagas Manager) is equal to or greater than five million US Dollars (US\$5,000,000) or its equivalent in any other currency or currencies; or
- (vi) **Insolvency and rescheduling** a Core Obligor is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of its creditors or a composition with its creditors; or (vii) **Winding-up** a Core Obligor:
 - (A) files for initiation of formal restructuring proceedings; or
 - (B) is wound up or declared bankrupt; or
 - (C) takes any steps or legal proceedings are started for its winding-up, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues or assets which is not permanently stayed or dismissed within twenty one (21) days; or

- (D) declares any moratorium or any moratorium is declared or sought, in each case, in respect of any of its indebtedness; or
- (viii) **Execution or distress**
- (A) a Core Obligor fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court or other official body of a competent jurisdiction, being a judgement or order against which there is no right of appeal,
- (B) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertaking or assets of a Core Obligor other than any execution or distress which is being contested in good faith and which is either discharged within thirty (30) days or in respect of which adequate security has been provided within thirty (30) days to the relevant court or other authority to enable the relevant execution or distress to be lifted or released; or
- (ix) **Similar event** any event occurs which, under the laws of any jurisdiction, has a similar or analogous effect to any of those events mentioned in paragraphs (vi) (*Insolvency and rescheduling*), (vii) (*Winding-up*) or (viii) (*Execution or distress*) 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) **Unlawfulness and invalidity** 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 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 Encumbrance created or purported to be created by the Security Documents ceases to be legal, valid, binding, enforceable or

effective or is alleged by a party to such Security Document (other than the Owners) to be ineffective,

- (xiii) **Material adverse change** at any time there shall occur any event or change in respect of the Charter Guarantor which the Owners reasonably believe has a Material Adverse Effect and if such event or change is capable of remedy, it is not remedied within thirty (30) days of the delivery of a notice confirming such event or change by the Owners to the Charterers; or
- (xiv) **Conditions precedent and subsequent** if any of the conditions set out in clauses 7.1 to 7.5 of the MOA, Clause 36 (*Conditions precedent*) or paragraph (ii) (*Conditions subsequent*) of Clause 47 (*Charterers' undertakings*) is not satisfied by the relevant time or such other time period specified by the Owners in their discretion; or
- (xv) **Revocation or modification of consents etc.** if any Necessary Authorisation which is now or which at any time during the Agreement Term becomes necessary to enable any of the Obligors to comply with any of their obligations in or pursuant to any of the Transaction Documents is revoked, withdrawn or withheld, or modified in a manner which the Owners (acting reasonably) consider is, or may be, prejudicial to the interests of Owners, or if such Necessary Authorisation ceases to remain in full force and effect; or
- (xvi) **Curtailement of business** if the business of any of the Obligors is wholly or materially curtailed by any intervention by or under authority of any government, or if all or a substantial part of the undertaking, property or assets of any of the Obligors is seized, nationalised, expropriated or compulsorily acquired by or under authority of any government or any Obligor disposes or threatens to dispose of a substantial part of its business or assets; or
- (xvii) **Environmental matters**
 - (A) any Environmental Claim is pending or made against the Charterers or in connection with the Vessel, where such Environmental Claim has a Material Adverse Effect;
 - (B) any actual Environmental Incident occurs in connection with the Vessel, where such Environmental Incident has a Material Adverse Effect; or
- (xviii) **Loss of property** all or a substantial part of the business or assets of any Obligor is destroyed, abandoned, seized, appropriated or forfeited for any reason; or
- (xix) **Sanctions** any Obligor, any Affiliate of any Obligor or any of its or their directors, officers and employees becomes a Restricted Party, rendering the sale of the Vessel under the MOA or the chartering of the Vessel under this Charter unlawful or otherwise in breach of any Sanctions; or
- (xx) **Arrest** the Vessel is arrested or seized for any reason whatsoever unless the Vessel is released and returned to the possession of the Charterers within thirty (30) days of such arrest or seizure unless otherwise agreed by the Owners, **provided that** no Termination Event will occur under this subparagraph (xx) if such arrest or seizure is caused solely and directly by an Owners Event or any action or omission from the Owners (other than any action from the Owners which takes place following the occurrence of a

Termination Event specified in paragraph (a) (except this sub-paragraph (xx)) of Clause 50); or

- (xxi) **Related Charters** there occurs any event or circumstance referred to in paragraph (a) of clause 50 (*Termination Events*) of any Related Charter; or
- (xxii) **Obligor cessation of business** any Obligor ceases or threatens to cease, to carry on all or, in the opinion of the Owners, any material part of such Obligor's business; or
- (xxiii) **Repudiation, termination or cancellation of Relevant Documents** any Relevant Document is repudiated, terminated, cancelled or otherwise ceases to remain in full force and effect (other than by expiration through effluxion of time), **provided that**, in respect of a Sub-Charter, no Termination Event will occur under this sub-paragraph (xxiii) if:
 - (A) such repudiation, termination, cancellation or cessation of effectiveness will not, in the reasonable opinion of the Owners, materially impair the Charterers' ability to perform their obligations under this Charter; and
 - (B) within 90 days of such repudiation, termination, cancellation or cessation of effectiveness, the Sub-Charter is replaced by another time charter of the Vessel (with such time charterer of such credit rating and on terms and conditions acceptable to the Owners, acting reasonably) which is entered into with the Charterers (each a "**Replacement Time Charter**") and the Charterers' rights under such Replacement Time Charter are assigned to the Owners (to the Owners' satisfaction);
- (xxiv) **intentionally left blank**
- (xxv) **intentionally left blank**
- (xxvi) **MOA Termination Event** any "MOA Termination Event" (as such term is defined in the MOA) occurs under the MOA.

(b) **Effect of a Termination Event** The Owners and the Charterers agree that:

- (i) it is a fundamental term and condition of this Charter that no Termination Event shall occur during the Agreement Term; and
- (ii) without prejudice to the foregoing, a Termination Event which is continuing shall constitute an agreed terminating event, the occurrence of which will entitle the Owners to exercise all or any of the remedies set out below in this Clause 50.

(c) **Owners' options after the occurrence of Termination Event** Throughout the period commencing on the Actual Delivery Date and terminating on the last day of the Agreement Term, at any time after a Termination Event shall have occurred and be continuing following the lapse of any applicable grace period, the Owners may at their option:

- (i) (subject to the terms of the relevant Quiet Enjoyment Agreement or, as applicable, the Finance Party Quiet Enjoyment Agreement (in each case, insofar as the rights of Owners and the relevant Sub-Charterer thereunder are concerned)) by delivering to the Charterers a Termination Notice, terminate this Charter with immediate effect or on the date specified in such

- (ii) apply any amount then standing to the credit of any Earnings Account against any Unpaid Sum or such other amounts which the Owners or other Obligor may owe under the Transaction Documents and apply any cash collateral provided to the Owners pursuant to Clause 49(c)(ii)(A) ; and/or
- (iii) (without prejudice to sub-paragraph (ii) above) enforce any Encumbrance created pursuant to the relevant Transaction Documents.
- (d) **Payment of Termination Sum** On the Termination Payment Date in respect of any Default Termination, the Charterers shall pay to the Owners an amount equal to the Termination Sum plus any Break Cost net of Breakfunding Gain (if any).
- (e) **Owners' application of Terminations Sum** Following any termination to which this Clause 50 applies, all sums payable in accordance with paragraph (d) above shall be paid to such account or accounts as the Owners may direct and shall be applied towards settlement of the Termination Sum (or part thereof) and any other sums due and payable under the Transaction Documents.
- (f) **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 (d) above to the satisfaction of the Owners, whereupon the Owners shall promptly transfer title to the Vessel to the Charterers (or its nominee) in accordance with paragraphs (d) to (e) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*).
- (g) **Owners' right to repossess** At any time on or after the Actual Delivery Date, following a Termination in accordance with paragraph (c) (*Owners' options after the occurrence of Termination Event*) above, **and provided that** the Charterers have failed to pay the Termination Sum in accordance with paragraph (d) (*Payment of Termination Sum*) above, the Owners may (but without prejudice to the Charterers' obligations under Clause 42 (*Redelivery*) and 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) **Charterers have no right to terminate** Save as otherwise expressly provided in this Charter, the Charterers shall not have the right to terminate this Charter any time prior to the expiration of the Agreement Term. The rights conferred upon the Owners by the provisions of this Clause 50 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.
- (i) **Owners' right to sell the Vessel** Following any termination to which this Clause applies, if the Charterers have not paid to the Owners the Termination Sum in full by the applicable Termination Payment Date (and consequently the Owners have not transferred title to the Vessel to the Charterers (or their nominee) in accordance with paragraph (f) above), the Owners shall be entitled (but not obliged) to sell the Vessel and apply the Net Sale Proceeds against the Termination Sum and claim from the Charterers for any shortfall. In the event that the Owners have determined to proceed with a sale of the Vessel, the Charterers may for a period of not exceeding sixty (60) days from the Termination Payment Date (the "**Nomination Period**") nominate or identify a purchaser for the Vessel (including the Charterers,

a “**Nominated Purchaser**”). During the Nomination Period, the Owners and the Charterers shall use their reasonable endeavours to market the Vessel and the Owners shall, subject to customary closing conditions and clearance of “know your customer”, anti-money laundering and sanctions investigations by the Owners, sell the Vessel to the Nominated Purchaser if (A) the Nominated Purchaser is acceptable to the Owners (acting reasonably) and (B) the price to be paid by the Nominated Purchaser (after deducting any fees, commissions, taxes, disbursements and other costs and expenses which would be likely to be incurred in connection with a sale of the Vessel) is equal to or more than the applicable Termination Sum (unless otherwise agreed by the Owners in their absolute discretion) and not lower than the price offered by any other potential purchaser during the Nomination Period.

The Charterers’ obligation to pay the Termination Sum (and perform any of their other obligations under the Transaction Documents) shall not be affected irrespective of the Owners’ ability to complete the sale of the Vessel. Following the completion of the sale the Owners shall then apply the Net Sales Proceeds as follows:

- (A) firstly, in or towards satisfaction or reduction of the Charterers’ obligation to pay the Termination Sum in any manner the Owners deem fit, to the extent that the Termination Sum or any portion of it remains unpaid;
- (B) secondly, if there are moneys owing by any Related Obligor at the relevant time under any Transaction Document (as defined in any Related Charter) or there exists a Termination Event (as defined in any Related Charter) in or towards payment to the relevant Related Owners of any amount owing by that Related Obligor; and
- (C) thirdly, in payment of any surplus to the Charterers.

51. Sub-chartering and assignment

- (a) **Restrictions on other sub-chartering** The Charterers shall not without the prior written consent of the Owners (which shall not be unreasonably withheld or delayed):
 - (i) let the Vessel on demise charter for any period;
 - (ii) de-activate or lay up the Vessel (other than as permitted and in accordance with the terms and conditions of the Sub-Charter);
 - (iii) assign their rights under this Charter; or
 - (iv) enter into any sub-charter for the Vessel (other than the Sub-Charters and any other time charter in respect of the Vessel with a charter period of less than twelve (12) months and entered into by the Charterers (as disponent owner)).
- (b) **Condition to Owners’ consent** The Charterers acknowledge that the Owners’ consent to any sub-bareboat chartering shall be subject (amongst other things) to the Owners being satisfied as to the intended flag and the classification society during such sub-bareboat chartering.

52. Purchase Option, Purchase Obligation and transfer of title

Purchase Option

- (a) The Charterers may at any time during the Charter Period on or after:
- (i) the First Anniversary Date; or
 - (ii) (where the Purchase Option is exercised pursuant to any of Clauses 40(i), 40(o)(iii), 44(iv), 52(g) and 52(h)) the Actual Delivery Date,
- notify the Owners by serving a written notice (such notice shall hereinafter be referred to as the **"Purchase Option Notice"** and following the service of such notice the Charterers shall pay to the Owners the Purchase Option Price on the proposed Purchase Option Date) of the Charterers' intention to terminate the chartering of the Vessel under this Charter on the date to be specified in such Purchase Option Notice (such date being the **"Purchase Option Date"**) and purchase the Vessel from the Owners for the applicable Purchase Option Price, **provided that** the following conditions are satisfied:
- (i) no Total Loss under Clause 53 (*Total Loss*) having occurred;
 - (ii) no Termination Event having occurred and being continuing;
 - (iii) the Owners having not delivered a Termination Notice in accordance with paragraph (i) (*Illegality*) of Clause 40 (*Hire*); (iv) the Purchase Option Date falling on or after:
 - (A) (where the Purchase Option is exercised pursuant to any of Clauses 40(i), 40(o)(iii), 44(iv), 52(g) and 52(h)) the Actual Delivery Date; or
 - (B) otherwise, the First Anniversary Date.
 - (v) the Charterers' delivery of the Purchase Option Notice to the Owners at least:
 - (A) (where the Purchase Option is exercised pursuant the Purchase Option according to any of Clauses 40(i), 40(o)(iii), 44(iv), 52(g) and 52(h)) thirty (30) days prior to the proposed Purchase Option Date; and
 - (B) otherwise, sixty (60) days prior to the proposed Purchase Option Date.
- (b) In exchange for the full payment of the Purchase Option Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49) on the Purchase Option Date, the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (e) below. For the avoidance of doubt the Charter Period will end immediately upon the Purchase Option Price being paid.

