

The terms and conditions set out in this Term Sheet are indicative only and do not constitute an offer to finance the term loan facility described in this Term Sheet. The provision of the term loan facility described in this Term Sheet is subject to credit committee approval and satisfactory documentation.		1. Date of Term Sheet
2. Borrower(s) (name and jurisdiction of incorporation)	3. Guarantor(s) and other Obligor(s), if applicable (name and jurisdiction of incorporation)	
4. Lender (name and jurisdiction of incorporation)	5. Facility Agreement to be signed by (insert date)	
6. Maximum amount of Loan (state currency)	7. Vessel(s) (describe below or specify in Annex A)	
8. Vessel(s) Registries/Flags	9. Classification Society and Class Notation	
10. Commercial and Technical Managers, if applicable	11. Availability Period (Cl. 3)	
12. Maturity Date (number of years or months from Drawdown) (Cl. 4)	13. Repayment Profile (describe below or specify in Annex B)(Cl. 4)	
14. Tranches, if applicable (describe) (Cl. 3)	15. Value to Loan Ratio, if applicable (Cl. 12(d)i.)	
16. Interest Periods (Cl. 6)	17. Base Rate (Cl. 6)	
18. Margin (percentage per annum) (Cl. 6)	19. Default Rate (Cl. 6)	
20. Up-front Fee (percentage of maximum amount of Loan stated in Box 6) (Cl. 7)	21. Commitment Fee (percentage per annum of the undrawn part of the maximum amount of Loan stated in Box 6) (Cl. 7)	
22. Prepayment Fee, if applicable (Cl. 5)	23. Hull insurance value (percentage of Loan outstanding) (Cl. 10.i.)	
24. Major Casualty Amount (Cl. 10 and 12(c)v.)	25. Loss of hire insurance, if applicable (Cl. 10.iv.)	
26. Security over earnings account, if applicable (Cl. 9.iii.)	27. Security over shares in Borrower(s), if applicable (Cl. 9.vi.)	
28. Charterparty duration consent threshold, if applicable (Cl. 9.iv. and 12(a)x.)	29. Cross default threshold (Cl. 13.iv.)	
30. Governing Law (Cl. 16)	31. Jurisdiction (Cl. 16)	

This Term Sheet consists of PART I, PART II, Annex A (List of Vessels) and, if applicable, Annex B (Repayment Profile), Annex C (Change of Control) and Annex D (Information and Financial Covenants).

PART II
Standard secured term loan facility
Indicative term sheet for bilateral ship financing

1. Facility

The Lender will make available to the Borrower(s) the term loan facility as set out in this Term Sheet. The maximum amount of the Loan, which can be drawn, shall be the lower of (i) the amount stated in Box 6 and (ii) the amount which meets the Value to Loan Ratio stated in Box 15 tested as at Drawdown, if applicable.

2. Purpose

The Loan may be drawn under the Facility for the purpose of financing or refinancing the Vessel(s) stated in Box 7.

3. Drawdown

The Facility will be available for drawing during the Availability Period stated in Box 11, subject to the fulfilment of the Conditions Precedent listed in Clause 14 (Conditions Precedent). Unless multiple Tranches have been stated in Box 14, the Facility must be drawn in one tranche.

4. Repayment

The Loan will be repaid in accordance with the Repayment Profile described in Box 13 or as specified in Annex B referred to therein, and will be repaid in full no later than on the Maturity Date stated in Box 12.

5. Cancellation and Prepayment

(a) Voluntary cancellation

- i. The Borrower(s) may, on not less than 10 banking days' prior notice, cancel the whole or any part of the undrawn Facility. No amount of the Facility cancelled may be reinstated.
- ii. No cancellation fee will be payable in respect of any voluntary cancellation.

(b) Voluntary prepayment

- i. The Borrower(s) may, on not less than 10 banking days' prior notice, prepay the whole or any part of the Loan on the last day of an Interest Period, but if such prepayment is made on a day which is not the last day of an Interest Period, breakage costs will be payable. If Box 22 is completed, the stated Prepayment Fee will be payable in respect of any such voluntary prepayment.
- ii. The Borrower(s) may, on not less than 10 banking days' prior notice, prepay the whole of the Loan if the Lender makes a claim under any of the provisions relating to increased costs, tax gross-up or tax indemnity. No prepayment fee will be payable in respect of any such voluntary prepayment, but if such prepayment is made on a day which is not the last day of an Interest Period, breakage costs will be payable.

