

<p>The terms and conditions set out in this Term Sheet are indicative only and do not constitute a binding agreement to the terms described in this Term Sheet. The commencement of the transaction(s) described in this Term Sheet is subject to internal approval and satisfactory documentation.</p>		<p>1. Date of Term Sheet and Expiry Date of Term Sheet (Cl. 23)</p>
<p>2. Seller (name and jurisdiction of incorporation) (if not also the Charterer(s))</p>	<p>3. Lessor and other lessor parties, if applicable (name and jurisdiction of incorporation)</p>	
<p>4. Charterer (name and jurisdiction of incorporation)</p>	<p>5. Guarantor(s) and other Obligor(s), if applicable (name and jurisdiction of incorporation)</p>	
<p>6. Maximum Purchase Price of Vessel (state currency and amount or basis of calculation)</p>	<p>7. Advance Hire, if any (state percentage of Purchase Price)</p>	
<p>8. Vessel (describe below or specify in Annex A)</p>	<p>9. Commercial and Technical Managers, if applicable</p>	
<p>10. Charter Period (Cl. 7)</p>	<p>11. Optional extension period and notice (Cl. 8) (i) State extension period (ii) State when exercisable</p>	
<p>12. Hire (state whether fixed and/or floating, currency, amount, frequency and basis of calculation) (describe below or specify in Annex B) (Cl. 6)</p>	<p>13. Charter Period Extension Hire (describe below or specify in Annex B) (Cl. 8)</p>	
<p>14. Default Rate (state percentage) (Cl. 19)</p>	<p>15. Fees (state currency, amount and when payable) (Cl. 12)</p>	
<p>16. Purchase Option, if applicable (state when exercisable, amount or basis of calculation, and associated fees, if any) (Cl. 10)</p>	<p>17. Purchase Obligation, if applicable (state when exercisable, amount or basis of calculation) (Cl. 11)</p>	
<p>18. Asset Coverage Ratio, if applicable (state ratio to balance of Hire or other basis) (Cl. 17(d)i.)</p>	<p>19. Hull Insurance Ratio (state ratio to balance of Hire or other basis) (Cl. 15)</p>	
<p>20. Major Casualty Amount (Cl. 15 and 17(c)v.)</p>	<p>21. Cross Default (financial indebtedness) Threshold (state whether applicable to (i) Charterer(s), (ii) Guarantor(s) and/or (iii) other Obligor(s)) (Cl. 18) /</p>	
<p>22. Governing Law (Cl. 24)</p>	<p>23. Jurisdiction (Cl. 24)</p>	

This Term Sheet consists of PART I, PART II, Annex A (Details of Vessel) and, if applicable, Annex B (Hire), Annex C (Amounts Payable upon Extraordinary Event or Termination Event), Annex D (Change of Control) and Annex E (Financial Covenants).

Signature (on behalf of the Lessor)	Signature (on behalf of the Obligor(s))
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Transaction Overview

1. Transaction

The Seller to sell the Vessel to the Lessor and the Lessor to purchase the Vessel from the Seller, and the Charterer to charter the Vessel from the Lessor.

2. Transaction Documents

The transaction will be implemented by way of a Memorandum of Agreement and a Bareboat Charter, each as described below. The Memorandum of Agreement will be based on SHIPSALE 22 and the Bareboat Charter will be based on BARECON (2017). Other documentation will include the security stated in Clause 13, any fee letters and such other documents as may be agreed. Each Transaction Document shall be in form and substance satisfactory to the parties.

Sale of the Vessel(s)

3. Memorandum of Agreement

The Seller and the Lessor will enter into a Memorandum of Agreement pursuant to which the Lessor will acquire the Vessel.

4. Purchase Price

The Purchase Price shall be the lower of the Initial Fair Market Value and the Maximum Purchase Price stated in Box 6.

The Initial Fair Market Value will be the average of two current valuations of two brokers acceptable to the Lessor (pre-agreed valuers listed in Annex E). If the difference between such valuations is greater than five percent then a third valuation shall be prepared by another broker nominated by the Lessor, with the Initial Fair Market Value being the average of all three valuations.

Charter of the Vessel(s)

5. Bareboat Charter

The Lessor will charter the Vessel to the Charterer on an "as is where is" basis and on the terms and conditions set out in the Bareboat Charter.