Purchase obligation

- (c) Subject to the other provisions of this Charter, the Charterers shall (unless the Charterers have served the Purchase Option Notice and the Purchase Option Price has been paid in accordance with the terms of this Charter) be obliged to purchase the Vessel or cause their nominee to purchase the Vessel upon the expiration of the period of sixty (60) months commencing from the Actual Delivery Date by payment of the Purchase Obligation Price. Upon payment of the Purchase

Obligation Price in accordance with this paragraph to the Owners' satisfaction, the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with paragraphs (d) to (e) below.

Transfer of title

(d) **Title transfer** In exchange for the full payment of:

(i) in each case as applicable:

(A) (in the case of the circumstances described in paragraph (a) above) the applicable Purchase Option Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49); or

(B) (in the case of the circumstances described in paragraph (c) above) the Purchase Obligation Price (after any set-off against any additional cash already provided to restore the Value Maintenance Threshold in accordance with paragraph (c)(ii)(A) of Clause 49); and

(ii) all sums due and payable to the Owners under the Transaction Documents and subject to compliance with the other conditions set out in this Clause,

the Owners shall:

(1) transfer title to and ownership of the Vessel to the Charterers (or their nominee) by delivering to the Charterers (in each case at the Charterers' costs):

(x) a duly executed and notarised, legalised and/or apostilled (as applicable) bill of sale; and

(y) the Title Transfer PDA; and

(2) procure the deletion of any mortgage or other registered Encumbrance in relation to the Vessel created under the Finance Documents at the Charterers' cost,

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 (f) below from the Charterers, 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 legal fees) in relation to the Vessel. Concurrently with the transfer of title to and ownership of the Vessel, the Owners shall furnish the Charterers with a deed of release, discharge and reassignment in respect of the Account Charge, the Charterers' Assignment, the Charter Guarantee, the Negative Share Pledge and the Manager's Undertaking.

(e) **"As is, where is" title transfer** 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, unless required by the laws or regulations of the Charterers' nominated flag state (but without prejudice to the contractual agreed position between the Charterers and the Owners under the rest of this paragraph (e)) to be included in the relevant bill of sale, give the Charterers (or their nominee) 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.

- (f) **Charterers' letter of indemnity** The Charterers shall, immediately prior to the receipt of the bill of sale, furnish the Owners with a letter of indemnity (in a form satisfactory to the Owners) duly executed by the Charterers and the Charter Guarantor and which shall provide (among other things) that:
- (i) the Owners and/or the Finance Parties (if any) have and will have no interest, concern or connection with the Vessel after the date of such letter; and
 - (ii) the Charterers and the Charter Guarantor shall jointly and severally indemnify the Owners and keep the Owners indemnified against any claims made by any person arising in connection with the Vessel whether arising prior to, on or after the date of such letter, other than a claim arising out of or in connection with the Finance Documents that is not a result of:
 - (A) a Termination Event; or
 - (B) any non-compliance by any Obligor of any provision of the Transaction Documents to which such Obligor is a party.
- (g) It is agreed between the Owners and the Charterers that (other than following the occurrence of (A) a Termination Event under this Charter or (B) any breach of any Transaction Document by any Obligor), in the event that (1) the Charterers have entered into binding arrangements for the sale of the Vessel (a "**Proposed Sale**") at any time following the Actual Delivery Date to a third party not being an Affiliate of the Charterers and that (2) the Vessel will not be leased or chartered to the Charterers or any of their Affiliates under bareboat or time charter arrangements under or in connection with the Proposed Sale, the Charterers are entitled to exercise the Purchase Option subject to written consent of the Owners (such consent not to be unreasonably withheld).
- (h) It is agreed between the Owners and the Charterers that, upon occurrence of any of the following circumstances (each an "**Owners Event**") where the same is not remedied within thirty (30) Business Days after receipt by the Owners of written notice from the Charterers requesting remedy, the Charterers are entitled to exercise the Purchase Option subject to paragraph (a) above:
- (i) the Vessel is under arrest, detention, seizure or confiscation solely caused by a claim against the Owners or as a direct result solely resulting from the Owners' or an Owners' Affiliate's actions or omissions (other than as a result of (x) a Termination Event under this Charter, (y) any direct action, omission, contributory negligence by any Obligor, any manager of the Vessel or any charterer of the Vessel and (z) any breach of any Transaction Document by any Obligor), and the Owners fail to procure the release of the Vessel within thirty (30) days of her arrest, detention, seizure or confiscation (unless such failure is caused by any Obligor, a manager of the Vessel or a charterer of the Vessel);
 - (ii) the Owners have mortgaged their title in the Vessel other than in accordance with the provisions of this Charter; or
 - (iii) the Owners or an Owners' Affiliate becomes a Restricted Party.
- (i) In circumstances where either the Owners or an Owners' Affiliate becomes a Restricted Party, the Parties undertake to each other to work together in order to find a solution to ensure payment of the relevant Purchase Option Price to the

53. Total Loss

- (a) **Total Loss Termination** 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.
- (b) **Occurrence of Total Loss** 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) **Payment on Settlement Date** On the Settlement Date, the Charterers shall (in the event that the Owners have not yet received any insurance proceeds in respect of such Total Loss at such time or where such insurance proceeds are not sufficient to satisfy the applicable Termination Sum in full) pay to the Owners an amount equal to the Termination Sum as at the Settlement Date (or, in the case where insurance proceeds have been applied towards paying part of the Termination Sum, the remaining portion of the Termination Sum) provided that it is hereby agreed that any insurance proceeds in respect of the Vessel received by the Owners and/or the Finance Parties shall be applied in or towards discharging the Charterers' obligation to pay the Termination Sum and any interest accrued thereon (and such application shall be deemed satisfaction of the Charterers' obligation to pay the Termination Sum to the extent so satisfied).
- (d) **Payment of Total Loss Proceeds** All Total Loss Proceeds shall be paid to such account or accounts as the Owners may direct and shall be applied towards satisfaction of the Termination Sum and any other sums due and payable under the Transaction Documents. To the extent that there is any surplus after such application (the "**Vessel Total Loss Proceeds Surplus**"), such surplus shall be paid to the Charterers by way of rebate hire, unless before such payment there occurs any event or circumstance referred to in paragraph (a) of clause 50 (*Termination Events*) of any Related Charter, upon which such Vessel Total Loss Proceeds Surplus shall be paid by the Owners to the relevant Related Owners which may be applied in the sole discretion of such Related Owners in accordance with the terms of the relevant Related Charter.
- (e) **Constructive Total Loss** 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) **Payment unconditional** 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 required by paragraph (c) above.

54. Fees and expenses

- (a) **Arrangement Fee** The Charterers shall, on the date of this Charter, pay to the Owners an arrangement fee in an amount equal to 0.675% of the Actual Owners' Costs (the "**Arrangement Fee**") not less than seven (7) Business Days prior to the Prepositioning Date (as defined in the MOA), provided that if this Charter is

terminated or cancelled before the Arrangement Fee has been paid, the Arrangement Fee shall become immediately due and payable upon such termination or cancellation and the Charterers shall pay the Arrangement Fee to the Owners immediately upon the Owners' demand. The Arrangement Fee shall be non-refundable and without any set-off, except in circumstances where the purchase of the Vessel by the Owners under the MOA fails as a result of the Owners' wilful or negligent breach of the MOA or this Charter, in which case the Arrangement Fee shall be refunded by the Owners to the Charterers.

- (b) **Other costs and expenses** The Charterers shall bear all reasonably incurred and documented costs, fees (including legal fees) and disbursements incurred by the Owners, whether or not any of the transactions contemplated is completed, in connection with:
- (i) the negotiation, preparation and execution of this Charter, the other Transaction Documents;
 - (ii) the delivery and redelivery of the Vessel under the MOA and this Charter;
 - (iii) preparation or procurement of any survey, inspections, valuation, tax or insurance advice, registration fees;
 - (iv) all legal fees and other expenses arising out of or in connection with the exercising of the Purchase Option and implementing of the Purchase Obligation by the Charterers pursuant to paragraphs (a) and (c) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*) of this Charter;
 - (v) such other activities relevant to the transaction contemplated herein other than any financing activities undertaken by the Owners, whether or not such financing activities are undertaken for the purposes of entering this Charter, the MOA or any of the Transaction Documents and other than any incorporation, setting up or continued operation of the Owners in their place of incorporation; and
 - (vi) any amendment to, or any waiver or consent under, this Charter, any other Transaction Documents or any Finance Documents requested by the Charterers.

55. Stamp duties, Taxes

The Charterers shall pay promptly 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 on demand against any and all liabilities with respect to or resulting from any delay on the part of the Charterers to pay such duties or taxes.

56. Operational notifiable events

The Owners are to be advised as soon as reasonably possible after the occurrence of any of the following events:

- (a) when a condition of class is applied by the Classification Society;
- (b) whenever the Vessel is arrested, confiscated, seized, requisitioned, impounded, forfeited or detained by any government or other competent authorities or any other persons for more than five (5) consecutive Business Days;
- (c) whenever a class or flag authority refuses to issue or withdraws trading

certification;

- (d) whenever the Vessel is planned for dry-docking in accordance with Clause 10(g) (Part II) and whether routine or emergency;
- (e) the Vessel is taken under tow;
- (f) any (i) death, or (ii) serious injury on board which would require the Vessel to be diverted from its then trading route;
- (g) any damage to the Vessel the repair costs of which (whether before or after adjudication) are likely to exceed the Major Casualty Amount; or
- (h) any actual Environmental Incident occurs in connection with the Vessel.

57. Further indemnities

- (a) **Further indemnities** Whether or not any of the transactions contemplated hereby are consummated, the Charterers shall indemnify, protect, defend and hold harmless the Owners and their officers, directors, agents and employees (collectively, the "**Indemnitees**") throughout the Agreement Term from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, taxes (save for any taxes levied on the Owners by the tax authorities in their place of incorporation), fees, claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including legal fees and expenses, of whatsoever kind and nature, imposed on, suffered or incurred by or asserted against any Indemnatee, 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 requested by the Charterers;
 - (ii) the Vessel or any part thereof, including with respect to:
 - (A) the ownership of, 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 or any Sub-Charterer;
 - (C) death or property damage of shippers or others;
 - (D) any liens in respect of the Vessel or any part thereof; or
 - (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, including, without limitation, any registration fees and annual registration fees

in connection with registering and maintaining the Owners as a foreign maritime entity (or its equivalent) in the jurisdiction of a Pre-Approved Flag for the purpose of registering and maintaining the Owners' title with such Pre-Approved Flag;

- (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 they are a party or the falsity of any representation or warranty of the Charterers in any Transaction Document to which they are a party or the occurrence of any Termination Event;
- (iv) in connection with:
 - (A) preventing or attempting to prevent the arrest, confiscation, seizure, taking and execution, requisition, impounding, forfeiture or detention of the Vessel; or
 - (B) in securing or attempting to secure the release of the Vessel,in each case 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) recovering possession of the Vessel following termination of this Charter under Clause 50 (*Termination Events*);
 - (C) arranging for a transfer of the title of the Vessel in accordance with paragraphs (d) to (e) of Clause 52 (*Purchase Option, Purchase Obligation and transfer of title*);
 - (D) the registration of the Vessel at any registry of ships; and
- (vi) 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 Charterers Group, together with any 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.

Nothing in this Clause 57 will require the Charterers to indemnify the Owners against or pay to the Owners any amount in respect of any liabilities, obligations, losses, damages, penalties, claims, actions, suits, fees, costs, expenses and disbursements incurred by the Owners solely and directly as a result of any wilful breach of this Charter by the Owners.

- (b) **Cost indemnities** The Charterers shall pay to the Owners 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 including (without limitation) (i) any 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) **Run-off indemnities** 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 in full force and effect for a period of twelve (12) months after the Agreement Term.

58. Set-off

The Owners may set off any matured obligation due from the Charterers or the Sellers under the Transaction Documents (to the extent beneficially owned by the Owners) against any obligation (whether matured or not) owed by the Owners to the Charterers or the Sellers, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, the Owners may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

59. Further assurances and undertakings

Each party shall 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.

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. Day count convention

Unless otherwise specified, any Variable Hire, interest, commission or fee accruing under a Transaction Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, where the amount is payable in a currency other than US Dollars, such period as is customary for such currency).

62. 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 accepted 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.

63. Entire agreement

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.

64. 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.

65. 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.

66. 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.

67. Notices

- (a) Any notices to be given to the Owners under this Charter shall be sent in writing by registered letter or email and addressed to:

Tianjin Color-VII Leasing Limited

Address: c/o CDB Leasing Co. Ltd., 3502-03, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai 200122, the People's Republic of China

Email: wangmeng@cdb-leasing.com

Attention: Wang Meng

or to such other address or email address as the Owners may notify to the Charterers in accordance with this Clause 67.

- (b) Any notices to be given to the Charterers under this Charter shall be sent in writing by registered letter, facsimile or email and addressed to:

Seacrown Maritime Ltd.

Address: c/o Dynagas Ltd., 97 Poseidonos Avenue and 2 Foivis Street, 166-74 Glyfada, Athens, Greece

Email: lngcoordination@dynagas.com

Attention: Michael Gregos

or to such other address or email address as the Charterers may notify to the Owners in accordance with this Clause 67.

- (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 a registered letter). A notice or other such communication received on a non-working day or after 5:00 pm in the place of receipt shall be deemed to be served on the following working day in such place.

68. 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 74 (*FATCA*), the provisions of Clauses 32 (*Definitions*) to 74 (*FATCA*) shall prevail.