(c) Mandatory prepayment

- i. Any undrawn portion of the Facility will be cancelled and the Loan will be repaid in full (or in the case of a. and b. below in relation to the affected Vessel(s)) if any of the following occurs:
 - a. actual or constructive total loss;
 - b. Vessel disposal;

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- c. change of control (if and as specified in Annex C); or
 - d. illegality.
- ii. If Box 22 is completed, the stated Prepayment Fee will be payable in respect of any mandatory prepayment pursuant to i. b. and i. c. above only. If any mandatory prepayment is made on a day which is not the last day of an Interest Period, breakage costs will be payable.

Amounts prepaid may not be reborrowed and will be applied against the outstanding instalments as specified in Clause 4 (Repayment) in inverse order of maturity.

6. Interest

Interest will accrue on the outstanding amount of the Loan on the basis of a 360 day year at the rate which is the aggregate of:

- i. the Base Rate stated in Box 17, to be determined by reference to Thomson Reuters and, where appropriate, the use of linear interpolation; and
- ii. the Margin stated in Box 18.

In case of a negative Base Rate, the Base Rate shall be as agreed between the parties.

Interest will be payable in arrears on the last day of each Interest Period stated in Box 16.

The Default Rate stated in Box 19 will apply in respect of any amount due but unpaid.

7. Fees

The Up-front Fee stated in Box 20 will be payable on signing of the Facility Agreement and will be non-refundable.

The Commitment Fee stated in Box 21 will be payable quarterly in arrears from the date of the Facility Agreement until Drawdown or, if earlier, cancellation of the Facility in full.

8. Finance Documents

The Facility will be made available under the Facility Agreement. Other documentation will include the security documents, any fee letters and such other documents as may be agreed. Each Finance Document shall be in form and substance satisfactory to the parties.

9. Security

Security will include:

- i. a duly registered first priority/first preferred ship mortgage over the Vessel(s) and, if applicable, a collateral deed of covenants;
- ii. a first priority assignment of the insurances, earnings and any requisition compensation relating to the Vessel(s);
- iii. a first priority security interest over an earnings account relating to the Vessel(s) (only if Box 26 is completed);
- iv. a first priority assignment of any Vessel charterparty, perfected by notification to the charterer(s) if the charterparty exceeds (or, by virtue of any optional extensions, may exceed) the number of months stated in Box 28;

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- v. the guarantee(s) (only if Box 3 is completed);
- vi. a first priority security interest over the shares or other equity interests in the Borrower(s) and subordination of intra-group liabilities of the Borrower(s) (only if Box 27 is completed); and
- vii. an undertaking from any Commercial and/or Technical Manager stated in Box 10.

10. Insurances

The Borrower(s) will keep the Vessel(s) insured, with insurers acceptable to the Lender, at the cost of the Borrower(s) 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(s) and the percentage of the Loan outstanding stated in Box 23;
- ii. protection & indemnity risks, including oil pollution liability, at the highest level of cover available under a standard P&I club entry;
- iii. war risks, including blocking and trapping; and
- iv. loss of hire (only if Box 25 is completed).

The insurances must name the Lender as sole loss payee in respect of any insurance proceeds in excess of the Major Casualty Amount stated in Box 24. Proceeds of a total loss will be applied by the Lender in prepayment of the Loan. Proceeds of a major casualty will be held by the Lender as security and will be applied towards reimbursement of the cost of reinstating the Vessel(s) paid by the Borrower(s) or, at the request of the Borrower(s), paid directly to third parties engaged in the reinstatement of the Vessel(s).

The Borrower(s) will indemnify the Lender for the reasonable cost of any mortgagee interest insurance, including insurance for additional perils, obtained by the Lender.

11. Representations and Warranties

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

12. 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 ownership and registration of the Vessel(s);
 - ii. restriction on change of Vessel Registry/Flag, name or Classification Society without prior Lender 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(s);
 - vi. Lender inspection rights;

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- vii. no liens, other than permitted liens, and release from arrest;
 - viii. prudent operation and maintenance of Vessel(s), 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 Lender consent; and
 - x. restriction on entering into time charterparties for a period (including any extension options) in excess of the number of months stated in Box 28 or any bareboat charterparty, in either case without prior Lender 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. restriction on change of centre of main interests;
 - vi. pari passu ranking of indebtedness;
 - vii. negative pledge;
 - viii. restriction on disposals;
 - ix. restriction on merger;
 - x. restriction on change of business; 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 specified in Annex D 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 Lender;
 - iv. prompt notification of any Event of Default listed in Clause 13;
 - v. prompt notification of any Vessel arrest or requisition, unscheduled drydocking, actual or constructive total loss of the Vessel(s) or any Vessel damage exceeding the Major Casualty Amount stated in Box 24; and
 - vi. any other information which the Lender reasonably requests regarding the Vessel(s), earnings and insurances or the Obligors.