6. Hire

Hire shall be payable as stated in Box 12.

Hire shall be paid on a "hell or high water" basis.

7. Charter Period

The Charter Period shall be as stated in Box 10. The Charter Period shall commence immediately upon delivery of the Vessel under the Memorandum of Agreement.

8. Charter Period Extension

Any Charter Period Extension shall be as stated in Box 11 with Charter Period Extension Hire as stated in Box 13.

9. Extraordinary Events

The Charter will be terminated early in the case of:

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- a. actual or constructive total loss of the Vessel;
- b. illegality;
- c. [others].

The amount payable by the Charterer upon the occurrence of an Extraordinary Event shall be the Extraordinary Event Amount specified in Annex C.

10. Purchase Option

(Only to apply if Box 16 is completed).

The Charterer shall have the right to purchase the Vessel on the terms stated in Box 16. Unless stated otherwise in Box 16, the purchase shall be on an “as is, where is” basis.

11. Purchase Obligation

(Only to apply if Box 17 is completed).

The Charterer shall have the obligation to purchase the Vessel on the terms stated in Box 17. Unless stated otherwise in Box 17, the purchase shall be on an “as is, where is” basis.

12. Fees

The Fees will be payable in the amounts and at the times stated in Box 15. Unless stated otherwise in Box 15, the Fees will be non-refundable.

13. Security

The Charterer shall grant the following security in favour of the Lessor:

- i. a first priority assignment of the insurances, earnings and any requisition compensation relating to the Vessel;
- ii. a first priority security interest over an earnings account relating to the Vessel;
- iii. a first priority assignment of any Vessel sub-charterparty, perfected by notification to the sub-charterer(s) if the charterparty exceeds (or, by virtue of any optional extensions, may exceed) 12 months;
- iv. the guarantee(s) of the Charterer obligations (only if Box 5 is completed);
- v. an undertaking (and subordination or assignment of its rights under the Vessel’s insurances) from any Commercial and/or Technical Manager stated in Box 9; and
- vi. [a first priority security interest over the shares or other equity interests in the Charterer and subordination of intra-group indebtedness of the Charterer] [include if applicable].

14. Lessor’s Financing

The Lessor may mortgage the Vessel and onward assign by way of security the Bareboat Charter and any security granted pursuant to the Bareboat Charter to any financiers providing financing to the Lessor, subject to the provision of a letter of quiet enjoyment from the mortgagee to the Charterer on terms reasonably acceptable to the parties.

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15. Insurances

The Charterer will keep the Vessel insured, with insurers acceptable to the Lessor, at the cost of the Charterer against customary risks, including:

- i. hull & machinery risks, including hull interest, on an agreed value basis for the higher of the fair market value of the Vessel and the amount as calculated pursuant to Box 19 or as otherwise agreed;
- ii. protection & indemnity risks, including oil pollution liability, at the highest level of cover available under a standard P&I club entry; and
- iii. war risks, including blocking and trapping.

The insurances must name the Lessor, or any mortgagee of the Vessel, as sole loss payee in respect of any insurance proceeds. Proceeds of a total loss will be applied by the Lessor, or any mortgagee of the Vessel, towards payment of the applicable amount under the Charter or any mortgage. Proceeds of a major casualty will, subject to no Termination Event having occurred, be held by the Lessor as security and will be applied towards reimbursement of the cost of reinstating the Vessel paid by the Charterer or, at the request of the Charterer, paid directly to third parties engaged in the reinstatement of the Vessel.

The Charterer will indemnify the Lessor for the costs of any innocent owner's interest insurance, including insurance for additional perils, obtained by the Lessor, such costs to be approved in advance by the Charterer.

16. Representations and Warranties

The Obligors will make representations and warranties customary for transactions of this nature (subject to such qualifications as may be agreed).

