

SECURITIES NOTE



PERFORMANCE SHIPPING INC.

**Performance Shipping Inc.
9,875% SENIOR SECURED BONDS
USD 150,000,000 BONDS 2025/2029
ISIN N00013607028**

25 March 2026

IMPORTANT INFORMATION

This securities note (the “**Securities Note**”) has been prepared in connection with listing of the 9,875% senior secured bonds with ISIN NO0013607028 (the “**Bonds**”) issued by Performance Shipping Inc. (the “**Issuer**”) on 17 July 2025 and in the subsequent tap issue on 27 January 2026 and to be listed on Euronext Oslo Børs on or about 1 April 2026 (the “**Listing**”). This Securities Note is valid for a period of up to 12 months following its approval by the Financial Supervisory Authority of Norway (Norwegian: *Finanstilsynet*) (the “**Norwegian FSA**”). This Securities Note should be read together with the registration document, dated 25 March 2026 (the “**Registration Document**”), which together with this Securities Note constitute a prospectus (the “**Prospectus**”). The Prospectus has been prepared in order to provide information about the Issuer and its business in relation to the Listing and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time, the “**Norwegian Securities Trading Act**”) and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the “**EU Prospectus Regulation**”). The Prospectus has been prepared solely in the English language. Prospective investors must make their own assessment as to the suitability of investing in the Bonds.

Only the Issuer, and its engaged managers Clarksons Securities AS and Pareto Securities (collectively, the “**Managers**”), are entitled to procure information about conditions described in this Securities Note. Information procured by any other person is of no relevance in relation to this Securities Note and cannot be relied on.

Capitalised terms used in this Securities Note shall have the same meaning as defined in bond terms dated 15 July 2025 (the “**Bond Terms**”), unless otherwise defined herein.

Unless otherwise stated, this Securities Note is subject to Norwegian law. In the event of any dispute regarding this Securities Note, Norwegian law will apply.

Copies of this Securities Note are not being mailed or otherwise distributed or sent in or into or made available in the United States or in any other jurisdictions where such is unlawful. This Securities Note is available on the Issuer’s web page. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States or in any other jurisdictions where such is unlawful.

Other than in compliance with applicable United States securities laws, no offers or sales of securities are being made or will be made, directly or indirectly, in the United States. The Bonds will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

In certain other jurisdictions, the distribution of this Securities Note may be limited by law, for example in the United States, Canada, Japan, and in the United Kingdom. Verification and approval of this Securities Note by the Norwegian FSA implies that this Securities Note may on certain terms be used in any EEA country. No other measures have been taken to obtain authorisation to distribute this Securities Note in any other jurisdiction where such action is required. Persons that receive this Securities Note are ordered by the Issuer and the Managers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds. The content of this Securities Note does not constitute legal, financial or tax advice and bondholders should seek legal, financial and/or tax advice.

Copies of this Securities Note can be obtained by contacting the Issuer.

CONTENTS

Clause		Page
1.	RISK FACTORS	4
1.1	Introduction	4
1.2	Risks related to the Bonds	4
2.	PERSON RESPONSIBLE	7
2.1	Person responsible for the information	7
2.2	Declaration by person responsible	7
3.	INFORMATION CONCERNING THE SECURITIES	8
3.1	Information about Bond Terms	8
3.2	Listing of the Bonds	14
4.	NORWEGIAN TAXATION	15
4.1	Norwegian Bondholders	15
4.2	Foreign Bondholders	15
5.	DEFINITIONS	17
6.	ADDITIONAL INFORMATION	18
6.1	The Issuer	18
6.2	Legal Advisor	18
6.3	The approval of this Prospectus by the Norwegian Financial Supervisory Authority	18
APPENDIX 1	BOND TERMS	A1
APPENDIX 2	THE TAP ISSUE ADDENDUM	A2
APPENDIX 3	GUARANTEE	A3

1. RISK FACTORS

1.1 Introduction

The information in this Section is as of the date of this Securities Note.

All investments in interest bearing securities such as the Bonds have risks associated with such investment. The risks relate to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as Issuer specific risk factors. An investment in the Bonds is only suitable for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of the investment. Please also refer to the Registration Document for a description of Issuer specific risk factors.

For the definitions of capitalised terms used throughout this Securities Note, see Section 5 “Definitions”.

1.2 Risks related to the Bonds

The Bonds will be structurally subordinated to claims of creditors of the Issuer's subsidiaries

Generally, claims of creditors of the Issuer's subsidiaries including trade creditors, secured creditors, and creditors holding indebtedness and guarantees issued by such subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of the Issuer and will be entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer, as a direct or indirect shareholder, in each case to the extent the Issuer's obligations are not guaranteed by the relevant entity. Accordingly, absent a guarantee from the relevant subsidiary, the Bonds will be structurally subordinated to all such creditors' claims against such subsidiaries and in an enforcement scenario, such creditors will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiaries before the Issuer, as a direct or indirect shareholder, will be entitled to receive any distributions.

An active trading market for the Bonds may not develop

Although the Bonds are admitted to trading at the Euronext Oslo Børs, active trading in the Bonds may not occur and a liquid market for trading in the Bonds may not be available. For example, if the Issuer fails to comply with the various obligations and standards of conduct which follow the listing of the Bonds, this may lead to the exclusion of the Bonds from trading. As a result, each individual holder of Bonds (a “Bondholder”) may find it difficult or impossible to trade their Bonds when desired or at a price level which allows for a profit comparable to similar investments. The liquidity of the Bonds will at all times depend on the market participants' view of the value of the Bonds. Potential investors should note that it may be difficult or even impossible to trade and sell the Bonds in the secondary market.

If an active market does not develop or is not maintained, the price and liquidity of the Bonds may be adversely affected.

The Bonds will be secured and thus effectively unsubordinated debt obligations of the Issuer

The Bonds constitute secured obligations of the Issuer and the Issuer's payment obligations under the Bond Terms shall rank (i) pari passu between themselves, (ii) at least pari passu with all other secured obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and (iii) ahead of any subordinated debt of the Issuer. The Bondholders will be secured only to the extent of the value of their security and the underlying assets and the value of the security and guarantees offered by the Issuer in connection with the Bonds may not be adequate to cover the full amount of outstanding debt. Thus, the secured claims on the Bonds may not be satisfied in full or at all in the event of insolvency or liquidation, potentially resulting in losses for Bondholders.

The Bonds are subject to credit risk relating to the Group's ability to meet its payment obligations, which largely depends on the performance of the Group's operations and its financial position. Creditors under indebtedness, and trade creditors of the Issuer's subsidiaries, will be entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer, as a direct or indirect shareholder. In an enforcement scenario, creditors of the Issuer's subsidiaries, to the extent such subsidiaries

are not also guarantors of the Bonds, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiaries before the Issuer, as a direct or indirect shareholder, will be entitled to receive any distributions.

The Group's financing arrangements have restrictions on distributions which means that generated cash flow may not be immediately available to the Issuer, even if such cash flow can be accounted for in the calculation of the liquidity covenant pursuant to the terms of the Bonds.

The Issuer may have insufficient funds to make required repurchases of Bonds

The Bond Terms provide for certain redemption and repurchase mechanics in respect of the Bonds which entail redemption or repurchase with a premium, either voluntarily or mandatorily. The latter will be the case, inter alia, upon the occurrence of a change of control event or a share de-listing event (each term as described in the Bond Terms), whereby each Bondholder has a right to require that the Issuer purchases all or some of the Bonds at 101% of par value (plus accrued interest). There can be no assurance that the Issuer will have sufficient funds at the time of such event to make the required repurchase of the Bonds, should a mandatory repurchase event occur.

The sale of M/T P. Sophia constitutes a Mandatory Redemption Event which may affect the outstanding amount of Bonds and the security package

The Issuer has entered into a Memorandum of Agreement to sell M/T P. Sophia, owned by Maloelap Shipping Company Inc., a Guarantor under the Bond Terms. The sale constitutes a Mandatory Redemption Event under the Bond Terms. Upon delivery of the vessel and receipt of the Net Disposal Proceeds, the Issuer is required to apply such proceeds towards either (A) transfer to a pledged and blocked Reinvestment Account, to be applied towards the acquisition of a new vessel over which equivalent Transaction Security shall be granted, and/or (B) redemption of Bonds at a price equal to 101.00 per cent of the Nominal Amount of the Bonds redeemed. Any amounts standing to the credit of the Reinvestment Account that have not been applied towards a new vessel acquisition by the date falling 12 months after the sale must be applied towards redemption of the Bonds. Accordingly, Bondholders should be aware that the outstanding amount of Bonds may be reduced, and that the security package securing the Bonds may change, as a result of the sale.

There are restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Furthermore, the Issuer does not intend to register the Bonds under any other country's securities laws. This limits the Bondholders' ability to offer or sell the Bonds in certain jurisdictions. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a Bondholder will not be able to sell its Bonds as desired.

The Bonds may be redeemed early at the option of the Issuer

Under the Bond Terms, the Issuer will have the right to redeem and/or exercise a call option over all or some of the outstanding Bonds before the final redemption date. This is likely to limit the market value of the Bonds. During any period when the Issuer may redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. It may not be possible for Bondholders to reinvest the early redemption amount at an effective interest rate as high as the interest rate on the Bonds and a bondholder may realize a lower return on its investment than if the Bonds had been outstanding through maturity. Additionally, should the Issuer elect to redeem only part of the outstanding Bonds, the liquidity of the remaining Bonds may be reduced.

Individual Bondholders do not have the right of action against the Issuer

In accordance with the Bond Terms, the bond trustee will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking action on their own against the Issuer. Consequently, individual Bondholders do not have the right to take enforcement action against the Issuer if it defaults and they will instead need to wait until a requisite majority of Bondholders agrees to take such action. The bond trustee

will in some cases have the right to make decisions and take actions that bind all Bondholders. It is possible that such decisions and actions will negatively affect one or more Bondholders.

Bondholders may be overruled by majority votes taken in Bondholders' meetings

The Bond Terms include certain provisions regarding Bondholders' meetings and written procedures. Such meetings and procedures may be used to reach decisions on matters relating to the Bondholders' interests. The Bond Terms allow for stated majorities to bind all Bondholders, including Bondholders who have not taken part in the meeting or procedure and those who have voted against the majority. Consequently, there is a risk that the actions of the majority in such matters will impact a Bondholder's rights in a manner that is undesirable to it.

Exchange risk for non-USD investors

The Bonds are issued in USD and any future payments of interest on the Bonds will be paid in USD. Accordingly, any investor with another reference currency in its ordinary course of business is subject to adverse movements in the USD against their local currency as such adverse movements could have a material adverse effect on the local currency equivalent of any USD payments on the Bonds.