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- (d) Financial covenants
- i. Security maintenance covenant

(Only to apply if Box 15 is completed).

Fair market value of the Vessel(s) will be determined no less frequently than every 6 months by an average of two desk top valuations by valuers acceptable to the Lender (pre-agreed valuers listed in Annex D), provided on a charter-free basis at the cost of the Borrower(s). The ratio of the aggregate fair market value of the Vessel(s) to the total outstanding Loan must at all times be at least equal to the Value to Loan Ratio stated in Box 15. If the fair market value of the Vessel(s) diminishes such that the value to loan requirement is not satisfied, the Borrower(s) will either (a) prepay such portion of the Loan as will ensure that the value to loan requirement is satisfied or (b) post additional collateral acceptable to the Lender (such additional collateral to be taken into account in subsequent calculations of the Value to Loan Ratio). Amounts prepaid may not be reborrowed and will be applied against the outstanding instalments as specified in Clause 4 (Repayment) in inverse order of maturity. No prepayment fee will be payable in respect of any such prepayment, but if such prepayment is made on a day which is not the last day of an Interest Period, breakage costs will be payable; and

- ii. other financial covenants as may be agreed between the parties and specified in Annex D.

13. Events of Default

Events of Default 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 Facility Agreement or any other Finance Document;
- iii. misrepresentation;
- iv. cross default subject to the threshold stated in Box 29;
- v. insolvency;
- vi. insolvency proceedings;
- vii. creditors' process;
- viii. unlawfulness, invalidity or loss of priority of security;
- ix. litigation; and
- x. material adverse change.

14. Conditions Precedent

Conditions Precedent to signing of the Finance Documents and Drawdown(s), as applicable, customary for transactions of this nature, including:

- i. a duly executed and, if applicable, registered original of each Finance Document;

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- 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 Facility Agreement and the other Finance Documents;
- iv. customary legal opinions;
- v. evidence of process agent appointment, if applicable;
- vi. evidence of payment of equity portion of cost of acquisition of the Vessel(s), if applicable;
- vii. current valuation(s) of the Vessel(s);
- viii. evidence that the Vessel(s):
 - a. is/are registered in the name of the Borrower(s) under the Registry/Flag stated in Box 8,
 - b. is/are free of encumbrances,
 - c. maintain(s) the Class Notation with the Classification Society each as stated in Box 9, and
 - d. is/are insured in accordance with the terms of the Finance Documents;
- ix. copies of any shipbuilding contract or memorandum of agreement relating to the Vessel(s), if applicable;
- x. copies of applicable technical and commercial management agreements (and of any applicable document of compliance);
- xi. copies of customary vessel certificates (including statutory safe manning certificate);
- xii. payment of all applicable fees and expenses; and
- xiii. no Event of Default or any event which with the giving of notice or the lapse of time would constitute an Event of Default.

15. Miscellaneous

- i. The Lender may sub-participate or transfer all or any of its rights and obligations subject to the consent of the Borrower(s) which shall not be unreasonably withheld. Such consent shall not be required following an Event of Default or in case of transfer to an affiliate of the Lender. The Borrower(s) shall not pay any additional costs or incur any additional liabilities as a result of circumstances existing at the time of such sub-participation or transfer.
- ii. The Borrower(s) will reimburse the Lender for any costs and expenses (including legal expenses) reasonably incurred in the negotiation, preparation, execution and perfection of the Facility Agreement and the other Finance Documents.
- iii. The Facility Agreement will contain provisions customary for transactions of this nature (subject to such qualifications as may be agreed) relating to, among other things, default interest, market disruption, tax gross-up, tax

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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.

- iv. The Facility Agreement 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 Facility.

16. Governing Law and Jurisdiction

The Facility Agreement and all other Finance Documents will be subject to the Governing Law and Jurisdiction stated in Boxes 30 and 31, except that the ship mortgage(s) shall be subject to the laws of the Vessel Registry/Flag state(s) stated in Box 8 and except where another Governing Law is appropriate in the case of any other Finance Document.

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ANNEX A
LIST OF VESSELS

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ANNEX B
REPAYMENT PROFILE

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ANNEX C
CHANGE OF CONTROL

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ANNEX D

INFORMATION AND FINANCIAL COVENANTS

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