17. Covenants

Covenants customary for transactions of this nature (subject to such qualifications and exceptions as may be agreed), including:

(a) Vessel covenants

- i. maintenance of registration of the Vessel in the Lessor's name;
- ii. restriction on change of name or Classification Society without prior Lessor consent;
- iii. maintenance of Class Notation and compliance with mandatory Classification Society requirements;
- iv. compliance with ISM and ISPS codes;
- v. restriction on modifications to the Vessel;
- vi. Lessor inspection rights;
- vii. no liens, other than permitted liens, and release from arrest;
- viii. prudent operation and maintenance of Vessel, including restriction on actions which would invalidate insurances and restriction on trading in war zones;
- ix. restriction on change of Commercial and/or Technical Managers without prior Lessor consent; and

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x. restriction on entering into time charterparties for a period (including any extension options) in excess of 12 months or any bareboat sub-charter, in either case without prior Lessor consent.

(b) General covenants

- i. authorisations;
- ii. compliance with laws (including applicable sanctions, anti-money laundering, anti-bribery and other regulatory requirements);
- iii. environmental compliance;
- iv. payment of taxes;
- v. pari passu ranking of Obligors' indebtedness;
- vi. negative pledge;
- vii. restriction on disposals;
- viii. restriction on merger and demerger;
- ix. restriction on change of business or jurisdiction;
- x. registration of the Charter, if required; and
- xi. customary special purpose vehicle covenants, if applicable, including restrictions on debt and activities.

(c) Information covenants

- i. annual audited accounts and semi-annual unaudited accounts as soon as they become available but in any event within, in the case of annual accounts, 180 days and, in the case of semi-annual accounts, 90 days of the end of the relevant financial period;
- ii. annual operating budgets or forecasts;
- iii. all information relating to any "know your customer" or other regulatory checks required to be carried out by the Lessor;
- iv. prompt notification of any Termination Event listed in Clause 18;
- v. prompt notification of any Vessel arrest or requisition, unscheduled drydocking, actual or constructive total loss of the Vessel or any Vessel damage exceeding the Major Casualty Amount stated in Box 20;
- vi. prompt notification of environmental claims or incidents;
- vii. prompt notification of litigation; and
- viii. any other information which the Lessor reasonably requests regarding the Vessel, earnings and insurances or the Obligors.

(d) Financial covenants

- i. Asset coverage covenant

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(Only to apply if Box 18 is completed).

Fair market value of the Vessel will be determined no less frequently than every 12 months by an average of two desk top valuations by valuers acceptable to the Lessor (pre-agreed valuers listed in Annex E), provided on a charter-free basis at the cost of the Charterer.

If the fair market value of the Vessel diminishes such that the Asset Coverage Ratio stated in Box 18 is not satisfied, the Charterer will either (a) prepay such portion of the Hire as will ensure that the Asset Coverage Ratio requirement is satisfied or (b) provide security acceptable to the Lessor. Amounts prepaid will be applied against the outstanding Hire instalments in inverse order of maturity. No prepayment fee will be payable in respect of any such prepayment.

- ii. Other financial covenants including, if applicable, cross-collateralisation, as may be agreed between the parties and specified in Annex E.

18. Termination Events

Termination Events customary for transactions of this nature (subject to such qualifications and remedy periods as may be agreed) in respect of the Obligors, including:

- i. non-payment;
- ii. breach of covenants and failure to comply with any other provision of the Bareboat Charter or any other Transaction Document;
- iii. misrepresentation;
- iv. cross default (financial indebtedness) in excess of the Cross Default (financial indebtedness) Threshold as stated in Box 21 (assessed on an individual entity or group basis, as applicable);
- v. related charter termination event, if applicable;
- vi. Change of Control (if and as specified in Annex D);
- vii. insolvency;
- viii. insolvency proceedings;
- ix. creditors' process;
- x. unlawfulness, invalidity or loss of priority of security;
- xi. litigation; and
- xii. material adverse change.

19. Default Interest

Interest at the Default Rate stated in Box 14 will apply in respect of any amount due but unpaid.

20. Lessor remedies upon Termination Events

On the occurrence of a Termination Event the Lessor's remedies will include the right to take repossession of the Vessel and any amounts payable as determined in Annex C. All the amounts due and payable upon termination shall become immediately due and payable and the leasing of the Vessel under the Charter shall terminate.