69. Survival of Charterers' obligations

The termination of this Charter for any cause whatsoever shall not affect the right of the Owners to recover from the Charterers any money due to the Owners in consequence thereof and all other rights of the Owners (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Charter) are reserved hereunder.

70. 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.

71. 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, to 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);
 - (iv) in the case of the Charterers, (A) to the Relevant Parties in respect of obtaining any consent required under the terms of any Relevant Documents or (B) as may be required in connection with public disclosure requirements arising from the issuance of securities by any member of the Charterers Group or any of its Affiliates that is publicly listed; and
 - (v) any Approved Manager, the Classification Society and flag authorities, in each case as may be necessary in connection with the transactions contemplated hereunder.
- (b) Any other disclosure by each Party shall be subject to the prior written consent of the other Party.

72. Third Parties Act

73. Waiver of immunity

- (a) To the extent that either Party 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 such Party or its assets or revenues, each Party agrees not to claim and irrevocably waive such immunity to the full extent permitted by the laws of such jurisdiction.
- (b) The Charterers 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 Charterers 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.

74. FATCA

- (a) **Definitions** For the purpose of this Clause 74, 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 to 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 IRS, the US government or any governmental or taxation authority in any other jurisdiction;

“**FATCA Deduction**” means a deduction or withholding from a payment under this Charter or the other Transaction Documents required by or under FATCA;

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

“**FATCA Non-Exempt Party**” means any Relevant FATCA Party who is not a FATCA Exempt Party;

“**Relevant FATCA Party**” means any Obligor.

“**IRS**” means the United States Internal Revenue Service or any successor taxing authority or agency of the United States government.

- (b) **FATCA Information**

- (i) Subject to paragraph (iii) below, the Charterers shall procure that each Relevant FATCA Party shall, on the date of this Charter, and thereafter within ten (10) Business Days of a reasonable request by another Relevant FATCA Party:
 - (A) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party; and
 - (B) supply to the requesting party (with a copy to all other Relevant FACTA Parties) such other form or forms (including IRS Form W8 or Form W-9 or any successor or substitute form, as applicable) and any other documentation and other information relating to its status under FATCA (including its applicable "pass thru percentage" or other information required under FATCA or other official guidance including intergovernmental agreements) as the requesting party reasonably requests for the purpose of the requesting party's compliance with FATCA.
- (ii) If a Relevant FATCA Party confirms to any other Relevant FATCA Party that it is a FATCA Exempt Party or provides an IRS Form W-8 or W-9 showing that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, or that the said form provided has ceased to be correct or valid, the Charterers shall procure that that party shall so notify all other Relevant FATCA Parties or provide the relevant revised form, as applicable, reasonably promptly.
- (iii) Nothing in this clause shall oblige any Relevant FATCA Party to do anything which would or, in its reasonable opinion, might constitute a breach of any law or regulation, any policy of that party, any fiduciary duty or any duty of confidentiality, or to disclose any confidential information (including, without limitation, its tax returns and calculations); provided, however, that nothing in this paragraph shall excuse any Relevant FATCA Party from providing a true, complete and correct IRS Form W-8 or W-9 (or any successor or substitute form where applicable). Any information provided on such IRS Form W-8 or W-9 (or any successor or substitute forms) shall not be treated as confidential information of such party for purposes of this paragraph.
- (iv) If a Relevant FATCA Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with the provisions of this Charter or the provided information is insufficient under FATCA, then:
 - (A) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of this Charter and the other Transaction Documents as if it is a FATCA Non-Exempt Party; and
 - (B) if that party failed to confirm its applicable passthru percentage then such party shall be treated for the purposes of this Charter and the other Transaction Documents (and payments made thereunder) as if its applicable passthru percentage is 100%,until (in each case) such time as the party in question provides sufficient confirmation, forms, documentation or other information to establish the relevant facts.

(c) **FATCA Deduction and gross-up by Charterers**

- (i) If the representation made by the Charterers under paragraph (xxvii) (*Tax*) of Clause 46 (*Charterers' representations and warranties*) proves to be untrue or misleading such that the Charterers are required to make a FATCA Deduction, the Charterers shall make the FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (ii) If the Charterers are required to make a FATCA Deduction then the Charterers shall increase the payment due from them to the Owners to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (iii) The Charterers shall promptly upon becoming aware that they must make a FATCA Deduction (or that there is any change in the rate or basis of a FATCA Deduction) notify the Owners accordingly. Within thirty (30) days of the Charterers making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Charterers shall deliver to the Owners evidence reasonably satisfactory to the Owners that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.
- (d) **FATCA Deduction by Owners** The Owners may make any FATCA Deduction they are required by FATCA to make, and any payment required in connection with that FATCA Deduction, and the Owners shall not be required to increase any payment in respect of which they make such a FATCA Deduction or otherwise compensate the recipient for that FATCA Deduction.
- (e) **FATCA Mitigation** Notwithstanding any other provision to this Charter, if a FATCA Deduction is or will be required to be made by any party under paragraph (c) (*FATCA Deduction and gross-up by Charterers*) in respect of a payment to the Owners as a result of the Owners not being a FATCA Exempt Party, the Owners shall have the right to transfer their interest in the Vessel (and this Charter) to any person nominated by the Owners and approved by the Charterers and all costs in relation to such transfer shall be for the account of the Charterers.

SCHEDULE 1
RELATED VESSELS AND RELEVANT INFORMATION

Name of Vessel	Owners	Charterers
m.v. "Arctic Aurora"	Tianjin Color-IV Leasing Limited	Fareastern Shipping Limited
m.v. "Clean Energy"	Tianjin Color-V Leasing Limited	Pegasus Shipholding S.A.
m.v. "Ob River"	Tianjin Color-VI Leasing Limited	Lance Shipping S.A.

SCHEDULE 2
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 **Tianjin Color-VII Leasing Limited** (the “**Owner**”) as owner and **Seacrown Maritime Ltd.** (the “**Bareboat Charterer**”) as bareboat charterer (as maybe amended and supplemented from time to time, the “**Bareboat Charter**”) in respect of one (1) LNG carrier named “Amur River” and registered under the laws and flag of the Republic of the Marshall Islands with IMO number 9317999 (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 _____ 20[●] in [●].

THE OWNER

THE BAREBOAT CHARTERER

Tianjin Color-VII Leasing Limited

Seacrown Maritime Ltd.

by:

by:

Name:

Name:

Title:

Title:

Date:

Date:

SCHEDULE 3
FORM OF TITLE TRANSFER PROTOCOL OF DELIVERY AND ACCEPTANCE

PROTOCOL OF DELIVERY AND ACCEPTANCE

m.v. "Amur River"

Tianjin Color-VII Leasing Limited of Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China (the "**Owner**") deliver to **Seacrown Maritime Ltd.** of Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Bareboat Charterer**") the Vessel described below and the Bareboat Charterer accept delivery of, title and risk to the Vessel pursuant to the terms and conditions of the bareboat charterer dated [●] 20[●] (as may be amended and supplemented from time to time) and made between (1) the Owner and (2) the Bareboat Charterer.

Name of Vessel:	m.v. "Amur River"
Flag:	the Republic of the Marshall Islands
Place of Registration:	Majuro
IMO Number:	9317999
Gross Registered Tonnage:	100,244
Net Registered Tonnage:	30,073
Dated:	20[●]
At: hours (Beijing time)	
Place of delivery:	
THE OWNER	THE BAREBOAT CHARTERER
Tianjin Color-VII Leasing Limited	Seacrown Maritime Ltd.
by:	by:

_____ Name:	_____ Name:
_____ Title:	_____ Title:
_____ Date:	_____ Date:

SCHEDULE 4
PERCENTAGE FOR CALCULATING PURCHASE OPTION FEE AND PREPAYMENT
FEE

the day on which the Purchase Option Date falls or the Prepaid Amount is payable	Percentage of Cost Balance or the Prepaid Amount to be utilised for calculating Purchase Option Fee or Prepayment Fee (%)
commencing on the Actual Delivery Date and ending on (and inclusive of) the date immediately preceding the Third Anniversary Date	1.5
commencing on the Third Anniversary Date	0

SIGNATURE PAGE

TO BAREBOAT CHARTER FOR THE LNG CARRIER
NAMED "AMUR RIVER"

THE OWNERS

Tianjin Color-VII Leasing Limited

by:

/s/ Xiong Jianfeng

Name: Xiong Jianfeng

Title: Legal Representative

Date: 19 June 2024

THE CHARTERERS

Seacrown Maritime Ltd.

by:

/s/ Angelos Chardouvelis

Name: Angelos Chardouvelis

Title: Attorney-in- fact

Date: 19 June 2024

Arctic LNG Carriers Ltd.

(as Sellers)

Tianjin Color-VII Leasing Limited

(as Buyers)

Memorandum of Agreement
in respect of one (1) LNG carrier named "Amur River"

Stephenson Harwood

罗夏信律师事务所

43/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

香港鲗鱼涌英皇道979号太古坊一座43楼

电话 T: +852 2868 0789 | 传真 F: +852 2868 1504

www.shlegal.com

**STEPHENSON
HARWOOD**

WEI TU CHINA ASSOCIATION

罗夏信-伟途 联营

TABLE OF CONTENTS

1. DEFINITIONS AND INTERPRETATIONS	4
2. SALE AND PURCHASE	7
3. PURCHASE PRICE	8
4. CURRENCY OF PAYMENT	8
5. PAYMENT NOTICE	9
6. PAYMENT	9
7. CONDITIONS PRECEDENT AND SUBSEQUENT	12
8. DETERMINATION OF MARKET VALUE	13
9. SELLERS' UNDERTAKINGS	13
10. MOA TERMINATION EVENTS	14
11. BUYERS' POWERS FOLLOWING CANCELLATION	15
12. CHANGES TO PARTIES	16
13. CUMULATIVE RIGHTS	16
14. NO WAIVER	16
15. ENTIRE AGREEMENT AND AMENDMENTS	17
16. INVALIDITY	17
17. ENGLISH LANGUAGE	17
18. NO PARTNERSHIP	17
19. NOTICES	17
20. COUNTERPARTS	18
21. THIRD PARTIES ACT	18
22. SPARES, BUNKERS AND OTHER ITEMS	19
23. ENCUMBRANCES	19
24. TAXES, COSTS AND EXPENSES	19
25. DELIVERY UNDER CHARTER	19
26. INDEMNITIES	20
27. CALCULATIONS AND CERTIFICATES	20

28. ENFORCEMENT	20
29. CONFLICT WITH CHARTER	22
30. BUYERS EVENT	22
SCHEDULE 1 CONDITIONS PRECEDENT AND SUBSEQUENT	23
SCHEDULE 2 FORM OF PAYMENT NOTICE	29

BETWEEN:

- (1) **Arctic LNG Carriers Ltd.**, a corporation incorporated under the laws of the Marshall Islands with registration number 77480 whose registered address is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Sellers**"); and
- (2) **Tianjin Color-VII Leasing Limited**, a company incorporated under the laws of the People's Republic of China (with unified social credit code 91120118MADHEDWD8R) whose registered address is Room 202, No. 6262 Aozhou Road, Dongjiang Free Trade Port Zone, Tianjin Pilot Free Trade Zone, the People's Republic of China (the "**Buyers**").

BACKGROUND:

- (A) The Sellers have agreed to sell one (1) LNG carrier named "Amur River" (with IMO number 9317999) (the "**Vessel**") to the Buyers upon the terms and conditions set forth in this Agreement.
- (B) The Buyers (as owners) have agreed to let the Vessel to the Charterers (as bareboat charterers) and the Charterers have agreed to hire the Vessel from the Buyers immediately upon the acceptance of the Vessel by the Buyers from the Sellers under this Agreement, pursuant to the terms and conditions set forth in a bareboat charter agreement (as amended and or supplemented from time to time) (the "**Charter**") entered or to be entered into between the Buyers (as owners) and the Charterers (as bareboat charterers) on or about the date of this Agreement.

IT IS AGREED as follows:

1. Definitions and interpretations

1.1 Definitions

Words and expressions having defined meanings in the Charter shall, except where otherwise defined herein, have the same meanings when used in this Agreement, and in this Agreement:

"**Approved Valuer**" each of Poten & Partners, Lorentzen & Co, Arrow Valuations, BRS Shipprokers, Fearnleys LNG, Clarkson Platou, Associated Shipbrokers Monaco, Nordic Shipping or any other qualified and reputable shipbroker as mutually agreed by the Sellers and the Buyers.

"**Bill of Sale**" means the bill of sale in respect of the Vessel to be executed by the Sellers (in a form acceptable to the Buyers and the Pre-Approved Flag, transferring title of the Vessel to the Buyers and stating that the Vessel is free from all Encumbrances or any other debts whatsoever).

"**Cancellation Notice**" has the meaning given to such term in Clause 11.1(a).

"**Cancelling Date**" means the date specified as such in the Cancellation Notice.

"**Charterers**" means Seacrown Maritime Ltd., a corporation incorporated under the laws of the Marshall Islands with registration number 10628.

“Current Owner” means the Charterers in their capacity as the registered owner of the Vessel as at the date of this Agreement.

“Delivery Date” has the meaning given to such term in Clause 2.2(b) (*Delivery*).

“Delivery Date CPs” means the conditions precedent required under (a)(i), (ii) and (iii) of Clause 7.2 (*Delivery Date conditions precedent*).

“Existing Credit Amount” means the outstanding amount owed by the Current Owner to the Existing Finance Parties and secured by the Existing Mortgage.