Restrictive covenants may restrict the Group's ability to finance operations, capital needs and to pursue business opportunities

The Bond Terms will include restrictive covenants, such as covenants relating to minimum liquidity, minimum working capital and minimum value adjusted equity ratio. Such restrictive covenants lock up the Issuer's and the other members of the Group's scope of action, which could have a material adverse effect on the Issuer's and the other members of the Group's ability to carry on its business and operations. To the extent business and operations are interfered with, this could have a material adverse effect on the Group's business, prospects and its financial and operational condition, and could cause the Issuer to fail to meet its obligations under the Bond Terms.

2. Person responsible

2.1 Person responsible for the information

Person responsible for the information contained in this Securities Note:

Performance Shipping Inc.

*373 Syngrou Avenue, 175 64 Palaio Faliro,
Athens, Greece*

2.2 Declaration by person responsible

Performance Shipping Inc. confirms that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omissions likely to affect its import.

25 March 2026

Andreas Nikolaos Michalopoulos
CEO
Performance Shipping Inc.

3. Information concerning the securities

3.1 Information about Bond Terms

ISIN code:	NO0013607028.
The Issue:	Performance Shipping 25/29 9,875% USD.
Issuer:	Performance Shipping Inc. with registration number 38911 and LEI-code: 529900TDUX3CQLRVFO49.
Guarantors:	Bock Shipping Company Inc. and Maloelap Shipping Company Inc.
Security type:	Senior secured bonds with fixed rate.
Transaction Security:	<p>The Bonds are secured by:</p> <ul style="list-style-type: none"> • Pre-Settlement Security: <ul style="list-style-type: none"> ○ the Escrow Account Pledge. • Pre-Disbursement Security: <ul style="list-style-type: none"> ○ share pledges over shares in each Collateral Vessel Owner; ○ first preferred and/or priority ship mortgages over each Collateral Vessel; ○ first priority assignment over insurances in respect of each Collateral Vessel; and ○ a Guarantee from each Collateral Vessel Owner.
Maximum Issue Amount:	USD 150,000,000.
Initial Bond Issue Amount:	USD 100,000,000.
Tap Issue Amount:	USD 50,000,000.
Outstanding Amount:	USD 150,000,000.
Net Amount of the proceeds:	<p>Initial Bond: USD 94,748,154.62.</p> <p>Tap Issue: USD 50,724,279.97.</p>
Denomination - Each Bond:	<p>USD 125,000, each ranking <i>pari passu</i> between themselves.</p> <p>The Bond Trustee may instruct VPS to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.</p>
Securities Form:	The Bonds are electronically registered in book-entry form with Euronext Securities Oslo (Verdipapirsentralen ASA (the “VPS”)).
Issue Date:	17 July 2025.
Tap Issue Date:	27 January 2026.
Interest Accrual Date:	Each Outstanding Bond will accrue interest at the Interest Rate on the nominal Amount for each Interest Period, commencing on and including the first date of

	<p>the Interest Period, and ending on but excluding the last date of the Interest Period. First Interest Payment Date is 17 January 2026.</p> <p>The Additional Bonds will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with the paragraph above.</p>												
Interest Bearing to:	Maturity Date, save for default interest.												
Maturity Date:	17 July 2029 (4 years after the issue date).												
Interest Rate:	Fixed, 9.875 per cent per annum.												
Interest Payment Date:	The last day of each Interest Period, the first Interest Payment Date being 17 January 2026 and the last Interest Payment Date being the Maturity Date.												
Interest Period:	Subject to adjustment in accordance with the Business Day Convention, the period between 17 January and 17 July each year, provided however that an Interest Period shall not extend beyond the Maturity Date.												
Payment of Interest:	Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.												
Call Option - voluntary early redemption	<p>Pursuant to Clause 10.2 of the Bond Terms, the Issuer may redeem all or part of the Outstanding Bonds on any Business Day from the Issue Date to the Maturity Date at various prices depending on the timing of Call Option Repayment Date.</p> <p>The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date.</p> <table border="1"> <thead> <tr> <th>Call Option Period</th> <th>Call Price</th> </tr> </thead> <tbody> <tr> <td>From Issue Date to, but excluding, First Call Date</td> <td>Make Whole Amount</td> </tr> <tr> <td>From First Call Date to, but excluding, Interest Payment Date in January 2028</td> <td>104.938%</td> </tr> <tr> <td>From Interest Payment Date in January 2028 to, but excluding, Interest Payment Date in July 2028</td> <td>103.703%</td> </tr> <tr> <td>From Interest Payment Date in July 2028 to, but excluding, Interest Payment Date in January 2029</td> <td>102.469%</td> </tr> <tr> <td>From Interest Payment Date in January 2029 to, but excluding, Maturity Date</td> <td>100.50%</td> </tr> </tbody> </table>	Call Option Period	Call Price	From Issue Date to, but excluding, First Call Date	Make Whole Amount	From First Call Date to, but excluding, Interest Payment Date in January 2028	104.938%	From Interest Payment Date in January 2028 to, but excluding, Interest Payment Date in July 2028	103.703%	From Interest Payment Date in July 2028 to, but excluding, Interest Payment Date in January 2029	102.469%	From Interest Payment Date in January 2029 to, but excluding, Maturity Date	100.50%
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Early redemption option due to tax event	Pursuant to Clause 10.6, if the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (Taxation) as a result of a change in applicable												

	law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100.00 per cent. of the Nominal Amount.
Mandatory early redemption - Total Loss	<p>Pursuant to Clause 10.4, the Issuer has a mandatory redemption obligation in the event of a Total Loss Event. The Issuer shall upon a Total Loss Event as soon as the net cash insurance proceeds are received by it and in any event no later than 180 days following the Total Loss Event apply the Net Insurance Proceeds towards (in the Issuer's sole discretion) (A) the transfer of all of Net Insurance Proceeds to the Reinvestment Account, or (B) the redemption of an equivalent amount of Bonds (rounded down to the nearest whole Bond) at a price equal to 100.00 per cent. of the Nominal Amount of the Bonds being redeemed.</p> <p>"Total Loss Event" means an actual, agreed, compromised or constructive total loss of a Collateral Vessel.</p>
Mandatory redemption - Mandatory Redemption Event	<p>Pursuant to Clause 10.5, upon a Mandatory Redemption Event, the Issuer shall, on the day the relevant Group Company receives the cash proceeds following a Mandatory Redemption Event, apply the Net Disposal Proceeds towards (in the Issuer's sole discretion) (A) the transfer of all of such Net Disposal Proceeds to the Reinvestment Account and/or (B) the redemption of Bonds (rounded down to the nearest whole Bond) at a price equal to 101.00 per cent. of the Nominal Amount of the Bonds being redeemed.</p> <p>"Mandatory Redemption Event" means if the Issuer (directly or indirectly) sells or disposes of a Collateral Vessel.</p>
Call Option Repayment Date:	The settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (Voluntary early redemption - Call Option), paragraph (d) of Clause 10.3 (Mandatory repurchase due to a Put Option Event) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.
Mandatory repurchase due to a Put Option Event:	<p>Upon the occurrence of a Put Option Event, each Bondholder will have the right to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.00 per cent of the Nominal Amount. Please see section 10.3 in the Bond Terms.</p> <p>"Put Option Event" means Change of Control Event or a Share De-Listing Event as defined in the Bond Terms.</p>
Default Repayment Date:	The settlement date set out by the Bond Trustee in a default notice requesting early redemption of the Bonds.
Business Day Convention:	Business Day Convention means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.
Yield:	Investors wishing to invest in the Bonds after the Listing must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased or decreased. The Interest Rate for the Bonds is fixed.
Issue Price:	97% of the Nominal Amount.

Issue Price Tap Issue:	103% of the Nominal Amount.
Business Day:	Means any day on which both the relevant CSD settlement system and the relevant Bond currency settlement system is open.
Maturity:	The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent of the Nominal Amount (as defined in the Bond Terms).
Outstanding Bonds:	Any Bonds not redeemed or otherwise discharged.
Redemption:	<p>Matured interest and matured principal will be paid by crediting the bank accounts nominated by each Bondholder in connection with its securities account in the Securities Depository.</p> <p>Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of 18 May 1979 no 18 (currently 3 years for interest rates and 10 years for principal).</p>
Dividend restrictions:	<p>The Issuer shall not, and shall procure that no other Group Company shall make, any Distributions to the shareholders of the Issuer other than any Permitted Distribution.</p> <p>“Permitted Distribution” means any Distribution:</p> <ul style="list-style-type: none"> a) by the Issuer, provided that no Event of Default has occurred and is continuing and subject to being in compliance with the Incurrence Test, up to 25.00 per cent of net profit (excluding any loss or gain from sale of Vessels) of the Group in the previous calendar year, and where any unutilised portion of such net profit may not be carried forward; b) any Distribution made in respect of the Preference Shares in the Issuer made in accordance with the terms and conditions regulating such Preference Shares (at the Issue Date); c) by a Group Company (other than the Issuer), if: <ul style="list-style-type: none"> i. such Distribution is made to another Group Company; or ii. made by a Group Company which is not wholly-owned, is made pro rata to its shareholders on the basis of their respective ownership at the time, provided that the shareholders not being Group Companies are Third Party Shareholders; or iii. in the form of repurchase of shares by the Issuer in connection with incentive schemes and/or option programs provided that no Event of Default has occurred and is continuing and such repurchase of shares shall not, in any financial year, exceed USD 3,000,000 (or the equivalent in any other currency) in aggregate.
Status of the Bonds and Security:	<p>The Bonds will constitute senior debt obligations of the Issuer.</p> <p>The Bonds will rank <i>pari passu</i> between themselves and at least <i>pari passu</i> with all other senior obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).</p>

Restrictions on transfer:	<p>Please see the Bond Terms Clause 11.2, which states that:</p> <p>(a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.</p> <p>(b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.</p>
Information undertakings:	For information regarding information undertakings, please see the Bond Terms Clause 12.
General and financial undertakings:	For information regarding general and financial undertakings, please see the Bond Terms Clause 13.
Covenants:	For information regarding the covenants that apply to the Issuer, please see the Bond Terms Clause 13. Financial Covenants are set out in Clause 13.19.
Events of default and acceleration of the Bonds:	<p>Event of Default means the occurrence of an event or circumstance specified in the Bond Terms Clause 14.1.</p> <p>If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (<i>Bondholders' instructions</i>) below, by serving a Default Notice to the Issuer:</p> <p>(a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or</p> <p>(b) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.</p>
Purpose and Utilization:	<p>The Issuer will use the Net Proceeds from the Initial Bond Issue towards financing the acquisition of Additional Vessels.</p> <p>The Issuer will use the Net Proceeds from the issuance of the Additional Bonds issued in the Tap Issue for general corporate purposes of the Group.</p>
Approvals:	<p>The Bonds, excluding the Additional Bonds, were issued in accordance with the Issuer's Board approval dated 2 July 2025. The Guarantee was issued in accordance with the Guarantor's Board approval both dated 17 September 2025.</p> <p>The Additional Bonds were issued in accordance with the Issuer's Board approval dated 12 January 2026.</p>
Listing:	The Issuer will on or about the date of this Prospectus apply for the Bonds to be listed on the Euronext Oslo Børs. It is therefore expected that the Bonds are listed shortly after the Prospectus is published.