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Other Transaction Terms

21. Conditions Precedent

Conditions Precedent to the payment of the Purchase Price under the Memorandum of Agreement and the delivery of the Vessel under the Bareboat Charter, as applicable, customary for transactions of this nature, including:

- i. a duly executed original of each Transaction Document;
- ii. constitutional documents of the Obligors;
- iii. evidence that all necessary corporate, shareholder and other action has been taken by the Obligors to authorise the execution, delivery and performance of the Memorandum of Agreement, Bareboat Charter and the other Transaction Documents;
- iv. evidence of process agent appointment, if applicable;
- v. current valuation(s) of the Vessel;
- vi. evidence that the Vessel:
 - a. prior to delivery, is/are registered in the name of the Seller under the Registry/Flag stated in Box 8,
 - b. upon delivery, is/are or will be registered in the name of the Lessor and is/are free of encumbrances,
 - c. upon delivery, maintain(s) its classification(s) free of overdue conditions and recommendations, and
 - d. upon delivery, is/are insured in accordance with the terms of the Transaction Documents;
- vii. copies of any shipbuilding contract or memorandum of agreement relating to the Vessel, if applicable;
- viii. copies of applicable technical and commercial management agreements (and of any applicable document of compliance);
- ix. copies of customary vessel certificates (including statutory safe manning certificate);
- x. satisfaction of know your customer, anti-money laundering and other compliance requirements;
- xi. payment of all applicable fees and expenses;
- xii. customary legal opinions; and
- xiii. no Termination Event or any event which with the giving of notice or the lapse of time would constitute a Termination Event.

22. Lessor's Transfer Rights

The Lessor may transfer its rights and/or obligations, subject to the [consent of] OR [consultation with] OR [notice to] the Charterer. Such [consent/consultation/ notice] shall not be required following a Termination Event or in case of transfer to an affiliate of the Lessor. The Charterer shall not pay any additional costs or incur any additional liabilities as a result of circumstances existing at the time of such transfer.

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23. Miscellaneous

- i. The Charterer will reimburse the Lessor for any costs and expenses (including legal expenses) reasonably incurred in the negotiation, preparation, execution and perfection of the Memorandum of Agreement, Bareboat Charter and the other Transaction Documents.
- ii. The Transaction Documents will contain provisions customary for transactions of this nature (subject to such qualifications as may be agreed) relating to, among other things, market disruption, tax gross-up, tax and general indemnities, US Foreign Account Tax Compliance Act and analogous legislation, applicable bail-in legislation, enforcement and amendment costs, increased costs and set-off.
- iii. The Transaction Documents will contain customary provisions relating to disclosure of confidential information, including the fact that this Term Sheet and its contents should be treated as confidential between the parties and may not be disclosed to any person other than a party's legal and other professional advisors in relation to the proposed transactions.
- iv. This Term Sheet will expire on the earliest of the date stated in Box 1, when the Transaction Documents are executed, or as otherwise agreed.

24. Governing Law and Jurisdiction

The Memorandum of Agreement, the Bareboat Charter and all other Transaction Documents will be subject to the Governing Law and Jurisdiction stated in Boxes 22 and 23, except where another Governing Law is appropriate in the case of any other Transaction Document.

ANNEX A

DETAILS OF VESSEL

Vessel name/IMO number:

Seller:

Vessel type / specifications:

Vessel Registry/ Flag (existing):

Vessel Registry/ Flag (post sale, if different, including additional bareboat registry): /

Vessel Classification Society:

Builder and year of build:

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ANNEX B

HIRE

Schedule to be inserted and to include Advance Hire (Box 7), number of payments, frequency of payments, whether in arrears or in advance and payment streams, adjustments of hire, if applicable, Charter Period Extension Hire (Box 13), outstanding Hire and Purchase Option and/or Purchase Obligation price (Boxes 16 and 17).

If Floating Hire, include interest rate (base rate plus margin) and interest period.

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ANNEX C

AMOUNTS PAYABLE UPON EXTRAORDINARY EVENT OR TERMINATION EVENT

Extraordinary Event Amount:

[insert basis of calculation as agreed]

Termination Sum :

[insert basis of calculation as agreed]

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ANNEX D

CHANGE OF CONTROL

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ANNEX E

FINANCIAL COVENANTS

- i. Pre-agreed valuers (Cl. 4 and 17(d)(i))

- ii. Other financial covenants (Cl. 17(d)(ii))

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