“Existing Finance Parties” means the finance parties for whom the Existing Mortgagee acts as security agent and trustee in connection with the Existing Mortgage.

“Existing Mortgage” means the Marshall Islands mortgage dated 25 September 2019 and executed by the Current Owner in favour of the Existing Mortgagee.

“Existing Mortgagee” means Citibank, N.A., London Branch acting through its office at Citigroup Center, Canada Square, London E14 5LB, United Kingdom.

“Existing Mortgagee’s Portion” has the meaning given to such term in Clause 6(a)(i).

“First MOA” means the memorandum of agreement in respect of the Vessel between the Sellers (as buyers) and the Current Owner (as sellers) in relation to the sale and purchase of the Vessel, as may be amended, supplemented and/or varied from time to time.

“Long Stop Date” means 31 August 2024 or such other date as the Sellers and the Buyers may agree.

“Market Value” means the value of the Vessel ascertained in accordance with Clause 8 (*Determination of Market Value*).

“MOA Termination Event” means each of the events specified in paragraph (a) of Clause 10 (*MOA Termination Events*).

“Owners” means the Buyers in their capacity as owners under the Charter.

“Party” means a party to this Agreement, and **“Parties”** means both of them.

“Payment Notice” means the notice of the amount payable by the Buyers under this Agreement to be issued by the Sellers to the Buyers at least five (5) Business Days prior to the anticipated Prepositioning Date, or such reasonable shorter period as the Buyers may agree to from time to time, in substantially the form set out in Schedule 2 (*Form of Payment Notice*) hereto (or such other form as the Buyers may require).

“Port State” means the jurisdiction in which delivery of the Vessel will take place and/or the jurisdiction which would otherwise have the power under all applicable laws to detain the Vessel before she is delivered by the Sellers to the Buyers.

“Potential MOA Termination Event” means, an event or circumstance which would, with the giving of any notice, the lapse of time, a determination of the Buyers or any combination of the foregoing, be an MOA Termination Event.

“Pre-Delivery Period” means the period commencing from the date of this Agreement up to the delivery of the Vessel by the Buyers on the Delivery Date.

"Prepositioning Date" means the date specified in the Payment Notice as the date on which the Buyers shall preposition the Purchase Price into the Existing Mortgagee, which shall not be earlier than three (3) Business Days prior to the Delivery Date.

"Purchase Price" means the lower of

- (a) US\$73,125,000; and
- (b) sixty-five per cent (65%) of the Market Value.

"Scheduled Delivery Date" means the date on which the Sellers are ready to deliver the Vessel in accordance with the terms of this Agreement, and in any event not later than the Long Stop Date, which Scheduled Delivery Date the Sellers shall notify to the Buyers in the Payment Notice.

"Sellers' Cancellation Notice" has the meaning given to such term in Clause 30.1.

"Sellers' PDA" means the protocol of delivery and acceptance in respect of the Vessel to be executed by the Sellers and the Buyers (in a form acceptable to the Buyers and the PreApproved Flag), evidencing the irrevocable and unconditional physical delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement.

"Sellers' Portion" has the meaning given to such term in Clause 6(a)(ii).

"Valuation Report" means, in relation to the Vessel, a desktop valuation report (without physical inspection) addressed to the Buyers and prepared:

- (a) by an Approved Valuer;
- (b) 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; and
- (c) on a date no earlier than thirty (30) days prior to the Delivery Date.

1.2 Interpretations

- (a) In this Agreement, unless the context otherwise requires, any reference to:
 - (i) to this Agreement includes the Schedules hereto and references to Clauses and Schedules are, unless otherwise specified, references to Clauses of and Schedules to this Agreement and, in the case of a Schedule, to such Schedule as incorporated in this Agreement 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;
 - (iv) "**assets**" includes present and future properties, revenues and rights of every description;
 - (v) the "**Buyers**", the "**Sellers**", the "**Charterers**", any "**Obligor**", "**SubCharterers**" or any other person include any of their respective successors, permitted assignees and permitted transferees;
 - (vi) a "**Relevant Document**" or any other 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;

- (vii) “**hereof**”, “**herein**” and “**hereunder**” and other words of similar import means this Agreement as a whole (including the Schedules) and not any particular part hereof;
 - (viii) “**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;
 - (ix) “**month**” means, save as otherwise provided, 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;
 - (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) 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;
 - (xii) “**protection and indemnity risks**” means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Clubs, including pollution risks, extended passenger cover and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies;
 - (xiii) a Potential MOA Termination Event is “**continuing**” if it has not been remedied or waived and an MOA Termination Event is “**continuing**” if it has not been waived; and
 - (xiv) 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 Agreement.
- (c) A time of day (unless otherwise specified) is a reference to Shanghai time.

2. Sale and purchase

2.1 Agreement for sale and purchase

Subject to the Buyers entering into the Charter concurrently with the entry into this

2.2 Delivery

- (a) The Vessel is at the date of this Agreement legally and beneficially owned by the Current Owner. The Vessel will, subject to the terms and conditions of this Agreement, be delivered by the Sellers to the Buyers under this Agreement simultaneously upon the delivery of the Vessel by the Current Owner to the Sellers under the First MOA. The Sellers shall notify the Buyers of the Scheduled Delivery Date by setting out the Scheduled Delivery Date in the Payment Notice.
- (b) The Vessel shall be sold and delivered by the Sellers, with full title guarantee, to the Buyers "as is where is" on the Scheduled Delivery Date, (or such later date which is agreed between the Sellers and the Buyers (in each case the "**Delivery Date**")), free and clear of all Encumbrances.
- (c) On the Delivery Date, the following events are to occur simultaneously:
 - (i) delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement; and
 - (ii) delivery of the Vessel by the Buyers (as owners under the Charter) to the Charterers (as bareboat charterers under the Charter) pursuant to the Charter (such date being, for the avoidance of doubt, the "Actual Delivery Date" as defined under the Charter).
- (d) On the Delivery Date, the Sellers shall deliver to the Buyers an executed Bill of Sale and other documents set out in paragraph (f) below, whereupon all of the title to, interest in and all ownership rights with respect to the Vessel shall pass from the Sellers to the Buyers.
- (e) Upon delivery of the Vessel, the Sellers and the Buyers shall execute the Sellers' PDA, whereupon the Sellers shall be deemed to have given, and the Buyers shall be deemed to have received and accepted, possession of the Vessel.
- (f) Upon delivery of the Vessel, the Sellers shall provide the Buyers with (i) all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto and (ii) electronic copies of all classification certificates, plans, drawings, record books, instruction manuals and other requisite certificates in respect of the Vessel as may be reasonably requested by the Buyers.
- (g) The Vessel shall be delivered safely afloat, having not become an actual, constructive or compromised total loss.

3. Purchase Price

- (a) The purchase price of the Vessel payable by the Buyers to the Sellers under this Agreement shall be an amount equal to the Purchase Price.
- (b) For the avoidance of doubt, the purchase price referred to above shall cover the purchase of the Vessel and, to the extent owned by the Sellers, everything then belonging to her on board.

4. Currency of payment

- (a) Subject to the remaining provisions of this Clause 4, USD is the currency of account

and payment for any sum due from:

- (i) the Buyers to the Sellers under this Agreement; and
 - (ii) an Obligor to the Buyers under any Transaction 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.

5. Payment Notice

5.1 Delivery of the Payment Notice

The Sellers may request the Buyers to make a payment in respect of the Purchase Price by delivery to the Buyers of the duly completed Payment Notice not fewer than five (5) Business Days prior to the anticipated Prepositioning Date.

5.2 Completion of the Payment Notice

The Payment Notice is irrevocable and will not be regarded as having been duly completed or valid unless:

- (a) it is delivered by the Sellers and received by the Buyers before the Long Stop Date;
- (b) it clearly:
 - (i) identifies the proposed Prepositioning Date and the Scheduled Delivery Date; and
 - (ii) sets out the precise amount of the Existing Mortgagee's Portion and (if applicable) the Sellers' Portion;
- (c) it is signed by an authorised signatory of the Sellers;
- (d) the currency of the Existing Mortgagee's Portion and (if applicable) the Sellers' Portion to be paid is US Dollars;
- (e) the Scheduled Delivery Date is a Business Day and is no later than the Long Stop Date; and
- (f) the proposed Prepositioning Date is earlier than the Delivery Date.

5.3 Buyers' right to suspend payment

- (a) If the Buyers receive a Sellers' Cancellation Notice, then the Buyers shall be entitled to not make any payment in relation to any Payment Notice.

6. Payment

- (a) The Sellers and the Buyers agree that the Purchase Price shall be paid by the Buyers in the following manner:
 - (i) the Existing Mortgagee's portion of the Purchase Price (the "**Existing Mortgagee's Portion**") in such amount as the Sellers shall notify the Buyers in the Payment Notice shall be paid by the Buyers by depositing with the Existing Mortgagee the Existing Mortgagee's Portion which shall be subsequently released to the Existing Mortgagee in accordance with paragraph (b)(i) below; and

- (ii) the remaining balance (if any) of the Purchase Price after deducting the amount of the Existing Mortgagee's Portion (the "**Sellers' Portion**") shall be paid by the Buyers by depositing with the Existing Mortgagee the Sellers' Portion which shall be subsequently released to the Sellers in accordance with paragraph (b)(ii) below.
- (b) On or before the Prepositioning Date:
 - (i) if the Buyers have received evidence (in the form of confirmation that an MT199 message is acceptable to the Existing Mortgagee and the Parties, each acting reasonably) that the Existing Mortgagee's Portion will be held to the order of the Buyers, and only be released to the Existing Mortgagee or to such person(s) as may be nominated by the Existing Mortgagee upon presentation to the Existing Mortgagee of a copy (transmitted by email or otherwise) of the Sellers' PDA which is duly signed by an authorised signatory of the Buyers and an authorised signatory of the Sellers, then the Buyers shall deposit with the Existing Mortgagee the Existing Mortgagee's Portion, to be so held and so released, **provided that** the Buyers' obligation to deposit with the Existing Mortgagee the Existing Mortgagee's Portion is always subject to the Buyers being satisfied that
 - (A) all of the conditions precedent listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto have been satisfied;
 - (B) the Delivery Date CPs will be satisfied on or before the Delivery Date;
 - (C) the conditions precedent to the delivery of the Vessel by the Current Owner to the Sellers under the First MOA have been or will be satisfied on the Delivery Date; and
 - (D) the Buyers have received evidence that the Current Owner has the funding to pay to the Existing Finance Parties any part of the Existing Credit Amount which is not being financed by the Buyers;
 - (ii) if the Buyers have received evidence (in the form of confirmation that an MT199 message is acceptable to the Existing Mortgagee and the Parties, each acting reasonably) that the Sellers' Portion will be held to the order of the Buyers, and only be released to the Sellers or to such person(s) as may be nominated by the Sellers upon presentation to the Existing Mortgagee of a copy (transmitted by email or otherwise) of the Sellers' PDA which is duly signed by an authorised signatory of the Buyers and an authorised signatory of the Sellers, then the Buyers shall deposit with the Existing Mortgagee the Sellers' Portion, to be so held and so released, **provided that** the Buyers' obligation to deposit with the Existing Mortgagee the Sellers' Portion is always subject to the Buyers being satisfied that
 - (A) all of the conditions precedent listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto have been satisfied;
 - (B) the Delivery Date CPs will be satisfied on or before the Delivery Date;

- (C) the conditions precedent to the delivery of the Vessel by the Current Owner to the Sellers under the First MOA have been or will be satisfied on the Delivery Date; and
 - (D) the Buyers have received evidence that the Current Owner has the funding to pay to the Existing Finance Parties any part of the Existing Credit Amount which is not being financed by the Buyers;
- (c) For the avoidance of doubt:
 - (i) either the amount of the Existing Mortgagee's Portion or the amount of the Sellers' Portion may be zero;
 - (ii) subject to paragraph (c) (iii) (2) below, if the Sellers fail to notify the Buyers of the amount of the Existing Mortgagee's Portion in accordance with paragraph (a)(i) above, the amount of Existing Mortgagee's Portion will be deemed zero;
 - (iii) if (1) as the Sellers notify the Buyers in accordance with paragraph (a)(i) above, the amount of the Existing Mortgagee's Portion is zero or (2) the amount of the Existing Mortgagee's Portion is deemed zero pursuant to paragraph (c)(ii) above, then the Sellers' Portion will equal the Purchase Price and paragraph (b)(i) above shall not apply; and
 - (iv) if the Sellers' Portion is zero, then the Existing Mortgagee's Portion will equal the Purchase Price and paragraph (b)(ii) above shall not apply.
- (d) The Sellers agree to release, discharge, defend, indemnify, waive and hold harmless the Buyers from and against any liability, obligation or claim which may be asserted, claimed or recovered against the Buyers for any reason directly arising out of the release or the failure to release (as the case may be) of any part of the Purchase Price by the Existing Mortgagee except if the same results from or is a direct consequence of the Buyers' gross negligence or wilful misconduct or failure to perform their obligations under this Agreement or their breach of any provisions under this Agreement.
- (e) Interest on the part of the Purchase Price actually deposited with the Existing Mortgagee at the rate per annum which is the aggregate of the Margin and the Overnight SOFR for the relevant period (the "**Remittance Interest**") shall:
 - (i) in the event that the Vessel is delivered to the Buyers on the Delivery Date, accrue from (and including) the Prepositioning Date until (but excluding) the Delivery Date; and
 - (ii) in the event that the Vessel is not delivered to the Buyers on the Delivery Date, accrue from the Prepositioning Date until the date the Purchase Price is returned by the Sellers to the Buyers in accordance with Clause 9(c) (both dates inclusive),

provided that the calculation of any Remittance Interest for each day during the relevant period shall be by reference to the Overnight SOFR applicable to that day.