Bond Terms:	<p>The Bond Terms has been entered into between the Issuer and the Bond Trustee. The Bond Terms regulates the Bondholder’s rights and obligations in relation to the Bond Issue. With respect to the Additional Bonds, such Bonds are also subject to the Tap Issue Addendum in addition to the Bond Terms.</p> <p>The Bond Trustee is party to the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms. For information regarding the role of the Bond Trustee, see Bond Terms Clause 16. When Bonds are subscribed for / purchased, the Bondholder has accepted the Bond Terms and is bound by its terms. Individual Bondholders do not have direct rights of action against the Issuer, only the Bond Trustee may take enforcement action on behalf of the Bondholders.</p> <p>Information regarding Bondholders’ meeting and the Bondholders’ right to vote are described in the Bond Terms Clause 15. Note that Bondholders may be overruled by majority votes taken in Bondholders’ meetings.</p> <p>The Bond Terms and the Tap Issue Addendum are attached to this Securities Note.</p>
Documentation:	The Registration Document and the Securities Note both dated 25 March 2026, the Bond Terms dated 15 July 2025 and the Tap Issue Addendum dated 23 January 2026.
Availability of the Documentation:	<p>https://pshipping.com/</p> <p>The information on the webpage does not form part of the Securities Note.</p>
Bond Trustee:	Nordic Trustee AS, Postboks 1470 Vika, NO-0116 Oslo, Norway https://nordictrustee.com/ .
Managers:	<p>Clarksons Securities AS, Munkedamsveien 62C, 0270 Oslo, Norway;</p> <p>Pareto Securities AS, Dronning Mauds gate 3,0250 Oslo, Norway.</p>
Paying Agent:	Pareto Securities AS, Dronning Mauds gate 3,0250 Oslo, Norway.
Securities Depository:	The VPS, with registered address at Tollbugata 2, 0152 Oslo, Norway.
Market-Making:	No market-maker agreement has been or is expected to be entered into in connection with the Bond Issue.
Legislation under which the Securities have been created:	Norwegian law.
Fees and Expenses:	<p>The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders’ Meeting regardless of who has convened the Bondholders’ Meeting, including any reasonable costs and fees incurred by the Bond Trustee.</p> <p>The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee’s obligations under the Finance Documents are conditioned upon the due payment</p>

	<p>of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.</p> <p>Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p>
Fees:	<p>Total expenses related to admission to trading for the Bonds:</p> <p>Prospectus fee (FSA): NOK 126,000.</p> <p>Listing and registration fee (Euronext Oslo Børs): NOK 118,975.</p>

3.2 Listing of the Bonds

The Issuer will apply to Euronext Oslo Børs for the Bonds to be listed shortly after the date of this Prospectus. Euronext Oslo Børs is not obliged to accept the listing of the Bonds; therefore, the admission to trading will not necessarily be approved.

4. NORWEGIAN TAXATION

This Section describes certain tax rules in Norway applicable to bondholders who are resident in Norway for tax purposes (“Norwegian Bondholders”) and bondholders who are not resident in Norway for tax purposes (“Foreign Bondholders”). For Foreign Bondholders, both the tax legislation of the Foreign Bondholder’s country of residence and Norwegian tax legislation may impact the income received from the Bonds. The statements regarding taxation are based on the laws in force in Norway as of the date of this Securities Note (as part of the Prospectus) and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of the Bonds. The statements only apply to bondholders who are beneficial owners of Bonds.

4.1 Norwegian Bondholders

Taxation of interest

Interest received on bonds classified as debt instruments is taxable at 22% (25% if subject to the Norwegian finance tax). The Bonds should be classified as debt instruments. Interest earned by Norwegian Bondholders is normally taxed on an accrual basis, meaning it is taxed regardless of when the interest is actually paid.

Taxation of capital gains and losses

The sale, disposal or redemption of Bonds is treated as realisation and may result in a capital gain or loss in the year of realisation. Capital gains are taxable at 22% (25% if subject to the Norwegian finance tax). Losses are normally deductible at the same rates.

Any capital gain or loss is computed as the difference between the amount received by the bondholder upon realisation and the cost price of the bonds. The cost price is equal to the price the bondholder paid to acquire the bonds. A regular repayment of a bond will on this basis normally not cause any taxable gain. However, currency gains or losses are, as the general rule, taxable. Costs incurred in connection with the acquisition and realisation of bonds may normally be deducted from the bondholder’s taxable income in the realisation year.

Net wealth taxation

The value of Bonds at the end of each income year will be included in the bondholder’s taxable net wealth. Listed Bonds are valued at their quoted value on 1 January in the relevant assessment year. Net wealth exceeding a threshold of NOK 1,900,000 is taxed at 1.0%, and net wealth exceeding a threshold of NOK 21,500,000 is taxed at 1.1%.

Limited liability companies and certain similar entities are not subject to net wealth taxation.

VAT and transfer taxes

No VAT, transfer taxes, stamp duty or similar taxes are imposed on the purchase, disposal or redemption of the Bonds.

4.2 Foreign Bondholders

Taxation of interest

Interest paid to Foreign Bondholders with no connection to Norway other than the holding of such Bonds will not be subject to Norwegian income tax. The same applies to any payment of principal. If the holding of the Bonds is connected with a business carried out in Norway that qualifies as a permanent establishment, the Foreign Bondholder may be subject to taxation in Norway. Such tax liability may be limited by an applicable tax treaty.

If tax resident in Norway, the Issuer is liable to withhold 15% on interest payments to a Foreign Bondholder if (i) they are related parties and (ii) the Foreign Bondholder is tax resident in a low-tax jurisdiction, unless the Foreign Bondholder is genuinely established and conducts genuine economic activity in an EEA state, as well as fulfils certain documentation requirements. A “related party” is any company or undertaking that directly or indirectly owns or controls at least 50% of the other party. A “low-tax jurisdiction” is a jurisdiction in which the ordinary income tax on the overall profit of the company or undertaking is effectively less than two thirds of

the tax that would be levied on such company or undertaking if it were resident in Norway. Such tax liability may be limited by a tax treaty.

Taxation of capital gains and losses

Capital gains or losses realised on the sale, disposal or redemption of the Bonds by a Foreign Bondholder will not be subject to Norwegian income tax. The same applies to any payment of principal.

If the holding of the Bonds is connected with a business carried out in Norway that qualifies as a permanent establishment, the Foreign Bondholder may be subject to taxation in Norway. Such tax liability may be limited by an applicable tax treaty.

Net wealth taxation

Foreign Bondholders are not subject to Norwegian net wealth tax unless the bondholder is an individual and the bondholding is connected with a business carried out in Norway that qualifies as a permanent establishment. Such tax liability may be limited by an applicable tax treaty.

VAT and transfer taxes

No VAT, transfer taxes, stamp duty or similar taxes are imposed on the purchase, disposal or redemption of Bonds.

5. DEFINITIONS

Capitalised terms used throughout this Securities Note shall have the meaning ascribed to such terms as set out below, unless the context requires otherwise.

Additional Bonds	The senior secured bonds issued by the Issuer in the Tap Issue pursuant to the Tap Issue Addendum.
Bonds	The senior secured bonds issued by the Issuer pursuant to the Bond Terms from time to time with ISIN NO0013607028, including any Additional Bonds.
Bond Terms	The bond terms dated 15 July 2025 and entered into between Performance Shipping Inc. as Issuer and Nordic Trustee AS as bond trustee on behalf of the Bondholders regarding the Bond Issue.
Bond Trustee	Nordic Trustee AS.
Bond Issue	The bond issue constituted by the Bonds, including the Initial Bond Issue and the Tap Issue.
Bondholder	A holder of Bond(s), as registered in the VPS, from time to time.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC.
Finance Documents	Means (i) the Bond Terms, (ii) the fee agreement between the Bond Trustee and the Issuer, (iii) the Intercreditor Agreement and (iv) any other document the Issuer and the Bond Trustee designate as a Finance Document.
Foreign Bondholders	Bondholders who are not resident in Norway for tax purposes.
Group	The Issuer and its subsidiaries from time to time.
Group Company	Any person which is a member of the Group.
Guarantors	Bock Shipping Company Inc. and Maloelap Shipping Company Inc.
Initial Bond Issue	The issuer's initial bond issue on 17 July 2025, as constituted by the Bond Terms.
Issue Date	17 July 2025.
Issuer	Performance Shipping Inc. (with registration number 38911 and LEI-code: 529900TDUX3CQLRVFO49).
Managers	Clarksons Securities AS and Pareto Securities AS.
Norwegian Bondholders	Bondholders who are resident in Norway for tax purposes.
Listing	The listing of the Bonds on Euronext Oslo Børs.
Norwegian FSA	The Norwegian Financial Supervisory Authority (Norwegian: <i>Finanstilsynet</i>)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended.
Euronext Oslo Børs	Euronext Oslo Børs (a stock exchange operated by Oslo Børs ASA).
Prospectus	This Securities Note together with the Registration Document for the Bond Issue, dated 25 March 2026.
Registration Document	The document forming a part of the Prospectus describing the Issuer.
Securities Note	This document forming a part of the Prospectus describing the terms of the Bond Issue.
Security	Any encumbrance, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Tap Issue	The additional bond issue on 27 January 2026, as constituted by the Bond Terms and the Tap Issue Addendum.
Tap Issue Addendum	The addendum to the Bond Terms evidencing the terms of the Tap Issue dated 23 January 2026.
VPS	Euronext Securities Oslo (Norwegian: <i>Verdipapirsentralen</i>).

6. ADDITIONAL INFORMATION

6.1 The Issuer

The involved persons in the Issuer have no interest, nor conflicting interests that is material to the Bond Issue.

The Issuer has mandated Clarksons Securities AS and Pareto Securities AS as Managers for the Bond Issue. The Managers have acted as advisor to the Issuer in relation to the pricing of the Issue.

The Managers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note and may perform or seek to perform financial advisory or banking services related to such instruments. The Manager's corporate finance department may act as manager or co-manager for the Issuer in private and/or public placement and/or resale not publicly available or commonly known.

6.2 Legal Advisor

Advokatfirmaet BAHR AS is acting as legal advisor to the Issuer in connection with the Listing.

6.3 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

This Prospectus has been approved by the Norwegian FSA, as the competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Norwegian FSA as competent authority under the EU Prospectus Regulation has reviewed the Prospectus. The Norwegian FSA approved the Prospectus on 25 March 2026 but has not verified or approved the accuracy or completeness of the information included in the Prospectus. The approval given by the Norwegian FSA only relates to the information included in the Prospectus in accordance with pre-defined disclosure requirements imposed by the EU Prospectus Regulation. The Norwegian FSA has not made any form of verification or approval relating to corporate matters described in or referred to in the Prospectus. On no account must the publication or the disclosure of this Securities Note give the impression that the information herein is complete or correct on a given date after the date on this Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

APPENDIX 1 - BOND TERMS

BOND TERMS

FOR

**Performance Shipping Inc. 9.875% senior secured USD 150,000,000 bonds
2025/2029**

ISIN NO0013607028

Contents

Clause	Page
1. INTERPRETATION	3
2. THE BONDS	19
3. THE BONDHOLDERS	21
4. ADMISSION TO LISTING	22
5. REGISTRATION OF THE BONDS	22
6. CONDITIONS FOR DISBURSEMENT	22
7. REPRESENTATIONS AND WARRANTIES	25
8. PAYMENTS IN RESPECT OF THE BONDS	27
9. INTEREST	30
10. REDEMPTION AND REPURCHASE OF BONDS	30
11. PURCHASE AND TRANSFER OF BONDS	32
12. INFORMATION UNDERTAKINGS	33
13. GENERAL AND FINANCIAL UNDERTAKINGS	34
14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS	38
15. BONDHOLDERS' DECISIONS	41
16. THE BOND TRUSTEE	45
17. AMENDMENTS AND WAIVERS	50
18. MISCELLANEOUS	51
19. GOVERNING LAW AND JURISDICTION	53
ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT	56

ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

BOND TERMS between	
ISSUER:	Performance Shipping Inc. , a corporation duly incorporated and validly existing under the laws of the Republic Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, with registration number 38911 and LEI-code 529900TDUX3CQLRVFO49; and
BOND TRUSTEE:	Nordic Trustee AS , a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	15 July 2026
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Accounting Standard**” means GAAP.

“**Additional Bonds**” means the debt instruments issued under a Tap Issue, including any Temporary Bonds.

“**Additional Vessel**” means any new or second hand tanker vessel acquired by a Group Company with the proceeds of (a) the Bonds, including under any Tap Issue made for such purpose or (b) any Reinvestment.

“**Additional Vessel Security**” means any Security created pursuant to Clause 2.6 (*Additional Security and Guarantees*).

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person with Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity with Decisive Influence over that person (directly or indirectly).

“**Annual Financial Statements**” means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and management commentary or report of the board of directors.

“Approved Shipbroker” means any of Clarkson Plc, Fearnleys AS, Nordic Shipping AS, Arctic Shipping AS, MB Shipbrokers, Intermodal Shipbrokers, Associated Shipbroking SAM, Allied Shipbroking Inc., Optima Shipping Services S.A., or such other independent reputable ship broker nominated by the Issuer and approved by the Bond Trustee from time to time.

“Attachment” means any schedule, appendix or other attachment to these Bond Terms.

“Bond Currency” means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Bond Terms” means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“Bond Trustee” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“Bond Trustee Fee Agreement” means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

“Bondholder” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“Bondholders’ Meeting” means a meeting of Bondholders as set out in Clause 15 (*Bondholders’ Decisions*).

“Bonds” means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“Business Day” means a day on which both the relevant CSD settlement system and the relevant settlement system for the Bond Currency are open.

“Business Day Convention” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

“Call Option” has the meaning ascribed to such term in Clause 10.2 (*Voluntary early redemption – Call Option*).

“Call Option Repayment Date” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“Cash and Cash Equivalents” means, at any time, (on a consolidated basis for the Issuer and the Group), the aggregate amount of the Group’s:

- (a) cash in hand or on deposit held by any Group Company with any bank or financial institution; and
- (b) certificates of deposit issued, and bills of exchange accepted, and other cash equivalent assets of any Group Company (as such assets would be reported in the Financial Reports),

in each case to which a Group Company is beneficially entitled at the time and to which it has free and unrestricted access. Any amount standing to the credit of any pledged (but not blocked) account of the Group (a “**Pledged Account**”) shall be regarded as Cash and Cash Equivalent. However, if a Pledged Account becomes blocked, any amount standing to the credit of such Pledged Account shall not be included in the calculation of Cash and Cash Equivalents.

“**Change of Control Event**” means, where a person or group of persons acting in concert (other than Mango Shipping Corp. and/or Aliko Paliou and/or any direct descendant of Aliko Paliou) gaining Decisive Influence over the Issuer.

“**Compliance Certificate**” means a statement substantially in the form as set out in Attachment 1 hereto.

“**Collateral Vessel**” means:

- (a) the vessel “P. Monterey” with IMO 9568172;
- (b) the vessel “P. Sophia” with IMO 9414034; and
- (c) any Additional Vessel(s) financed by a Reinvestment.

“**Collateral Vessel Owners**” means:

- (a) Bock Shipping Company Inc., a corporation duly incorporated and validly existing under the laws of the Republic of Marshall Islands, having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, with registration number 116344;
- (b) Maloelap Shipping Company Inc., a corporation duly incorporated and validly existing under the laws of the Republic of Marshall Islands, having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, with registration number 114826; and
- (c) any other Group Company being the owner of a Collateral Vessel.

“**CSD**” means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

“**Cure Amount**” means cash proceeds actually received by the Issuer (i) in exchange for the issuance of common or preferred shares in the Issuer or (ii) as Subordinated Loans.

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“**Default Notice**” has the meaning ascribed to such term in Clause 14.2 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**Distribution**” means:

- (a) payment of dividend or other distribution (whether in cash or in kind) on or in respect of share capital;
- (b) repayment or distribution of dividend or share premium reserve;
- (c) redemption, repurchase or repayment of share capital or other restricted equity with repayment to shareholders;
- (d) repayment or service of any Subordinated Loan; or
- (e) other similar distributions or transfers of value to the direct and indirect shareholders of any Group Company or the Affiliates of such direct and indirect shareholders.

“**Escrow Account**” means an account in the name of the Issuer, blocked and pledged on first priority as security for the Issuer’s obligations under the Finance Documents.

“**Escrow Account Pledge**” means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

“**Equity**” means total equity, including share capital, Subordinated Loans (which shall count as equity), share premium, retained earnings, current year’s earnings, reserves and adjustments, attributable to the Group’s shareholders plus minority interests as shown in the Group’s most recent Financial Reports.

“**Event of Default**” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“**Exchange**” means:

- (a) Oslo Børs (the Oslo Stock Exchange); or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR) or an equivalent third-country market (including the New York Stock Exchange, Nasdaq Stock Market and London Stock Exchange).

“Finance Documents” means these Bond Terms, the Bond Trustee Fee Agreement, any Transaction Security Document, any Security Agent Agreement any Tap Issue Addendum and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“Finance Lease” means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Standard, be treated as a balance sheet liability.

“Financial Covenants” means the financial covenants out in paragraph (a) of Clause 13.19 (*Financial Covenants*).

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (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, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalised as an asset and booked as a corresponding liability in the balance sheet;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and, when calculating the value of any derivative transaction, only the mark to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (i) the primary reason behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;

- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“**Financial Reports**” means the Annual Financial Statements and the Interim Accounts.

“**First Call Date**” means the Interest Payment Date falling in July 2027.

“**Fleet Vessel**” means any vessel from time to time wholly owned by a member of the Group (directly or indirectly) including chartered-in vessels for which a member of the Group has a purchase obligation but excluding, for the avoidance of doubt, any newbuilding vessels not delivered to the relevant member of the Group at the relevant time, and “**Fleet Vessels**” means more than one of them.

“**GAAP**” means generally accepted accounting practices and principles in the United States of America or in the country in which the Issuer is incorporated including, if applicable, IFRS.

“**Group**” means the Issuer and its Subsidiaries from time to time.

“**Group Company**” means any person which is a member of the Group.

“**Guarantee**” means the unconditional Norwegian law guarantee and indemnity (Norwegian: “*selvskyldnerkausjon*”) issued by each of the Collateral Vessel Owners.

“**IFRS**” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“**Incurrence Test**” has the meaning ascribed to such term in Clause 13.20 (*Incurrence Test*).

“**Initial Bond Issue**” means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Initial Nominal Amount**” means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Insolvent**” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

“Interest Payment Date” means the last day of each Interest Period, the first Interest Payment Date being 17 January 2026 and the last Interest Payment Date being the Maturity Date.

“Interest Period” means, subject to adjustment in accordance with the Business Day Convention, the period between 17 January and 17 July each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“Interest Rate” means 9.875 per cent. per annum.

“Interim Accounts” means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June and 30 September each year, prepared in accordance with the Accounting Standard. Such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary or report of the board of directors.

“ISIN” means International Securities Identification Number.

“Issue Date” means 17 July 2025.

“Issuer” means the company designated as such in the preamble to these Bond Terms.

“Issuer’s Bonds” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“Liquidity” means the sum of (i) any Cash and Cash Equivalents and (ii) any undrawn commitments under any revolving credit or working capital facility which is available for immediate drawing.

“Listing Deadline means” means 17 April 2026¹.

“Listing Failure Event” means:

- (a) that the Bonds (save for any Temporary Bonds) have not been admitted to listing on Oslo Børs (the Oslo Stock Exchange) within the Listing Deadline;
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange; or
- (c) that the Temporary Bonds have not been admitted to listing on the Exchange where the other Bonds are listed within the later of (i) 6 months following the issue date for such Temporary Bonds and (ii) the Listing Deadline.

“Make Whole Amount” means an amount equal to the sum of the present value on the Repayment Date of:

¹ The date falling 9 months following the Issue Date

- (a) the Nominal Amount of the redeemed Bonds at the price as set out in paragraph (a) (ii) of Clause 10.2 (*Voluntary early redemption – Call Option*) as if such payment originally had taken place on the First Call Date; and
- (b) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Repayment Date) to the First Call Date,

where the present value shall be calculated by using a discount rate of 4.03 per cent. per annum.