The Sellers shall pay to the Buyers the amount of the Remittance Interest (or any part thereof) as notified by the Buyers to the Sellers within three (3) Business Days of the Buyers' demand.

In this Clause, “**Overnight SOFR**” means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate) on the relevant date and, if any such rate is below zero, that rate will be deemed to be zero, provided that if no such rate is available:

- (i) the Buyers shall give notice to the Sellers of the occurrence of such event; and
- (ii) the overnight rate shall be the rate notified to the Sellers by the Buyers as soon as practicable, and in any event before the relevant part of the Remittance Interest is due to be paid, to be that which expresses as a percentage rate per annum the cost to the Buyers of funding the Purchase Price from whatever source they may reasonably select.

7. Conditions precedent and subsequent

7.1 Initial conditions precedent

The Sellers may not deliver the Payment Notice unless the Buyers have received all the documents and other evidence listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers.

7.2 Delivery Date conditions precedent

- (a) The Buyers will only be obliged to purchase the Vessel, sign the Sellers' PDA and agree to the release of the pre-positioned Purchase Price and accept the Vessel under this Agreement on the Delivery Date if:
 - (i) on the Delivery Date, the Buyers have received all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (acting reasonably);
 - (ii) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment or release of the Purchase Price; and
 - (iii) the Repeating Representations are true in all material respects as if made on the Delivery Date.
- (b) For the avoidance of doubt, the Sellers must, on or before the Delivery Date, deliver to the Buyers all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (acting reasonably).

7.3 Conditions subsequent

The Sellers undertake to deliver or caused to be delivered to the Buyers the documents and evidence listed in Part III (*Conditions subsequent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto within the relevant time periods stipulated therein in form and substance satisfactory to the Buyers (acting reasonably).

7.4 No waiver

- (a) The conditions set out in this Clause are for the benefit of the Buyers and may be waived or deferred by the Buyers in whole or in part and with or without conditions. The foregoing is without prejudice to the Buyers' rights to require fulfilment of any such conditions by the Sellers in whole or in part at any time after the date of payment or release of the Purchase Price.
- (b) If the Buyers in their sole discretion agree to advance or release all or any part of the Purchase Price to the Sellers before all of the documents and evidence required by this Clause 7 have been delivered to the Buyers, the Sellers undertake to deliver all outstanding documents and evidence to the Buyers no later than the date specified by the Buyers (acting reasonably).

7.5 Form and content

All documents and evidence delivered to the Buyers under this Clause 7 shall be in form and substance acceptable to the Buyers (acting reasonably).

8. Determination of Market Value

- (a) The Market Value of the Vessel shall be the arithmetic mean of the valuation from two Valuation Reports, each issued by an Approved Valuer designated by the Sellers.
- (b) The Sellers shall arrange, deliver to the Buyers and bear the cost of the issue of the Valuation Reports required under this Clause 8.
- (c) If an Approved Valuer determines that the valuation of the Vessel shall fall within a range, the valuation as determined by such Approved Valuer shall be deemed to be the lower value of such range.
- (d) The valuation shall be provided by an Approved Valuer in US Dollars.

9. Sellers' undertakings

The Sellers hereby undertake to the Buyers that they will comply in full and procure compliance (where applicable) with the following undertakings throughout the PreDelivery Period.

- (a) **Notification of MOA Termination Event** The Sellers shall promptly, upon becoming aware of the same, inform the Buyers in writing of the occurrence of any MOA Termination Event (and the steps, if any, being taken to remedy this) and, upon receipt of a written request to that effect from the Buyers, confirm to the Buyers that, save as previously notified to the Buyers or as notified in such confirmation, no MOA Termination Event is continuing or if an MOA Termination Event is continuing specifying the steps, if any, being taken to remedy it.
- (b) **Delivery costs and expenses** The Sellers shall pay for all delivery costs in relation to the Vessel.
- (c) **Refund of pre-positioned amount** If the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*) but delivery of the Vessel does not occur on or before the Long Stop Date, then the Sellers shall refund to the Buyers the Purchase Price so transferred by the Buyers on demand by the Buyers together with the Remittance Interest, **provided that** the Sellers' obligations under this subparagraph (c) shall be deemed to be complied by any repayment (but

only to the extent and amount of such repayment) by the Existing Mortgagee to the Buyers of any part of the Purchase Price so transferred by the Buyers in connection with Clause 6 (*Payment*).

(d) **Emissions Legislation etc**

- (i) The Sellers shall:
 - (A) comply with all Emissions Legislation applicable to them prior to the Delivery Date; and
 - (B) whenever requested by the Buyers, promptly provide to the Buyers particulars of all and any outstanding charges due or collectable by the relevant entities charged with administering compliance with Emissions Legislation applicable to them and/or the Vessel or in respect of the Emissions Legislation prior to the Delivery Date; and
- (ii) The Sellers will pay or cause to be paid all amounts required to be paid by them and/or the Vessel in respect of the Emissions Legislation arising out of or in connection with the Emissions Legislation prior to the Delivery Date, and the Sellers will on demand indemnify the Buyers for any and all amounts paid or required to be paid by the Buyers and/or the Vessel in connection with the Emissions Legislation for voyages taking place prior to the Delivery Date, together with (i) all losses, costs and expenses suffered or incurred by the Buyers and/or the Vessel arising out of or in connection with the Emissions Legislation for voyages taking place prior to the Delivery Date, and (ii) any penalties, charges or other amounts levied against the Buyers and/or the Vessel due to any failure of the Sellers to comply with the Emissions Legislation for voyages taking place prior to the Delivery Date.
- (iii) **No breach of Sanctions** The Sellers shall not, and shall not permit or authorise any other person to, directly utilise or employ the Vessel or to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds or any other benefits of any transaction(s) contemplated by the Transaction Documents to fund any trade, business or other activities:
 - (A) involving or for the benefit of any Restricted Party if to do so would be prohibited by Sanctions applicable to any Obligor, the Buyers or any Finance Party; and
 - (B) in any other manner that would result in any Obligor, the Owners or any Finance Party (if applicable) being in breach of any applicable Sanctions or becoming a Restricted Party.
- (iv) **Anti-corruption and anti-bribery laws** The Sellers warrant, represent and agree that they and their respective officers, directors, employees, consultants, agents and/or intermediaries have complied with, and shall comply with, all applicable Business Ethics Laws in connection with this Agreement.

10. MOA Termination Events

- (a) Each of the following events shall constitute an MOA Termination Event:

(i) **Conditions precedent and subsequent**

Following the service of the Payment Notice:

- (A) any of the conditions set out in Clause 7 (*Conditions precedent and subsequent*) is not satisfied by the date specified by the Buyers pursuant to Clause 7.4(b) (*No waiver*); or
- (B) any of the conditions referred to in Clause 7.3 (*Conditions subsequent*) is not satisfied by the relevant time specified pursuant to Clause 7.3 (*Conditions subsequent*) or such later time period specified by the Buyers in their discretion, acting reasonably; or

(ii) **Charter and Related MOA termination events**

- (A) the Buyers (as owners under the Charter) served a Termination Notice on the Charterers (as charterers under the Charter); or
- (B) there occurs any event or circumstance referred to in paragraph (a) of clause 10 (*MOA Termination Events*) of a Related MOA; or

(iii) **Late delivery of Vessel** the Vessel is not delivered by the Sellers to the Buyers under this Agreement by the Long Stop Date (including, without limitation, by reason of failure by the Sellers to satisfy any of their obligations under Clause 7 (*Conditions precedent and subsequent*)); or

(iv) **Sellers' undertakings** the Sellers fail duly to perform or comply with any of their obligations under Clause 9 (*Sellers' undertakings*) **provided that** no MOA Termination Event under this paragraph will occur if the failure to perform or comply is capable of remedy (to the extent that the Buyers consider, in their reasonable discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Buyers within three (3) Business Days after the earlier of (A) the Buyers having given notice thereof to the Sellers and (B) the Sellers becoming aware of such failure to perform or comply.

- (b) Upon the occurrence of an MOA Termination Event which is continuing, and without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement, the Buyers may exercise their rights and powers referred to under Clause 11 (*Buyers' powers following cancellation*).

11. Buyers' powers following cancellation

11.1 Powers following cancellation

Without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement and the other Transaction Documents, at any time after the occurrence of an MOA Termination Event which is continuing:

- (a) the Buyers may by notice in writing to the Sellers (such notice being the "**Cancellation Notice**") cancel the Buyers' purchase of the Vessel under this Agreement on the Cancelling Date, whereupon the Buyers shall be relieved from any obligation to pay any part of the Purchase Price (or any other amount) under this Agreement from the Cancelling Date, and the Sellers shall upon demand:
 - (i) if the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*), refund to the Buyers the full amount

of the Purchase Price which the Buyers have already paid by the Cancelling Date; and

- (ii) to the extent that the same has not be recovered by the Buyers under the Charter, pay the Buyers any documented expenses, costs and disbursements (including, without limitation, any legal and other experts' costs) incurred by the Buyers, and any liabilities of the Buyers suffered or incurred by the Buyers, arising out of the transactions contemplated by this Agreement and the other Transaction Documents; and
- (b) if the Sellers have not paid the Buyers in full the amounts payable under paragraph (a) above, the Buyers shall become immediately entitled:
 - (i) to collect, recover, compromise and give a good discharge for, all claims then outstanding or arising subsequently under or in respect of all or any part of such claims, and to take over or institute (if necessary using the names of the Sellers) all such proceedings as the Buyers in their sole and absolute discretion think fit;
 - (ii) to recover from the Sellers on demand all documented costs and expenses (including, without limitation, legal fees) incurred or paid by the Buyers in connection with the exercise of the powers (or any of them) referred to in this Clause 11.1; and
 - (iii) to not make any payment in relation to the Payment Notice.

11.2 Delegation

The Buyers may delegate in any manner to any person any rights exercisable by the Buyers under this Agreement, provided always that any such person to whom rights are delegated is not a Restricted Party. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Buyers (acting reasonably) think fit.

11.3 Survival of Sellers' obligations

The termination of this Agreement for any cause whatsoever shall not affect the right of the Buyers to recover from the Sellers any money due to the Buyers in consequence thereof and all other rights of the Buyers (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Agreement) are reserved hereunder.

12. Changes to parties

The Sellers may not assign or transfer any or all of their rights or obligations under this Agreement.

The Buyers may not assign or transfer any or all of their rights under this Agreement other than (i) by way of security, (ii) where an MOA Termination Event has been continuing for thirty (30) days or more, (iii) after the issuance of a Cancellation Notice by the Buyers or (iv) after the issuance of a Sellers' Cancellation Notice by the Sellers.

13. Cumulative rights

The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.

14. 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 Agreement will operate as a waiver. No waiver of any breach of any provision of this Agreement 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.

15. Entire agreement and amendments

- (a) The written terms of this Agreement comprise the entire agreement between the Buyers and the Sellers in relation to the sale and purchase of the Vessel and supersede all previous agreements whether oral or written between the Parties in relation to this Agreement.
- (b) Each of the Parties acknowledges that in entering into this Agreement, it has not relied on and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether or not made negligently) other than as expressly set out in this Agreement.
- (c) Any terms implied into this Agreement by the Sale of Goods Act 1979 are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud.
- (d) This Agreement may not be amended, altered or modified except by a written instrument executed by each of the Parties.

16. Invalidity

If any term or provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable the remainder of this Agreement 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 Agreement) not be affected thereby and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

17. English language

All notices, communications and financial statements and reports under or in connection with this Agreement 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.

18. No partnership

Nothing in this Agreement 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 Agreement.

19. Notices

- (a) Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by letter or email.

- (b) The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement are:

- (i) in the case of the Sellers:

Arctic LNG Carriers Ltd.

Address: c/o Dynagas Ltd., 97 Poseidonos Avenue and 2 Foivis Street, 166-74 Glyfada, Athens, Greece

Email: lngcoordination@dynagas.com

Attention: Michael Gregos

- (ii) in the case of the Buyers:

Tianjin Color-VII Leasing Limited

Address: c/o CDB Leasing Co. Ltd., 3502-03, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai 200122, the People's Republic of China

Email: wangmeng@cdb-leasing.com

Attention: Wang Meng

or any substitute address, email address, department or officer as either Party may notify to the other by not less than five (5) Business Days' notice.

- (c) Any communication or document made or delivered by one Party to the other under or in connection with this Agreement will only be effective:

- (i) if by way of email, when sent with no error message received; or
- (ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under paragraph (b) above, if addressed to that department or officer.

Any communication or document which becomes effective, in accordance with this paragraph (c), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

20. Counterparts

This Agreement 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.

21. Third Parties Act

- (a) Any person which is an Indemnitee or a Finance Party from time to time and is not a Party shall be entitled to enforce such terms of this Agreement as provided for in this Agreement in relation to the obligations of the Sellers to such Indemnitee or

(as the case may be) Finance Party, subject to the provisions of Clause 28.1 (*Law and arbitration*) and the Third Parties Act. The Third Parties Act applies to this Agreement as set out in this Clause 21.

- (b) Save as provided above, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Agreement.