“**Managers**” means Clarksons Securities AS and Pareto Securities AS.

“**Mandatory Redemption Event**” means if the Issuer (directly or indirectly) sells or disposes of a Collateral Vessel.

“**Mandatory Redemption Repayment Date**” means the settlement date for the Mandatory Redemption Event pursuant to Clause 10.5 (*Mandatory early redemption due to a Mandatory Redemption Event*).

“**Market Value**” means the fair market value of the Group’s Vessels in USD, determined as the arithmetic mean of independent valuations of the Vessels obtained from two Approved Shipbrokers. Such valuations shall be made 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 willing buyer, on an “as is where is” basis, free of any existing charters or other contracts for employment. The cost of such valuations shall be for the account of the Issuer.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the ability of the Issuer to perform and comply with its obligations under any Finance Document; or
- (b) the validity or enforceability of any Finance Document.

“**Maturity Date**” means 17 July 2029, adjusted according to the Business Day Convention.

“**Maximum Issue Amount**” means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Net Disposal Proceeds**” means the cash proceeds following a Mandatory Redemption Event less any taxes and reasonable and documented expenses in relation to that Mandatory Redemption Event which are incurred by any Group Company to persons who are not a Group Company.

“**Net Insurance Proceeds**” means the insurance proceeds received following a Total Loss Event less any reasonable and documented expenses in relation to that insurance claim which are incurred by any Group Company to persons who are not a Group Company.

“**Net Proceeds**” means the proceeds from the issuance of the Bonds (net of fees and legal cost of the Managers and, if required by the Bond Trustee, the Bond Trustee fee, and any other cost and expenses incurred in connection with the issuance of the Bonds).

“**Nominal Amount**” means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

“**Obligor**” means the Issuer and any Collateral Vessel Owner.

“**Outstanding Bonds**” means any Bonds not redeemed or otherwise discharged.

“**Overdue Amount**” means any amount required to be paid by the Issuer under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“**Partial Payment**” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“**Payment Date**” means any Interest Payment Date or any Repayment Date.

“**Permitted Distribution**” means any Distribution:

- (a) by the Issuer, provided that no Event of Default has occurred and is continuing and subject to being in compliance with the Incurrence Test, up to 25.00 per cent. of net profit (excluding any loss or gain from sale of Vessels) of the Group in the previous calendar year, and where any unutilised portion of such net profit may not be carried forward;
- (b) any Distribution made in respect of the Preference Shares in the Issuer made in accordance with the terms and conditions regulating such Preference Shares (at the Issue Date);
- (c) by a Group Company (other than the Issuer), if:
 - (i) such Distribution is made to another Group Company; or
 - (ii) made by a Group Company which is not wholly-owned, is made pro rata to its shareholders on the basis of their respective ownership at the time, provided that the shareholders not being Group Companies are Third Party Shareholders; or
- (d) in the form of repurchase of shares by the Issuer in connection with incentive schemes and/or option programs provided that no Event of Default has occurred and is continuing and such repurchase of shares shall not, in any financial year, exceed USD 3,000,000 (or the equivalent in any other currency) in aggregate.

“**Permitted Financial Indebtedness**” means any Financial Indebtedness:

- (a) incurred under the issuance of the Bonds or arising under any other Finance Documents (including Additional Bonds issued under a Tap Issue);
- (b) existing at the Issue Date;

- (c) arising under any Unsecured Financial Indebtedness;
- (d) arising under any Subordinated Loans;
- (e) arising under any Permitted Loan or a Permitted Guarantee;
- (f) of any person or entity acquired by a Group Company after the Issue Date which is incurred under arrangements in existence at the date of the acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and provided that the terms of such financing is on arm's length basis;
- (g) arising under any Vessel Financing;
- (h) incurred by any Group Company in the ordinary course of business for working capital purposes;
- (i) any Finance Leases incurred in the ordinary course of business;
- (j) existing and future bid-, payment and performance bonds, guarantees and letters of credit incurred by (including under any counterindemnity obligations in respect thereof) any Group Company in the ordinary course of business;
- (k) incurred by any Group Company under any interest rate and currency hedging agreements relating to any Permitted Financial Indebtedness and any other derivative transaction entered into (for non-speculative purposes) in connection with protection against or benefit from fluctuation in any rate or price in the ordinary course of business;
- (l) arising under any unsecured intercompany loans between any Group Companies, whether or not such intercompany loans are subordinated to the obligations of any other Permitted Financial Indebtedness;
- (m) arising in the ordinary course of banking arrangements for the purposes of netting debt and credit balances (cash pool or otherwise) between Group Companies;
- (n) any refinancing, extensions, amendment or replacement of any of (b) to (n) above from time to time; and
- (o) arising under any Financial Indebtedness not permitted by the preceding paragraphs and incurred by the Group in an aggregate outstanding principal amount which does not at any time exceed USD 10,000,000 (or its equivalent in other currencies).

“Permitted Guarantee” means:

- (a) any guarantee made or granted under the Finance Documents;
- (b) any guarantee which constitutes a guarantee issued in respect of a liability incurred by another Group Company in the ordinary course of business (including for the avoidance of doubt, any guarantee and/or indemnity issued in connection with such Group Company defending or contesting any claim (howsoever defined) made against it, any of its managers, agents or any other person acting on its behalf);

- (c) any guarantee in respect of, or constituted by, Permitted Financial Indebtedness;
- (d) any guarantee in respect of, or constituted by, Permitted Financial Indebtedness (where Permitted Security is granted);
- (e) any guarantee made in substitution for an extension of credit which is a Permitted Loan to the extent that the issuer of the relevant guarantee would have been entitled to make a loan in an equivalent amount pursuant to the definition of Permitted Loan to the person whose obligations are being guaranteed;
- (f) any guarantee given or arising under legislation relating to tax or corporate law under which any Group Company assumes general liability for the obligations of another Group Company incorporated or tax resident in the same country;
- (g) guarantees granted by persons or undertakings acquired by a Group Company and existing at the time of completion of such acquisition provided that (i) the guarantee was not created in contemplation of the acquisition of the relevant person or undertaking and (ii) the amount guaranteed under the relevant guarantee has not increased in contemplation of or since the completion of the acquisition of the relevant person or undertaking;
- (h) any customary representations and warranties granted in connection with a disposal not prohibited hereunder and any indemnity granted in the ordinary course of the documentation of an acquisition or disposal transaction not prohibited hereunder;
- (i) any guarantee for Unsecured Financial Indebtedness provided that similar guarantee is granted in favour of the Bond Trustee (in respect of the Bonds); and
- (j) any guarantee not falling within any of the preceding sub-paragraphs, if the aggregate outstanding principal amount of which across the Group does not at any time exceed USD 10,000,000 (or its equivalent in other currencies).

“Permitted Loan” means:

- (a) normal trade credit and prepayment of suppliers made or granted by any Group Company in the ordinary course of business;
- (b) any loan in respect of deferred consideration for, or any vendor loan in connection with, any disposal not prohibited hereunder;
- (c) any loan existing at the time of (but not incurred in contemplation of) the acquisition of any company acquired by a Group Company after the Issue Date and made by that company or its Subsidiaries provided that the amount of that loan is not increased after completion of the acquisition;
- (d) any unsecured intercompany loan between any Group Companies;
- (e) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes Permitted Financial Indebtedness;

- (f) any loan granted by a Group Company in the ordinary course of documentation under a charter-in lease agreement to the counterparty (or an Affiliate of such counterparty) thereunder; and
- (g) not falling within any of the preceding sub-paragraphs, the aggregate outstanding principal amount of which across the Group does not at any time exceed USD 5,000,000 (or its equivalent in other currencies).

“Permitted Security” means:

- (a) Security granted in respect of Permitted Financial Indebtedness (other than in respect of paragraphs (c), (d), (l) and (o) of that definition);
- (b) any lien arising by operation of law;
- (c) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of any Group Companies (if applicable);
- (d) any Security over rental deposits arising in the ordinary course of business in respect of any property leased or licensed by any Group Company;
- (e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to any Group Company in the ordinary course of trading and on the supplier’s standard or usual terms and not arising as a result of any default or omission by any such Group Company; and
- (f) any Security not falling within any of the preceding sub-paragraphs, if the Security is granted over assets having an aggregate value, or which secure Financial Indebtedness in an aggregate amount of, up to USD 10,000,000 (or its equivalent in other currencies).

“Preference Shares” means any class of equity securities issued by the Issuer that entitles the holders thereof to receive preferential treatment in terms of dividends and/or liquidation proceeds, as specified in the Issuer’s articles of incorporation or bylaws and where the Preference Shares may have specific rights, preferences, and privileges, including, but not limited to, a fixed dividend rate, priority over common shares in the event of liquidation, and potential conversion rights into common shares, as well as any other rights as may be determined by the Issuer’s governing documents or applicable law.

“Put Option” has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Put Option Event” means a Change of Control Event or a Share De-Listing Event.

“Put Option Repayment Date” means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Quarter Date” means, in each financial year, 31 March, 30 June, 30 September and 31 December.

“**Relevant Jurisdiction**” means the country in which the Bonds are issued, being Norway.

“**Reinvestment Account**” an account pledged and blocked in favour of the Security Agent (on behalf of the Bondholders), and where the proceeds deposited on such account shall be applied in accordance with Clause 13.18 (*Reinvestment and Reinvestment Account*).

“**Relevant Record Date**” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“**Repayment Date**” means any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, any Mandatory Redemption Repayment Date, any Total Loss Repayment Date, the Tax Event Repayment Date or the Maturity Date.

“**Secured Obligations**” means all present and future liabilities and obligations of the Obligor to any of the Secured Parties under the Finance Documents.

“**Secured Parties**” means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

“**Securities Trading Act**” means the Securities Trading Act of 2007 no. 75 of the Relevant Jurisdiction.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent**” means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

“**Security Agent Agreement**” means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

“**Security Provider**” means each Collateral Vessel Owner and each other person granting Transaction Security.

“**Share De-Listing Event**” means an event where the Issuer’s common shares are de-listed from NASDAQ and are not immediately thereafter listed on another Exchange.

“**Subordinated Loan**” means any unsecured loan granted to the Issuer which is fully subordinated to the Bonds and any other amounts due or to become due under the Finance Documents to the satisfaction of the Bond Trustee and where any servicing of interest or

principal of such loan is subject to all present and future obligations and liabilities under the Finance Documents having been discharged in full provided that payments may be made by the Issuer in respect of any Subordinated Loan where such payment would constitute a Permitted Distribution.

“**Subsidiary**” means a person over which another person has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**Tap Issue**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tap Issue Addendum**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.6 (*Early redemption option due to a tax event*).

“**Temporary Bonds**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means any Guarantee and each other document entered into by any Group Company creating or expressed to create any Transaction Security over all or any part of its assets in respect of the Secured Obligations.

“**Third Party Shareholders**” means any third party shareholders of Group Companies that are not wholly owned, always excluding direct and indirect shareholders of the Issuer.

“**Total Assets**” means the aggregate book value of all tangible and intangible assets of the Group, as evidenced by the balance sheet at the relevant Quarter Date, as set out in the relevant Financial Report.

“**Total Net Debt**” means, at any time, the aggregate amount of all interest bearing Financial Indebtedness of the Group but:

- (a) excluding any such obligations to any other Group Company;
- (b) excluding any such obligations in respect of any Subordinated Loan;
- (c) including, in the case of Finance Leases only, their capitalised value; and
- (d) deducting the aggregate amount of Cash and Cash Equivalents at that time,

and so that no amount shall be included or excluded more than once.

“Total Loss Event” means an actual, agreed, compromised or constructive total loss of a Collateral Vessel.

“Total Loss Repayment Date” means the settlement date for the Total Loss Event pursuant to Clause 10.4 (*Mandatory early redemption due to a Total Loss Event*).

“Unsecured Financial Indebtedness” means unsecured bonds, notes or similar instruments issued by the Issuer and unsecured credit facilities provided to the Issuer by commercial banks, export credit agencies or other financial institutions, in each case with no (i) financial support (loans, indemnities or guarantees) from any other Group Company (except as permitted under paragraph (i) of the definition of Permitted Guarantee), or (ii) amortization or maturity date falling earlier than 6 months after the Maturity Date.

“Value Adjusted Total Assets” means the Total Assets adjusted by the difference between the fleet Market Value and the book value of the fleet Vessels.

“Value Adjusted Equity” means Equity adjusted by the difference between the fleet Market Value and the book value of the fleet Vessels.

“Value Adjusted Equity Ratio” means the ratio of Value Adjusted Equity to Value Adjusted Total Assets.

“Vessel” means each vessel owned, operated, or leased by the Group that is specifically used or intended to be used in the transportation of cargo in connection with the Group’s business. This definition shall include any replacements, substitutions, or additions to such vessels, as well as any vessels that may be acquired by the Group during the term of the Bonds.

“Vessel LTV Ratio” means, at any time, the ratio, expressed as a percentage, of all interest bearing Financial Indebtedness which is secured by a vessel mortgage or the shares in any entity owning a Vessel (excluding the Bonds) to the aggregate Market Value of the Vessels.

“Vessel Financings” means any existing and future credit facilities (including sale and lease back arrangements) provided by commercial banks, export credit agencies or other financial institutions, in each case issued or incurred by the Issuer or any Group Company for the purpose of financing the acquisition of new vessels or assets (including newbuildings and/or second-hand vessels or the acquisition of shares in entities owning one or more newbuildings, second-hand vessels and/or assets) or upgrades to the existing Vessels, provided that:

- (a) in respect of and at the time of any financings of a new vessel, the Vessel LTV Ratio does not exceed 60.00 per cent. in relation to that specific new vessel;
- (b) in respect of any refinancing of Financial Indebtedness secured by a mortgage over an existing Vessel (including newbuilds) owned by the Group on the Issue Date (excluding the Collateral Vessels), the aggregate amount of debt incurred following such refinancing does not exceed the principal amount of debt (including accrued and unpaid interest, fees and costs) outstanding at the date of such refinancing,

provided that, in respect of both paragraphs (a) and (b) above, the Vessel LTV Ratio (for all Vessels of the Group) at that time does not exceed 50.00 per cent; or

- (c) in respect of any financing of the existing newbuild “Hull 1624”, the Vessel LTV Ratio does not exceed 70.00 per cent.

When calculating the above ratios, the Market Value shall be based on valuations not older than 2 months. For the avoidance of doubt, debt already incurred or announced as 1 July 2025 on existing newbuildings and the fleet shall be permitted and not restricted by the above ratios.

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Working Capital**” means (on a consolidated basis for the Group) the aggregate book value of those assets which according to the Accounting Standard should be included as current assets in the balance sheet, less (on a consolidated basis for the Group) the aggregate book value of those liabilities which according to the Accounting Standard should be included as current liabilities in the balance sheet, plus (on a consolidated basis for the Group) the aggregate book value of the scheduled instalments (including any balloons) on long term debt and Subordinated Loans to the Issuer from any of its direct or indirect shareholders which according to the Accounting Standard should be included as current liabilities in the balance sheet.

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European Time unless otherwise stated;
- (e) references to a provision of “**law**” are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*);

- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds up to USD 150,000,000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of USD 100,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).

If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds referred to as the “**Temporary Bonds**”). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee, the Exchange and the Paying Agent and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds.

- (b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (c) The Initial Nominal Amount of each Bond is USD 125,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN, (ii) any Temporary Bonds and (iii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders’ Meeting*).

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

- (a) The Issuer will use the Net Proceeds from the Initial Bond Issue towards financing the acquisition of Additional Vessels.
- (b) The Issuer will use the Net Proceeds from the issuance of any Additional Bonds for general corporate purposes of the Group, unless otherwise stated.

2.4 Status of the Bonds

The Bonds shall constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and at least pari passu with all other senior obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

2.5 Transaction Security

- (a) Subject to mandatory limitations under applicable law, the Issuer shall procure that the following Transaction Security is in favour of the Security Agent on behalf of the Secured Parties within the times agreed in Clause 6 (*Conditions for Disbursement*):

Pre-settlement Security:

- (i) the Escrow Account Pledge;

Pre-Disbursement Security:

- (ii) a share pledge over the shares in each Collateral Vessel Owner;
- (iii) a first preferred and/or priority (as the case may be)ship mortgage over each Collateral Vessel including all relevant equipment being legally part of the relevant Collateral Vessel under applicable law granted by the relevant Collateral Vessel Owner (including any deed of covenants supplemental to the mortgage, if applicable);
- (iv) first priority assignment over the insurances in respect of each Collateral Vessel granted by the relevant Collateral Vessel Owner and any intra-group charterer; and
- (v) a Guarantee from each Collateral Vessel Owner.
- (b) The Transaction Security shall be granted in favour of the Security Agent (on behalf of the Secured Parties) as security for the due and punctual fulfilment of the Secured Obligations. Transaction Security shall be granted on customary terms in the applicable jurisdiction(s) and Transaction Security Documents shall operate to create Transaction Security rather than to impose any new commercial obligations and shall, accordingly, not contain additional or duplicate representations or undertakings to those contained in the relevant Finance Documents unless required for the creation, perfection, preservation or enforcement of the Transaction Security and shall not be unduly burdensome on the relevant Security Provider or interfere unreasonably with the operation of its business or operations. Transaction Security will not be enforceable until the occurrence of an acceleration event.
- (c) The Pre-Disbursement Security shall be established in due time before the Issue Date. The Security Agent shall have the right (acting in its sole discretion) to release the Pre-Settlement Security in connection with the release of funds from the Escrow Account.
- (d) The Bond Trustee (in its capacity as Security Agent) shall be permitted to release any Transaction Security (1) over assets which are sold or otherwise disposed of in

connection with any merger, de-merger, disposal or other transaction permitted by these Bond Terms, or (2) in connection with any enforcement or insolvency.

2.6 Additional Security and guarantees

Subject to any mandatory limitations under applicable law, the Issuer shall ensure that in the event that any Group Company becomes the owner of a Collateral Vessel through a Reinvestment, the Issuer shall promptly notify the Bond Trustee thereof in writing and shall procure no later than 30 Business Days of the relevant Group Company becoming the owner of such assets, that equivalent Transaction Security over those assets is granted, if applicable, subject to a closing procedure acceptable to the Bond Trustee and in accordance with Clause 2.5 (*Transaction Security*) above.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force

and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall ensure that:

- (a) the Bonds are listed on the Oslo Stock Exchange (Oslo Børs) within the Listing Deadline and thereafter remain listed on an Exchange until the Bonds have been redeemed in full; and
- (b) any Temporary Bonds are listed on an Exchange where the other Bonds are listed within the later of (i) 6 months of the issue date for such Temporary Bonds and (ii) the Listing Deadline.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the Net Proceeds from the issuance of the Bonds to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties hereto;
 - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party;

- (iv) copies of the Issuer's articles of incorporation and bylaws and a certificate of goodstanding from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (v) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law (including all applicable acknowledgements and consents from the account bank);
 - (vi) copies of the Issuer's latest Financial Reports (if any);
 - (vii) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (viii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
 - (ix) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
 - (x) confirmation of acceptance from any process agent;
 - (xi) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
 - (xii) the Bond Trustee Fee Agreement duly executed by all parties thereto; and
 - (xiii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The Net Proceeds from the issuance of the Bonds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, as set out in Attachment 2;
 - (ii) unless delivered under paragraph (a) above, as pre-settlement conditions precedent:
 - (A) copies of all necessary corporate resolutions of each Security Provider required to provide Transaction Security and execute the Finance Documents to which it is a party;
 - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Security Provider to relevant individuals for their execution of the Finance Documents to which it is a party;

- (C) copies of each Security Provider's articles of incorporation and bylaws and a certificate of goodstanding from the relevant company register in respect of each Security Provider evidencing that each Security Provider is validly existing;
 - (D) the Transaction Security Documents duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security in accordance with the closing procedure;
- (iii) copies of insurance policies/cover notes documenting that insurance cover has been taken out in respect of the relevant Collateral Vessels in accordance with the insurance undertakings, and evidencing that the Bond Trustee's (on behalf of the Secured Parties) Security have been noted in the insurance policies relating to the Collateral Vessels;
 - (iv) letters of undertaking from the insurance brokers or clubs (as relevant) in relation to the insurances taken out in respect of the Collateral Vessels inclusive confirmation of notices of assignment and loss payable clause acceptable to the Bond Trustee;
 - (v) an opinion from the Bond Trustee's insurance consultants at the expense of the Issuer confirming that the required insurances in relation to the Collateral Vessels have been placed in accordance with the insurance undertaking and are acceptable to the Bond Trustee.
 - (vi) transcripts from the relevant ship registry showing that each Collateral Vessel is duly registered in the name of the respective Collateral Vessel Owner and free and clear of any registered encumbrances other than the mortgage granted pursuant to Clause 2.5 (*Transaction Security*);
 - (vii) a copy of the class certificate for each Collateral Vessel from the relevant Approved Classification Society, confirming that the Collateral Vessel is classed with the highest class normally used for such vessels, free of material overdue recommendations, conditions and adverse notations;
 - (viii) a copy of the current SMC, ISSC and IAPPC for each Collateral Vessel;
 - (ix) the technical manager's current document of compliance (DOC) issued under the ISM Code for the Collateral Vessels;
 - (x) a copy of the Inventory of Hazardous Materials or the Collateral Vessels; and
 - (xi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability the Finance Documents).
- (c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1, waive the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

- (d) The proceeds deposited on the Escrow Account may be applied towards acquisitions of Additional Vessels and for redemption of Bonds at a price equal to the then applicable Call Price. If the proceeds on the Escrow Account is USD 1,000,000 (or less) it may be released to the Issuer for general corporate purposes.