22. Spares, bunkers and other items

- (a) To the extent owned by the Sellers, the Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board and on shore.
- (b) All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of delivery used or unused, whether on board or not shall become the Buyers' property.
- (c) Any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and any unused stores and provisions shall be included in the sale and be taken over by the Buyers without extra payment.
- (d) Forwarding charges, if any, shall be for the Sellers' account.
- (e) Concurrent with the delivery of the Vessel under this Agreement, the Buyers shall obtain title and ownership to the classification certificate(s) as well as all plans, drawings and manuals, which are on board the Vessel and shall remain on board the Vessel. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the same are required to be handed over to the Charterers (as bareboat charterers under the Charter), in which case the Buyers have the right to take copies.
- (f) Copies of other technical documentation in respect of the Vessel which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at the Sellers' expense, if the Buyers so request.

23. Encumbrances

The Sellers warrant that the Vessel, at the time of delivery, is free from all charters (other than the Charter and the Sub-Charter), Encumbrances or any other debts whatsoever, and is not subject to any Port State or other administrative detentions. The Sellers hereby undertake to indemnify the Buyers against, and hold the Buyers harmless from, all direct or indirect consequences of claims made against the Vessel which have been incurred prior to the time of delivery.

24. Taxes, costs and expenses

Any Taxes (save for any taxes levied on the Buyers by competent tax authorities in their place of incorporation by reference to the net income received by the Buyers), costs and reasonable and documented expenses in connection with the purchase and registration in the Pre-Approved Flag and any similar charges incurred in connection with the sale of the Vessel under this Agreement shall be for the Sellers' account.

25. Delivery under Charter

- (a) The Buyers undertake to simultaneously with the delivery of the Vessel under this Agreement deliver the Vessel to the Charterers (as bareboat charterers) pursuant the Charter.

- (b) The Sellers shall be fully responsible for the Buyers' fulfilment of physical delivery as new owner of the Vessel to the Charterers (as charterers) under the Charter. The Buyers' obligation to make or release a payment in respect of the Purchase Price under this Agreement is subject to the Charterers (as charterers) taking delivery of the Vessel under the Charter immediately after the Buyers take delivery of the same from the Sellers under this Agreement.

26. Indemnities

- (a) Whether or not any of the transactions contemplated hereby are consummated, the Sellers shall indemnify, protect, defend and hold harmless the Buyers and their officers, directors, agents and employees (collectively, the "**Indemnitees**") throughout the Pre-Delivery Period from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, fees, tax (save for any taxes levied on the Buyers by competent tax authorities in their place of incorporation by reference to the net income received by the Buyers), claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including documented and reasonable legal fees and expenses, of whatsoever kind and nature imposed on, suffered or incurred by or asserted against any Indemnatee, 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 Agreement and any amendment, supplement or modification thereof or thereto requested by the Sellers;
 - (ii) the delivery (including the Vessel not being delivered on the Scheduled Delivery Date after the Sellers have informed the Buyers of the Scheduled Delivery Date), or registration and purchase of the Vessel by the Buyers, whether or not the Vessel is in the possession or the control of the Sellers;
 - (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 Sellers under this Agreement or the falsity of any representation or warranty of the Sellers in this Agreement or the occurrence of any MOA Termination Event;
 - (iv) funding, or making arrangements to fund, an amount required to be paid by the Buyers pursuant to the Payment Notice but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of the default or negligence of the Buyers).
- (b) Notwithstanding anything to the contrary herein, the indemnities provided by the Sellers in favour of the Buyers shall continue in full force and effect notwithstanding any breach of the terms of this Agreement or termination of this Agreement pursuant to the terms hereof.

27. Calculations and certificates

- (a) In any litigation or arbitration proceedings arising out of or in connection with this Agreement, the entries made in the accounts maintained by the Buyers are, in the absence of manifest error or any question of law, prima facie evidence of the matters to which they relate excepting in respect of payment of the Purchase Price which shall require independent evidence.
- (b) Any certification or determination by the Buyers of a rate or amount under this Agreement is, in the absence of manifest error or any question of law, conclusive evidence of the matters to which it relates.

- (c) Unless otherwise specified, any interest, commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, where the amount is payable in a currency other than US Dollars, such period as is customary for such currency).

28. Enforcement

28.1 Law and arbitration

- (a) This Agreement and any non-contractual obligations arising from or in connection with it shall in all respects be governed by and interpreted in accordance with English law.
- (b) 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 28.1(b).
 - (i) The arbitration shall be conducted in accordance with the London Maritime Arbitrators' Association ("LMAA") Terms current at the time when arbitration proceedings are commenced.
 - (ii) The reference shall be to three (3) arbitrators, one to be appointed by each Party and the third, subject to the provisions of the LMAA Terms, by the two so appointed. The arbitration proceedings shall be conducted in English.
 - (iii) 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.
 - (iv) 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.
 - (v) The award of a sole arbitrator shall be binding on both Parties as if he had been appointed by agreement.
 - (vi) Nothing herein shall prevent the Parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
 - (vii) In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
 - (viii) The seat of the arbitration shall be England, even where any hearing takes place outside England.
 - (ix) The law governing this Clause 28.1(b) shall be English law.

28.2 Waiver of immunity

To the extent that the Sellers have acquired or may, after the date of this Agreement, acquire any immunity, with respect to themselves and their revenues and assets (irrespective of their use or intended use), on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of their assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which they or their revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and they irrevocably agree, to the extent permitted by applicable law, that they will not claim any immunity in any such proceedings),

the Sellers irrevocably and expressly waives, to the extent permitted by applicable law, such immunity in respect of their obligations under this Agreement.

29. Conflict with Charter

This Agreement is subject to the terms and provisions of the Charter and to the extent there is any conflict between this Agreement and the Charter, the terms and provisions of the Charter shall prevail.

30. Buyers Event

30.1 If (x) the Owners or an Owners' Affiliate become a Restricted Party or (y) the Owners fail to pay the Purchase Price in accordance with this Agreement (otherwise than, for the avoidance of any doubt, as a result of (A) the occurrence of an MOA Termination Event or (B) a failure by the Sellers to comply with the provisions of Clause 7) unless payment is made within five (5) Business Days of its due date (each of (x) and (y) above, a "**Buyers Event**") and that Buyers Event is not remedied within 30 Business Days after the receipt by the Buyers of written notice from the Sellers requesting remedy, the Sellers may give the Buyers notice (the "**Sellers' Cancellation Notice**") of their intention to do so and pay to the Buyers:

- (a) if the Buyers have made a transfer of funds to the Existing Mortgagee in accordance with Clause 6 (*Payment*), the full amount of the Purchase Price which the Buyers have already paid; and
- (b) to the extent that the same has not been recovered by the Buyers under the Charter, any documented expenses, costs and disbursements (including, without limitation, any legal and other experts' costs) incurred by the Buyers, and any liabilities of the Buyers suffered or incurred by the Buyers, arising out of the transactions contemplated by this Agreement and the other Transaction Documents.

30.2 Following the receipt by the Buyers of all the amounts referred to above in this Clause, the Sellers' sale of the Vessel under this Agreement shall be cancelled and the Sellers and the Buyers shall be relieved from any further obligation under this Agreement.

Schedule 1
Conditions precedent and subsequent

Part I – Initial conditions precedent

1. Obligors

- (a) **Constitutional documents** Certified true copies of the constitutional documents (or equivalent documents) (and all amendments thereto) of each Obligor and any other documents required to be filed or registered or issued under the laws of their jurisdiction of incorporation to establish their incorporation.
- (b) **Written resolutions** Certified true copies of written resolutions or (as the case may be), resolutions passed at separate meetings, in each case, of the board of directors and (if required by any legal advisor to the Buyers) shareholders of each Obligor (or, in the case of the Charter Guarantor, its sole member or general partners), in each case evidencing their respective approvals of the Transaction Documents and authorising appropriate officers or attorneys to execute the same and to sign all notices required to be given hereunder or thereunder on their behalf or other evidence of such approvals and authorisations as shall be acceptable to the Buyers.
- (c) **Certificate of good standing and power of attorney** A certified true copy of a certificate of good standing of each Obligor issued no earlier than ten (10) days prior to its provision to the Buyers and, if applicable, the original power of attorney of each Obligor under which any document (including the Transaction Documents) are to be executed or transactions undertaken by that party.
- (d) **Officer's certificates** A certificate of a duly authorised representative of each Obligor:
 - (i) certifying that each copy document relating to it specified in this Part I of Schedule 1 is correct, complete and in full force and effect;
 - (ii) setting out the names of the directors, officers and shareholders of that Obligor and the proportion of shares held by each shareholder; and
 - (iii) confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on that Obligor to be exceeded.

2. Transaction Documents and related documents

- (a) **Vessel-related documents** Photocopies, certified as true, accurate and complete by a duly authorised representative of the Sellers, of all Relevant Documents (excluding the Transaction Documents).
- (b) **Transaction Documents** A duly executed original of each Transaction Document (other than any Quiet Enjoyment Agreement and any Finance Party Quiet Enjoyment Agreement), in each case together with all other documents required by any of them according to their terms, including, without limitation, all notices of assignment, charge and/or pledge and acknowledgements of all such notices of assignment, charge and/or pledge (other than (i) the acknowledgements from the Sub-Charterers of the notices of assignment given pursuant to the Charterers' Assignment and (ii) the letters of undertaking referred to in the Charterers' Assignment).
- (c) **No disputes** The written confirmation of the Sellers that to the best of their

knowledge there is no dispute under any of the Relevant Documents as between the parties to any such document.

- (d) **Title transfer documents** Agreed forms of the following documents:
 - (i) the Bill of Sale;
 - (ii) the Sellers' PDA; and
 - (iii) the bill of sale (which shall be in a form recordable in the Pre-Approved Flag) pursuant to the First MOA and the protocol of delivery and acceptance (which shall be in a form acceptable to the Pre-Approved Flag) pursuant to the First MOA.
 - (e) **Commercial invoice** An agreed form of the commercial invoice for the Vessel to be issued by the Sellers.
 - (f) **Payment Notice** A copy of the duly completed Payment Notice.
 - (g) **Sellers' contribution** Evidence of full payment to the Existing Mortgagee of any part of the Existing Credit Amount which is due and payable on or before the Payment Date and which is not being financed by the Buyers.
3. **Legal opinions** A legal opinion of the legal advisers to the Buyers in each relevant jurisdiction (including England and Wales, the Marshall Islands, , Switzerland and the PRC or confirmation satisfactory to the Buyers that such an opinion will be given.
4. **Other documents and evidence**
- (a) **Other Authorisation** A copy of any other Authorisation or other document, opinion or assurance which the Buyers consider to be necessary or desirable 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, which, at the date of this Agreement, the Buyers are not aware of, and the Buyers shall to the extent any authorisation becomes necessary after the date of this Agreement, provide reasonable notice to the Seller of such required authorisation.
 - (b) **Fees** Evidence that the fees, costs and expenses due from the Sellers to the Buyers under Clauses 24 (*Taxes, costs and expenses*) and 26 (*Indemnities*) have been paid in accordance with the terms of such Clauses; evidence that the Arrangement Fee under clause 54 (*Fees and expenses*) of the Charter has been paid in accordance with such clause.
 - (c) **"Know your customer" documents** Such documentation and other evidence as is reasonably requested by the Buyers or the Finance Parties in order for the Buyers or the Finance Parties to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Transaction Documents.
 - (d) **Valuation** Copies of the Valuation Reports referred to in Clause 8.
5. **Evidence of insurance**
- (a) Evidence that the Vessel will on the Delivery Date be insured in the manner required by the Transaction Documents.
 - (b) Agreed form of an insurance report from BankServe Insurance Services Limited or

other insurance consultants approved by the Buyers in form and substance satisfactory to the Buyers on the insurances effected or to be effected on the Vessel pursuant to the Transaction Documents (such approval not to be unreasonably withheld).

6. **Evidence of Current Owner's title** Copies of (1) the certificate of registry and (2) a transcript of register issued by the competent authority of the Pre-Approved Flag evidencing the Current Owner's ownership of the Vessel.

1 **Vessel-related documents**

(a) **Title transfer documents**

- (i) Originals of the Bill(s) of Sale, duly executed, notarially attested and legalised or apostilled, as required by the Pre-Approved Flag; and
- (ii) Original of the duly executed Sellers' PDA;
- (iii) Original of the bill of sale duly executed by the Current Owner in favour of the Sellers (duly notarially attested and legalised or apostilled, as required by the Pre-Approved Flag) pursuant to the First MOA; and
- (iv) A copy of the protocol of delivery and acceptance duly executed by the Current Owner and the Sellers pursuant to the First MOA

(b) **Technical documents** Copies of the following (or provisional versions thereof):

- (i) the Approved Manager's current Document of Compliance (as such term is defined pursuant to the ISM Code);
- (ii) the Vessel's current IAPPC;
- (iii) the Vessel's current tonnage certificate;
- (iv) the Vessel's classification certificate evidencing that it is free of all recommendations and requirements from the Classification Society;
- (v) the Vessel's current Safety Management Certificate (as such term is defined pursuant to the ISM Code); and (vi) the Vessel's current ISSC,

in each case together with all addenda, amendments or supplements.