6.2 Disbursement of the proceeds

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (b) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

6.3 Tap Issues

- (a) The Issuer may issue Additional Bonds if:
 - (i) the Bond Trustee has received, in form and substance satisfactory to it:
 - (A) a Tap Issue Addendum, duly executed by all parties thereto;
 - (B) copies of corporate resolutions required for the Tap Issue and any power of attorney or other authorisation required for execution of the Tap Issue addendum and any other Finance Documents;
 - (C) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Tap Issue addendum and any other Finance Documents (if applicable)); and
 - (ii) no Event of Default has occurred; and
 - (iii) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds.
- (b) The Bond Trustee may (at its sole discretion and in each case) waive or postpone the delivery of certain conditions precedent, and the Bond Trustee may (on behalf of the Bondholders) agree on a customary closing procedure with the Issuer.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7, in respect of itself and in respect of each Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) on the date of these Bond Terms;
- (b) on the Issue Date;
- (c) on each date of disbursement of proceeds from the Escrow Account; and
- (d) on the date of issuance of any Additional Bonds.

7.1 Status

It is a corporation, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorisations and consents

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each

Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.

- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum. In the event the Listing Failure Event relates to Temporary Bonds, the Interest Rate will only be increased in respect of such Temporary Bonds. For the avoidance of doubt, a Listing Failure Event shall not constitute an Event of Default.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee and any Security Agent;
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
 - (i) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or

- (ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with paragraph (a) above.
- (c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
 - (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
 - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or part of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
 - (i) the Issue Date to, but excluding, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but excluding, the Interest Payment Date in January 2028 at a price equal to 104.938 per cent. of the Nominal Amount for each redeemed Bond;
 - (iii) the Interest Payment Date in January 2028 to, but excluding, the Interest Payment Date in July 2028 at a price equal to 103.703 per cent. of the Nominal Amount for each redeemed Bond;

- (iv) the Interest Payment Date in July 2028 to, but excluding, the Interest Payment Date in January 2029 at a price equal to 102.469 per cent. of the Nominal Amount for each redeemed Bond; and
 - (v) the Interest Payment Date in January 2029 to, but excluding, the Maturity Date at a price equal to 100.50 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
 - (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.
 - (d) Any redemption notice given in respect of the Call Option may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, in which case the exercise of the Call Option will be automatically cancelled unless such conditions precedent have been satisfied or waived no later than 3 Business Days prior to such Call Option Repayment Date.
 - (e) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.00 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Mandatory redemption due to a Total Loss Event

- (a) Upon the occurrence of a Total Loss Event, the Issuer shall as soon as the net cash insurance proceeds are received by it and in any event no later than 180 days following the Total Loss Event apply the Net Insurance Proceeds towards (in the Issuer's sole discretion) (A) the transfer of all of Net Insurance Proceeds to the Reinvestment Account, or (B) the redemption of an equivalent amount of Bonds (rounded down to the nearest whole Bond) at a price equal to 100.00 per cent. of the Nominal Amount of the Bonds being redeemed.
- (b) The proceeds of any redemption of the Outstanding Bonds in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.5 Mandatory redemption due to a Mandatory Redemption Event

- (a) Upon a Mandatory Redemption Event, the Issuer shall, on the day the relevant Group Company receives the cash proceeds following a Mandatory Redemption Event, apply the Net Disposal Proceeds towards (in the Issuer's sole discretion) (A) the transfer of all of such Net Disposal Proceeds to the Reinvestment Account and/or (B) the redemption of Bonds (rounded down to the nearest whole Bond) at a price equal to 101.00 per cent. of the Nominal Amount of the Bonds being redeemed.
- (b) The proceeds of any redemption of the Outstanding Bonds in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.6 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100.00 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, or sold or cancelled in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.

- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 4 months after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 3 months after the end of the relevant interim period (or earlier if required by the relevant Exchange).

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Reports fairly represent its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with Clause 13.19 (*Financial covenants*) as at such date or, in respect of any event which is subject to the Incurrence Test, calculations and figures in respect of the Incurrence Test (with relevant supporting documentation acceptable to or as required by the Bond Trustee).
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

12.3 Put Option Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to listing*) or (ii) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13.

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, licence and consent required for the conduct of its business as carried out from time to time.

13.2 Compliance with laws

The Issuer shall, and shall ensure that all other Group Companies shall comply in all material respects with all laws and regulations it or they may be subject to from time to time.

13.3 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date, provided that this shall not prevent investments and operations in other parts of the industry in which the Group operates.

13.4 Corporate status

The Issuer shall not change its type of organisation or jurisdiction of incorporation.

13.5 Mergers

The Issuer shall not, and shall procure that no other Group Company will, carry out any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person, if such transaction would have a Material Adverse Effect and provided that in any merger or other

business combination or corporate reorganisation involving a Group Company, the surviving entity shall be the Group Company (and if such merger involves the Issuer, the Issuer shall be the surviving entity).

13.6 De-mergers

The Issuer shall not, and shall procure that no other Group Company will, carry out any de-merger or other corporate reorganisation having the same effect as a de-merger, other than any de-merger or other corporate reorganisation of any Group Company (other than the Issuer) into two or more separate companies or entities which are wholly-owned by the Issuer (or, in the case of a Group Company that was not wholly-owned prior to such de-merger, owned with the same ownership percentage as the original Group Company), unless such de-merger or other corporate reorganisation is carried out at arm's length terms and would not have a Material Adverse Effect.

13.7 Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company will, incur any additional Financial Indebtedness other than Permitted Financial Indebtedness.

13.8 Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (present or future) other than any Permitted Security.

13.9 Loans or credit

The Issuer shall not, and shall procure that no other Group Company will, be a creditor in respect of any Financial Indebtedness, other than any Permitted Loan.

13.10 No guarantees or indemnities

The Issuer shall not, and shall procure that no other Group Company will, incur or allow to remain outstanding any guarantee in respect of any obligation of any person, other than any Permitted Guarantee.

13.11 Disposals

The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of all or a substantial part of the Group's assets (including shares or other securities in any person) or operations (other than to the Issuer or a Group Company), unless such sale, transfer or disposal is carried out on arm's length basis (or better from the perspective of the Issuer or, as the case may be, the relevant Group Company) and would not have a Material Adverse Effect, provided that any (direct or indirect) disposal of a Collateral Vessel is made in accordance with the provisions set out in Clause 10.5 (*Mandatory Redemption due to a Mandatory Redemption Event*).

13.12 Classification

The Issuer shall procure that each Group Company will maintain the Vessel owned by it with a classification issued by a classification society that is a member of International Association of Classification Societies.

13.13 Insurance

The Issuer shall, and shall procure that each Group Company will, maintain customary insurances on or in relation to their business and assets with reputable independent insurance companies and underwriters against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

13.14 Distributions

The Issuer shall not, and shall procure that no other Group Company shall make, any Distributions to the shareholders of the Issuer other than any Permitted Distribution.

13.15 Related party transactions

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall not, and shall procure that no other Group Company will, enter into any transaction with any Affiliate except on arm's length basis (or better from the perspective of the Issuer or, as the case may be, the relevant Group Company).

13.16 Subsidiary distribution

The Issuer shall procure that no Subsidiary creates or permits to exist any contractual obligation (or encumbrance) restricting the right to pay dividends or make other Distributions to its shareholders, other than where such obligation or encumbrance is not reasonably likely to prevent the Issuer from complying with its payment obligations under the Finance Documents.

13.17 Anti-corruption and sanctions

The Issuer shall, and shall ensure that all other Group Companies will (i) ensure that no proceeds from the Bonds are used directly or indirectly for any purpose which would breach any applicable acts, regulations or laws on bribery, corruption or similar, and (ii) conduct its businesses and maintain policies and procedures in compliance with applicable anti-corruption laws. The Issuer shall not, and shall ensure that no Group Company will, engage in any conduct prohibited by any sanctions.

13.18 Reinvestment and Reinvestment Account

- (a) The Issuer may apply the Net Insurance Proceeds and/or Net Disposal Proceeds that have been transferred to the Reinvestment Account for the financing or refinancing (in whole or in part) of the acquisition of any Additional Vessel(s) over which Additional Vessel Security shall be granted (a "**Reinvestment**"). The Additional Vessel(s) acquired through a Reinvestment shall be subject to delivery of the Additional Vessel Security (in relation to such Additional Vessel(s) and any additional Collateral Vessel Owner(s)) in accordance with the terms hereof.
- (b) The Issuer may not withdraw amounts held in the Reinvestment Account other than to apply them towards (a) a Reinvestment or (b) the redemption of Outstanding Bonds, in each case in accordance with and at the prices set out in the provisions of Clause 10.4 (*Mandatory redemption due to a Total Loss Event*) or Clause 10.5 (*Mandatory Redemption due to a Mandatory Redemption Event*) (as applicable).
- (c) From the date falling 6 months after the relevant Total Loss Event or Mandatory Redemption Event, the Issuer may apply any amounts held in the Reinvestment Account towards redemption of the relevant Bonds in accordance with paragraph (b) above. Any

amounts held in the Reinvestment Account and not applied towards a Reinvestment on or prior to the date falling 12 months after the relevant Total Loss Event or Mandatory Redemption Event, shall be applied towards redemption of the relevant Bonds in accordance with paragraph (b) above.