- (c) **Evidence of Current Owner's clean title** A copy of the transcript of register issued on the Delivery Date by the competent authority of the Pre-Approved Flag evidencing the Current Owner's ownership of the Vessel and that the Vessel is free from registered Encumbrances.
- (d) **Evidence of Buyers' title** Evidence that any Encumbrance registered against the Vessel has been cancelled and evidence that on the Delivery Date the Vessel will be registered under the Pre-Approved Flag in the ownership of the Buyers.
- (e) **Commercial invoice** An original of the commercial invoice for the Vessel issued by the Sellers.
- (f) **Sellers' letter of confirmation** An original of the Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not black listed by any nation or international organisation.

2 **Other Authorisation** Such other Authorisation or other document, opinion or assurance which the Buyers consider to be necessary 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 Buyers).

- 3 **Conditions precedent under the Charter** Evidence that all the documents and evidence required as conditions precedent under clause 36 (*Conditions precedent*) of the Charter have been or will be received by the Buyers (as owners under the Charter) on the Delivery Date.

Part III – Conditions subsequent

The Sellers undertake to deliver or cause to be delivered to the Buyers the following documents and evidence within the relevant time period as specified below:

1. **Technical documents**

To the extent that any certificate received by the Buyers and referred to in paragraph 1(c) of Part II (*Delivery Date conditions precedent*) of this Schedule was in provisional form at the time of the receipt, deliver or cause to be delivered to the Buyers the corresponding formal certificate as soon as possible after the Sellers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate.

2. **Insurance Report** Within fifteen (15) Business Days from the Delivery Date, a copy of an insurance report signed by BankServe Insurance Services Limited or other insurance consultants approved by the Buyers on the insurances effected on the Vessel pursuant to this Agreement, in a form approved by the Buyers prior to the Delivery Date (such approval not to be unreasonably withheld).

3. **Evidence of Buyers' title** On the Delivery Date (as evidenced by the Sellers' PDA), the Vessel's certificate of ownership and encumbrance issued by the registry of ships of the Pre-Approved Flag confirming that the Vessel is registered under that flag in the ownership of the Buyers.

4. **Letters of undertaking** Within ten (10) Business Days from the Delivery Date letters of undertaking in respect of the Insurances as required by the Transaction Documents, together with copies of the relevant policies or cover notes or entry certificates in respect of the Insurances duly endorsed with the interest of the Buyers.

5. **Legal opinions** Such of the legal opinions specified in Part I of this Schedule 1 as have not already been provided to the Buyers.

6. **Charge registrations** Within thirty (30) days after the Delivery Date, evidence that the prescribed particulars of any Security Documents have been delivered to the registry of companies/corporations of the relevant Obligor's jurisdiction within the statutory time limit.

**Schedule 2
Form of Payment Notice**

To: **Tianjin Color-VII Leasing Limited**

From: **Artic LNG Carriers Ltd.**

20[●]

Dear Sirs

**LNG carrier named “Amur River”
memorandum of agreement dated**

2024 (the “MOA”)

1. We refer to the MOA. This is a Payment Notice.
2. Terms defined in the MOA shall have the same meaning in this Payment Notice unless given a different meaning in this Payment Notice.
3. Pursuant to clause 5.2 (*Completion of the Payment Notice*) of the MOA we irrevocably request that you pre-position a sum of US\$[●], being the aggregate of:

- (i) the Existing Mortgagee's Portion of US\$[●]; and
- (ii) the Sellers' Portion of US\$[●],

with the Existing Mortgagee on _____ (being the Prepositioning Date), which is a Business Day, by remitting such sum (accompanied by an MT199 message) on that date to the following account:

Beneficiary Bank:	[●]
Beneficiary Bank Swift Code:	[●]
Beneficiary Bank Address:	[●]
Account Number:	[●]
Account Name:	[●]

on terms that (unless returned to you in accordance with that MT199 message) such sum is to be held by the Existing Mortgagee and released by it, in each case according to the terms of that MT199 message.

7. The Scheduled Delivery Date is [●].
8. We warrant that:
 - (a) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment of the Existing Mortgagee's Portion and/or the Sellers' Portion;
 - (b) the Repeating Representations are true in all material respects on the date of this Payment Notice and the actual date of payment; and
 - (c) we shall hold you harmless and keep you indemnified against all consequences of any inaccuracy of any details set out in this Payment Notice or any other payment instructions sent or purported to be sent to you by us or on our behalf.
9. We confirm that to the best of our knowledge there is no dispute under any of the Relevant Documents, as between the parties to any such document as at the date of this Payment Notice.

Yours faithfully

For and on behalf of
Arctic LNG Carriers Ltd.

.....

Name:

Title:

IN WITNESS of which the parties to this Agreement have executed this Agreement the day and year first before written.

SELLERS

Signed by Angelos Chardouvelis
as duly authorised Attorney-in- fact
for and on behalf of
Arctic LNG Carriers Ltd.
in the presence of:

/s/ Angelos Chardouvelis

Witness signature: /s/ Daniela Lianou
Name: Daniela Lianou
Address: 2 Foivis street, 166 74 Glyfada, Greece

BUYERS

Signed by Xiong Jianfeng
as duly authorised Legal Representative
for and on behalf of
Tianjin Color-VII Leasing Limited
in the presence of:

/s/ Xiong Jianfeng

Witness signature: /s/ Wang Meng
Name: Wang Meng
Address: Room 3502-03, 35F, Century Link Tower 2, No. 1196 Century Avenue, Pudong New District, Shanghai

Subsidiaries of Dynagas LNG Partners LP

Name	Jurisdiction of Formation
Dynagas Operating LP	Marshall Islands
Dynagas Operating GP LLC	Marshall Islands
Dynagas Equity Holding Ltd.	Marshall Islands
Dynagas Finance Inc.	Marshall Islands
Dynagas Finance LLC	Delaware
Pegasus Shipholding S.A.	Marshall Islands
Seacrown Maritime Ltd.	Marshall Islands
Lance Shipping S.A.	Marshall Islands
Noteworthy Shipping Limited	Malta
Navajo Marine Limited	Marshall Islands
Solana Holding Ltd.	Marshall Islands
Dynagas LNG Carriers Ltd.	Marshall Islands

DYNAGAS LNG PARTNERS LP
POLICIES AND PROCEDURES TO DETECT AND
PREVENT INSIDER TRADING

(Revised: April 1, 2025)

GENERAL

The purchase or sale of securities while aware of material non-public information, or the disclosure of material non-public information to others who then trade in securities, is prohibited by the U.S. federal securities laws. Insider trading violations are pursued vigorously by the U.S. Securities and Exchange Commission (the “SEC”) and the U.S. Department of Justice and are punished severely. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the U.S. federal securities laws also impose potential liability on companies and other “controlling persons” if they fail to take reasonable steps to prevent insider trading by company personnel.

The Board of Directors (the “**Board**”) of Dynagas LNG Partners LP (the “**Partnership**”) has adopted this policy (this “**Policy**”) both to satisfy the Partnership’s obligation to prevent insider trading and to help Partnership personnel avoid the severe consequences associated with violations of the insider trading laws. This Policy also is intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Partnership. This Policy will be administered by the Partnership’s Chief Financial Officer.

WHOM DOES THIS POLICY COVER?

This Policy covers all of the Partnership’s officers, directors, employees, and its affiliates and certain officers, directors, and employees of entities that regularly provide management or other services to the Partnership, including Dynagas Ltd. (the “**Manager**”), (each, an “**insider**” and collectively referred to herein as “**insiders**”). This Policy also applies to an insider’s family members who reside with such insider, anyone else who lives in such insider’s household, and any family members who do not live in such insider’s household but whose transactions in securities are directed by the insider or are subject to the insider’s influence or control (such as parents or children who consult with the insider before they trade in securities). Each insider is responsible for the transactions of these other related persons and therefore should make them aware of the need to confer with such insider before they trade in the Partnership’s securities.

It is the policy of the Partnership that no insider who is aware of material non-public information relating to the Partnership may, directly or through family members or other persons or entities, (a) buy or sell securities of the Partnership (other than pursuant to a pre-approved Trading Plan that complies with SEC Rule 10b5-1), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Partnership, including family and friends. In addition, it is the policy of the Partnership that no insider who, in the course of working for or on behalf of the Partnership, learns of material non-public information about a company with which the Partnership does business, including a customer or supplier of

the Partnership, may trade in that company's securities until the information becomes public or is no longer material.

The Partnership forbids any insider from trading, either for his or her personal account or on behalf of others, while in possession of material non-public information, or communicating material non-public information to others in violation of the law. This prohibited conduct is often referred to as “**insider trading**.”

- This Policy extends to each insider's activities within and outside his/her duties at the Partnership. Each insider must read and retain this Policy.
- Failure to comply with this Policy may cause an employee to be subject to disciplinary action.

WHAT IS INSIDER TRADING?

The term “**insider trading**” generally is used to refer to trading while in possession of material non-public information (whether or not one is an “**insider**”) and/or to communications of material non-public information to others. The law in this area is generally understood to prohibit, among other things:

- trading by an insider (buying, selling, or otherwise engaging in any transactions, either directly or through a third party) while in possession of material non-public information;
- trading by a non-insider while in possession of material non-public information, where the information either was disclosed to the non-insider in violation of an insider's duty to keep it confidential or the information was misappropriated;
- trading while in possession of material non-public information concerning a tender offer;
- wrongfully communicating, or “**tipping**”, material non-public information to others who might trade in Partnership securities;
- directly or indirectly, disclosing material non-public information to anyone: (i) within the Partnership whose job does not require them to have that information; or (ii) outside the Partnership, including but not limited to, family members, friends, business associates, investors, or consulting firms, unless the disclosure is authorized by the Partnership.

Tipping Information

Any individual who is aware of material non-public information from their relationship with the Partnership is prohibited from trading on or tipping that information to another person to trade on. Insiders may be liable for communicating or tipping material non-public information to a third party (“**Tippee**”), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including Tippees who

trade on material non-public information tipped to them or individuals who trade on material non-public information that has been misappropriated.

Tippees inherit an insider's duties and are liable for trading on material non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their Tippees, so are Tippees who pass the information along to others who trade. In other words, a Tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material non-public information by receiving overt tips from others or through, among other things, conversations at social, business or other gatherings. An employee who tips information to a person who then trades is subject to the same penalties as the Tippee, even if the employee did not trade and did not profit from the Tippee's trading.

Shadow Trading

Shadow Trading occurs when an insider possesses material non-public information, regarding a company, and trades in the securities of another company that is "**economically linked**" to the company for which that insider has material non-public information. "**Economically linked**" is the concept that material non-public information about one company could likely affect the price of the securities of another company due to being in the same sector, employing the same service providers, being subject to the same industry specific risks and hazards. The SEC considers shadow trading to be insider trading. Insiders should ensure that they do not engage in transactions in economically linked securities while in possession of material non-public information about a different, closely correlated issuer (securities of companies in the same industry).

THE INSIDER CONCEPT

As a general guide for our directors, officers and employees, components of what amounts to "**insider trading**" are described below:

Who is an insider?

The concept of "**insider**" is broad. It includes officers, directors, employees, and affiliates of the Partnership, and their respective affiliates, and certain family members of insiders. In addition, a person can be a "**temporary insider**" if he or she enters into a special confidential relationship in the conduct of the Partnership's affairs and as a result is given access to information solely for the Partnership's purposes. A temporary insider can include, among others, the Partnership's attorneys, accountants, consultants, bank lending officers, and the employees of those organizations.

What information is material?

Trading on information that is "**material**" is prohibited. Information generally is considered "**material**" if:

- there is a substantial likelihood that a reasonable investor would consider the information important in making an investment decision (for example, to buy, hold, or sell securities), or

- the information is reasonably likely to affect the price of the Partnership's securities (whether it is positive or negative).

The source of the material information is irrelevant. Examples of information that would ordinarily be regarded as material are:

- earnings estimates not previously disseminated;
- material changes in previously-released earnings estimates;
- a pending or proposed merger, acquisition, or tender offer;
- major litigation or regulatory exposure due to actual or threatened litigation, investigation or enforcement activity, or significant developments related thereto;
- impending bankruptcy or the existence of severe liquidity problems;
- extraordinary management developments;
- financial results and/or events that could result in restating financial information;
- projections and estimates of future revenues, earnings, or losses, or other earnings guidance;
- earnings that are inconsistent with the consensus expectations of the investment community;
- pending or proposed acquisitions or dispositions of vessels or other significant assets;
- new chartering commitments;
- changing in financing arrangements;
- status of covenant compliance;
- communications with lenders and investment bankers;
- major changes in senior management and/or organizational structure;
- changing in auditors;
- termination or reduction of business relationships with charterers that provide material revenue to the Partnership; and/or
- a change in dividend policy, the declaration of a stock split, or an offering of securities;

What information is non-public?

Information is non-public until it has been effectively communicated to the market place and the investing public has had time to absorb the information fully. For example, information found in a report filed with the SEC, or appearing in television, radio, print or digital media of wide circulation (e.g., Dow Jones, Reuters/Associated Press, The Wall Street Journal, Bloomberg or the Dow Jones Broad Tape) would be considered public. In addition, in certain circumstances, information disseminated to certain segments of the investment community may be deemed "**public**", for example, research communicated through institutional information dissemination services such as First Call. (However, the fact that research has been disseminated through such a service does not automatically mean that it is public.) Remember, it takes time for information to become public. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until the second trading day after the information is released.

Any written or verbal statement that would be prohibited under the law or under this Policy is equally prohibited if made on any online or Internet discussion group, group chat, messaging

app (e.g. iMessage, WhatsApp, Telegram, Kik, Signal, Discord), social medium, chat room, blog, bulletin board or other public forum, including the disclosure of material non-public information regarding the Partnership or material non-public information with respect to other companies that insiders or their family members may come into possession of as an associate of the Partnership. This prohibition includes anonymous messages and messages posted from home, personal devices or devices owned by others, and extends to messages that merely forward content provided by another person.

PENALTIES FOR INSIDER TRADING

An insider's failure to comply with this Policy may subject the insider to Partnership-imposed sanctions, including dismissal for cause, whether or not the insider's failure to comply results in a violation of law. Needless to say, a violation of law, or even an investigation by the SEC that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

Penalties for insider trading are severe for every individual involved regardless of whether they personally benefited from the violation. Penalties may include:

- SEC administrative sanctions;
- damage awards to private plaintiffs;
- disgorgement of all profits;
- jail sentences;
- civil injunctions;
- civil fines; and
- criminal fines.

In addition, insider trading violations are not limited to violations of the U.S. federal securities laws. Other U.S. federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act, also may be violated upon the occurrence of insider trading.

PROCEDURES TO PREVENT INSIDER TRADING

The following procedures have been established to aid in the prevention of insider trading. Every insider must follow these procedures or risk sanctions, including: dismissal, substantial personal liability and criminal penalties.

Questions to Ask

Prior to trading in the Partnership's securities, and if you think you may have material non-public information, ask yourself the following questions:

- Is the information material? Is this information that an investor would consider important in making an investment decision? Would you take it into account in deciding whether to buy or sell? Is this information that would affect the market price of the securities if generally disclosed?
-

- Is the information non-public? To whom has this information been provided? Has it been effectively communicated to the marketplace? Has enough time gone by?

Action Required

If you are at all uncertain as to whether any information you have is “**inside information**,” you must:

- Immediately report the matter to the Chief Financial Officer;
- Refrain from purchasing or selling the securities; and
- Not communicate the information inside or outside the Partnership.

After the employee and the Chief Financial Officer have reviewed the issue and consulted with outside counsel to the extent appropriate, the insider will be instructed as to whether he/she may trade and/or communicate that information.

The Partnership has established procedures for releasing material information about the Partnership in a manner that is designed to achieve broad public dissemination of the information immediately upon its release. You may not, therefore, disclose information to anyone outside the Partnership, including family members and friends, other than in accordance with those procedures.

Blackout Policy and Trading Window

To assure compliance with this Policy and applicable securities laws, the Partnership requires that all insiders refrain from conducting transactions involving the purchase or sale of the Partnership’s securities during the period commencing 10 full trading days prior the date of public disclosure of the financial results for a particular fiscal quarter or year and lasting until the open of the New York Stock Exchange on the second full trading day following the date of public disclosure of the financial results for a particular fiscal quarter or year (the “**Trading Window**”), as long as the insider is not in possession of material non-public information or is subject to any special trade blackout. In addition, from time to time material non-public information regarding the Partnership may be pending. While such information is pending, the Partnership may impose a special “**Event-Specific Blackout Period**” during which the same prohibitions and recommendations shall apply.

Event-Specific Blackout Periods

From time to time, an event may occur that is material to the Partnership and is known by only a few directors or executives. Such events might include the negotiation of the purchase or sale of vessels, renegotiation of material contracts, such as charters or ship management contracts, or debt or equity issuances. As long as the event remains material and non-public, the Partnership may impose a special blackout period during which insiders may not trade in the Partnership’s securities (an “**Event-Specific Blackout Period**”). The existence of an Event-Specific Blackout Period will not be announced, other than to those who are aware of the event giving rise to the blackout. If, however, an insider requests pre-clearance permission to trade in the Partnership’s

securities during an Event-Specific Blackout Period, the Chief Financial Officer, having consulted with the Chief Executive Officer, will inform the requester of the existence of an Event-Specific Blackout Period, without disclosing the reason for the blackout. Any person made aware of the existence of an Event-Specific Blackout Period should not disclose the existence of the blackout to any other person.

Remember: Even during the Trading Window or if there is no Event-Specific Blackout Period, any person possessing material non-public information concerning the Partnership should not engage in any transactions in Partnership securities until such information has been made public and absorbed by the market.

Pre-Clearance of Trades

All insiders must refrain from trading in the Partnership's securities, even during the Trading Window, without first complying with the Partnership's "**pre-clearance**" process.

Pre-Clearance Policy for Executive Officers and Directors for Trading While Not in Possession of Material Non-public Information

1. Directors and officers of the Partnership and any other designated employees (and their respective family members) may not trade at any time without prior clearance and should contact the Partnership's Chief Financial Officer prior to commencing any trade to inquire if a restricted trading period is in effect and to obtain pre-clearance of the contemplated trade. This restriction does not apply to directors, officers, or employees of the Manager. The Chief Financial Officer will consult, as necessary, with the outside counsel to the Partnership before clearing any proposed trade. "**Trading**" or "**Trades**" includes not only purchases and sales of securities, but also acquisitions or dispositions of puts and calls, stock swap agreements and the exercise of certain options, warrants, puts and calls, or similar instruments.
2. If, upon requesting clearance, the requesting person is advised that the Partnership's securities may be Traded, they may execute the Trade within two business days after clearance is granted, but only if they are not otherwise in possession of material non-public information. Approval of any proposed Trade does not constitute legal, business, or financial advice. If for any reason the Trade is not completed within two business days, pre-clearance must be re-obtained before the securities may be Traded. In sum, it is critical that directors and officers of the Partnership and any other designated employees (and their respective family members) obtain pre-clearance before any trading to prevent inadvertent insider trading violations and to avoid even the appearance of an improper transaction (which could result, for example, when an officer engages in a trade while unaware of a pending major development).

Pre-Clearance Policy for Rule 10b5-1 Plans

Insiders may implement a trading plan (a "**Trading Plan**") under Rule 10b5-1 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") at any time during a period when trading in Partnership's securities is not restricted, without prior clearance, provided that such Trading Plan complies with the requirements of Rule 10b5-1 and SEC regulations. Rule 10b5-

1 of the Exchange Act provides an affirmative defense from insider trading liability under the U.S. federal securities laws for trading plans, arrangements or instructions that meet certain requirements. A trading plan, arrangement or instruction that meets the requirements of Rule 10b5-1 enables insiders to trade in the Partnership's securities outside of the Trading Window. Before entering into a Trading Plan, the insider must contact the Chief Executive Officer or the Chief Financial Officer to inquire if a restricted trading period is in effect. It shall be the sole responsibility of the person establishing the Trading Plan to ensure that such plan complies with the requirements of Rule 10b5-1. Insiders may enter into a Trading Plan only when they are not in possession of material non-public information. Once a Trading Plan is in effect, trades made pursuant to the plan will not require additional pre-clearance.

Insiders setting up trades are required to certify that they are not aware of any material non-public information and they are acting in good faith. Additionally, a cooling-off period has been established before the commencement of any trading.

DURATION OF POLICY'S APPLICABILITY

This Policy will continue to apply to insiders (and certain of their family members) even after the insider's employment, directorship, or other position with the Partnership (or its affiliates) has terminated. If an insider or family member is in possession of material non-public information when the insider's relationship with the Partnership concludes, the insider and family member may not trade in Partnership's securities, or take any other actions prohibited by this Policy, until the information has been publicly disseminated.

QUESTIONS OR CONCERNS

Any questions or concerns regarding the Partnership's Policies and Procedures to detect and prevent insider trading should be directed to the Chief Financial Officer, or, if such questions or concerns involve the Chief Financial Officer, to the Chief Executive Officer. The Chief Financial Officer's personal trading activity will be reviewed by the Chief Executive Officer.

CERTIFICATION

You must sign, date and return the attached Certification stating that you received this Policy, and you agree to comply with it. Please note that you are bound by this Policy whether or not you sign the Certification. You will be required to confirm your compliance with this Policy by signing and returning a copy of the Certification on an annual basis.

Addendum A

INSIDER TRADING POLICIES AND PROCEDURES CERTIFICATION FORM

Dynagas LNG Partners LP

I acknowledge that I have received and read the Policies and Procedures to Detect and Prevent Insider Trading (the “**Trading Policy**”) adopted by Dynagas LNG Partners LP (the “**Partnership**”), and understand my obligations thereunder and hereby undertake, as a condition to my present and continued employment at, appointment to the Board, or other affiliation with the Partnership, to comply with the principles, policies and laws outlined in the Trading Policy.

I hereby certify, to the best of my knowledge, that I have complied fully with all policies and procedures set forth in the Trading Policy.

I hereby certify, to the best of my knowledge, that I will continue to comply with the Trading Policy for as long as I am subject to the Trading Policy.

To the extent that I obtain knowledge of any violations of the Trading Policy, I will report such violations to the Chief Financial Officer of the Partnership.

I understand that my agreement to comply with the Trading Policy does not constitute a contract of employment.

CERTIFIED BY:

NAME: _____ (PRINT)

SIGNATURE: _____

DATE: _____

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

I, Tony Lauritzen, certify that:

1. I have reviewed this annual report on Form 20-F of Dynagas LNG Partners LP (the “Partnership”);
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 Partnership as of, and for, the periods presented in this report;
4. The Partnership’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 Partnership 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 Partnership, 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 Partnership’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 Partnership’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 Partnership’s internal control over financial reporting.
5. The Partnership’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Partnership’s auditors and the audit committee of the Partnership’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 Partnership’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 Partnership’s internal control over financial reporting.

Date: April 10, 2025

/s/ Tony Lauritzen

Tony Lauritzen

Chief Executive Officer and Director

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

I, Michael Gregos, certify that:

1. I have reviewed this annual report on Form 20-F of Dynagas LNG Partners LP (the “Partnership”);
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 Partnership as of, and for, the periods presented in this report;
4. The Partnership’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 Partnership 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 Partnership, 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 Partnership’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 Partnership’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 Partnership’s internal control over financial reporting.
5. The Partnership’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Partnership’s auditors and the audit committee of the Partnership’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 Partnership’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 Partnership’s internal control over financial reporting.

Date: April 10, 2025

/s/ Michael Gregos

Michael Gregos
Chief Financial Officer

**PRINCIPAL EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this Annual Report of Dynagas LNG Partners LP (the “Partnership”) on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission (the “SEC”) on or about the date hereof (the “Report”), I, Tony Lauritzen, Chief Executive Officer of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

A signed original of this written statement has been provided to the Partnership and will be retained by the Partnership and furnished to the SEC or its staff upon request.

Date: April 10, 2025

/s/ Tony Lauritzen

Tony Lauritzen
Chief Executive Officer

**PRINCIPAL FINANCIAL OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this Annual Report of Dynagas LNG Partners LP (the “Partnership”) on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission (the “SEC”) on or about the date hereof (the “Report”), I, Michael Gregos, Chief Financial Officer of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

A signed original of this written statement has been provided to the Partnership and will be retained by the Partnership and furnished to the SEC or its staff upon request.

Date: April 10, 2025

/s/ Michael Gregos

Michael Gregos
Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form F-3 No. 333-281195) of Dynagas LNG Partners LP and in the related Prospectus of our reports dated April 10, 2025, with respect to the consolidated financial statements of Dynagas LNG Partners LP, and the effectiveness of internal control over financial reporting of Dynagas LNG Partners LP, included in this Annual Report (Form 20-F) for the year ended December 31, 2024.

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

Athens, Greece
April 10, 2025



April 8, 2025

Dear Sir/Madam:

Reference is made to the annual report on Form 20-F of Dynagas LNG Partners LP (the "Partnership") for the year ended December 31, 2024 (the "Annual Report") and the registration statement on Form F-3 (Registration No. 333- 281195) of the Partnership, as may be amended, including the prospectus contained therein and any prospectus supplement related thereto (the "Registration Statement"). We hereby consent to the incorporation by reference in the Registration Statement of all references to our name in the Annual Report, to the references to our firm in the Annual Report, and to the use of the statistical information supplied by us set forth in the Annual Report. We further advise the Company that our role has been limited to the provision of such statistical data supplied by us. With respect to such statistical data, we advise you that:

- (1) We have accurately described the international liquefied natural gas (LNG) industry; and
- (2) Our methodologies for collecting information and data may differ from those of other sources and do not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the containership 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 Statement and any related prospectus.

Yours faithfully,

A handwritten signature in blue ink that reads "Jayendu Krishna".

Jayendu Krishna
Director-Head Maritime Advisors
Drewry Maritime Services (Asia) Pte Ltd.

LONDON | DELHI | SINGAPORE | SHANGHAI

Drewry Maritime Services (Asia) Pte. Ltd, #17-01 Springleaf Tower, 3 Anson Road, Singapore 079909

t: +65 6220 9890 f: +65 62208258 e: enquiries@drewry.co.uk

Registered in Singapore No. 200705426N Registered GST No. 200 7054 26N

www.drewry.co.uk

CONSENT OF WATSON FARLEY & WILLIAMS LLP

Reference is made to the annual report on Form 20-F of Dynagas LNG Partners LP (the “Partnership”) for the year ended December 31, 2024 (the “Annual Report”) and the Registration Statement on Form F-3 (File No. 333- 281195) of the Partnership including the prospectus contained therein (the “Registration Statement”). We hereby consent to (i) the filing of this consent as an exhibit to the Annual Report, which is incorporated by reference into the Registration Statement 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 Statement, in each case, without admitting we are “experts” within the meaning of the U.S. 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 Statement.

/s/ Watson Farley & Williams LLP

Watson Farley & Williams LLP

New York, New York

April 10, 2025