13.19 Financial covenants

- (a) The Issuer shall, and shall procure that each other Group Company will, comply with the following:
 - (i) *Minimum liquidity*: The Issuer shall ensure that the Group maintains Liquidity not less than USD 20,000,000.
 - (ii) *Minimum working capital*: The Issuer undertakes to ensure that Working Capital is positive; and
 - (iii) *Minimum Value Adjusted Equity Ratio*: The Issuer undertakes to ensure that the Group maintains a Value Adjusted Equity Ratio higher than 40.00 per cent.
- (b) The Issuer undertakes to comply with the above Financial Covenants at all times, such compliance to be measured on each Quarter Date and certified by the Issuer in each Compliance Certificate. All financial covenants shall be calculated on a consolidated basis for the Group during the lifetime of the Bonds.

13.20 Incurrence Test

- (a) The Incurrence Test shall be applied in respect of Distributions under paragraph (a) of the definition of Permitted Distribution and is met if:
 - (i) *Value Adjusted Equity Ratio*: is at least 50.00 per cent; and
 - (ii) *Liquidity*: is no less than USD 30,000,000 immediately after such Distribution is made.
- (b) Calculation of the Incurrence Test shall be made on a consolidated basis for the Group using the defined terms and calculation principles applied to the calculation of Financial Covenants and the calculations and calculation adjustments set out in Clause 13.21 (*Calculations and Calculation Adjustments*).

13.21 Calculations and Calculation Adjustments

- (a) The calculation of the Value Adjusted Equity Ratio shall be made on a testing date determined by the Issuer, falling no earlier than 1 month prior to the event relevant for the application of the Incurrence Test, and certified by the Issuer in a Compliance Certificate to be delivered to the Bond Trustee in relation to the application of the Incurrence Test.
- (b) Calculation of the Value Adjusted Equity Ratio and Liquidity shall be made on a pro forma basis as if the Distribution had already been made.

13.22 Financial Covenants cure

- (a) If the Issuer does not comply with any Financial Covenant and the Issuer receives or has received any Cure Amount during the period from the last Quarter Date up to the date on which it has delivered to the Bond Trustee the Compliance Certificate in respect of such time, then:
 - (i) the Value Adjusted Equity Ratio shall be recalculated on the basis that the Cure Amount so received shall be deemed to increase the Equity by an amount equal to such Cure Amount on the relevant testing date;
 - (ii) Liquidity shall be recalculated on the basis that the Cure Amount so received shall be deemed to increase the Cash and Cash Equivalents by an amount equal to such Cure Amount on the relevant testing date; and
 - (iii) Working Capital shall be recalculated on the basis that the Cure Amount so received shall be deemed to increase the current assets by an amount equal to such Cure Amount on the relevant testing date.
- (b) If, after the Financial Covenants are recalculated as set out above, the breach has been remedied, the relevant Financial Covenants shall be deemed to have been satisfied on the relevant reporting date with the same effect as though there had been no failure to comply with the Financial Covenants on such date and the applicable breach of the Financial Covenants that had occurred shall be deemed cured.
- (c) The Issuer shall be limited to a maximum of 3 cures of actual failures to satisfy the Financial Covenants during the term of the Bonds, and no consecutive Financial Covenant cures are permitted.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) *Non-payment*

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by any Group Company under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) *Cross default*

If for any Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any utilised commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 10,000,000 (or the equivalent thereof in any other currency) in aggregate for the Group.

(e) *Insolvency and insolvency proceedings*

Any Group Company:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or

- (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
- (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above; or
- (E) for paragraphs (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company.

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of an Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or the Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice to the Issuer:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date):

- (a) for any Event of Default arising out of a breach of paragraph (a) (*Non-payment*) of Clause 14.1 (*Events of Default*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.

- (g) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a) and (b) of Clause 17.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting,

chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "Chairperson").

- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "Representative"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee

if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.

- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting rules*) and

Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:

- (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
- (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5,

shall not apply to a Written Resolution.

- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the “**Voting Period**”).
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (f) or (g) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the

Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with

such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts;
or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.

- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any Finance Document which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligor, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.

- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.

- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 17.1 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

- (a) Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.
- (b) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (c) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (d) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by publication on a relevant information platform, when published.
- (e) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone number and contact persons.

- (f) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,then;
 - (A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: miscellaneous*) and Clause 13 (*General and Financial Undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security;
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.

- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any of its assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

19.4 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
 - (i) irrevocably appoints CSC (Norway) AS as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
 - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

The Issuer: PERFORMANCE SHIPPING INC. By: Position:	As Bond Trustee and Security Agent: NORDIC TRUSTEE AS By: Position:
------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------

**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

Performance Shipping Inc. 9.875% bonds 2025/2029 ISIN NO0013607028

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (*Requirements as to Financial Reports*) of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [•].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause 13.19 (*Financial covenants*) are met, please see the calculations and figures in respect of the ratios attached hereto.]

[The Issuer has made a Distribution subject to the Incurrence Test set out in Clause 13.19 (*Incurrence Test*). The Incurrence Test is met, please see the calculations and figures in respect of the Value Adjusted Equity Ratio and Liquidity attached hereto.]

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

Performance Shipping Inc.

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

**ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT**

[date]

Dear Sirs,

Performance Shipping Inc. 9.875% bonds 2025/2029 ISIN NO0013607028

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw [the amount specified in Enclosure I (*Flow of Funds*)]/[all amounts] from the Escrow Account to be applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we confirm that the representations and warranties set out in the Bond Terms are true and accurate in all material respects at the date hereof.

Yours faithfully,

Performance Shipping Inc.

Name of authorised person

Enclosure I: Flow of Funds

APPENDIX 2 - TAP ISSUE ADDENDUM

Tap Issue Addendum

1. Pursuant to the bond terms dated 15 July 2025 (the “**Bond Terms**”) related to the below Bonds, the Issuer and the Bond Trustee enter into this tap issue addendum (the “**Addendum**”) in connection with a Tap Issue under the Bond Terms:

Issuer:	Performance Shipping Inc.
Bond Trustee:	Nordic Trustee AS
ISIN:	NO0013607028
Maximum Issue Amount:	USD 150,000,000
Amount of Additional Bonds:	USD 50,000,000
Amount Outstanding Bonds after the increase:	USD 150,000,000
Date of Addendum:	23 January 2026
Tap Issue Date:	27 January 2026

2. Terms defined in the Bond Terms have, unless expressly defined herein or otherwise required by the context, the same meaning in this Addendum. This Addendum is a Finance Document and after the date hereof all references to the Bond Terms in the other Finance Documents shall be construed as references to the Bond Terms as amended and supplemented by this Addendum.
3. Pursuant to the Bond Terms the Issuer may issue Additional Bonds until the aggregate Nominal Amount of the Initial Bonds and all Additional Bonds equals the Maximum Issue Amount and the provisions of the Bond Terms will apply to all such Additional Bonds.
4. With reference to clause 2.3 (b) of the Bond Terms, the Issuer will use the Net Proceeds from the issuance of the Additional Bonds for general corporate purposes.
5. The Additional Bonds are contemplated to be listed on the Oslo Stock Exchange (Oslo Børs), together with the Bonds in the Initial Bond Issue, such listing which is conditional upon the preparation and approval of a prospectus. The Issuer shall promptly notify the Bond Trustee, the Exchange and the Paying Agent upon such prospectus being approved.
6. The issuance of Additional Bonds and disbursement of the Net Proceeds of the Tap Issue to the Issuer shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the date of the Tap Issue each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) this Addendum duly executed by all parties hereto;
 - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Additional Bonds and execute the Finance Documents to which it is a party;
 - (iii) copies of the Issuer’s articles of incorporation and bylaws and a certificate of good standing from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (iv) any amendment or security and guarantee confirmation required in respect of any Finance Documents in relation to the Tap Issue;
 - (v) copies of any written documentation used in marketing the Additional Bonds or made public by the Issuer or any Manager in connection with the issuance of the Additional Bonds;

- (vi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of this Addendum and any other Finance Documents (if applicable)).
- 7. The Bond Trustee may (at its sole discretion and in each case) waive or postpone the delivery of certain conditions precedent, and the Bond Trustee may (on behalf of the Bondholders) agree on a customary closing procedure with the Issuer.
- 8. By signing this Addendum, the Issuer confirms that no Event of Default has occurred and that the representations and warranties contained in Clause 7 (*Representations and Warranties*) of the Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date hereof and at the Tap Issue Date.
- 9. The Issuer represents and warrants that no circumstances have occurred including any litigation pending or threatening which would have an adverse material effect on the Issuer's financial situation or ability to fulfill its obligations under the Bond Terms or which would otherwise constitute an Event of Default under the Bond Terms.
- 10. Clause 19 (*Governing law and jurisdiction*) of the Bond Terms shall apply to this Addendum mutatis mutandis and as if references in that clause to "these Bond Terms" were to this Addendum.

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SIGNATURES:

The Issuer:

Performance Shipping Inc.

.....
Signed by: *Andreas Nikolaos Michalopoulos..*
By: Andreas Nikolaos Michalopoulos
Title: Authorised signatory

The Bond Trustee:

Nordic Trustee AS

.....
DocuSigned by: *Merete Vatsendvik*
By: Merete Vatsendvik
Title: Authorised signatory

APPENDIX 3 - GUARANTEE

GUARANTEE

(No. *selvskyldnerkausjon*)

made by

PERFORMANCE SHIPPING INC.

as Company

**BOCK SHIPPING COMPANY INC.
MALOELAP SHIPPING COMPANY INC.**

as Guarantors

in favour of

NORDIC TRUSTEE AS

as Security Agent

____ September 2025

TABLE OF CONTENTS

1	DEFINITIONS AND INTERPRETATIONS	3
2	GUARANTEE.....	5
3	REPRESENTATIONS AND WARRANTIES.....	5
4	UNDERTAKING TO PROVIDE ADDITIONAL SECURITY.....	6
5	DEFERRAL OF GUARANTORS' RIGHTS.....	6
6	CONTINUING GUARANTEE AND OTHER MATTERS.....	7
7	FURTHER ASSURANCE.....	9
8	APPLICATION OF PROCEEDS.....	9
9	PARALLEL DEBT (COVENANT TO PAY THE SECURITY AGENT)	9
10	ASSIGNMENT.....	10
11	ADDITIONAL GUARANTORS	10
12	RESIGNATION OF GUARANTORS	10
13	RELEASE OF GUARANTEE.....	11
14	MISCELLANEOUS PROVISIONS.....	11
15	GOVERNING LAW AND JURISDICTION.....	12
16	SERVICE FOR PROCESS.....	12
 SCHEDULE:		
	SCHEDULE 1: FORM OF ACCESSION LETTER	13
	SCHEDULE 2: FORM OF RESIGNATION LETTER.....	14

THIS GUARANTEE (the "**Guarantee**") is dated ____ September 2025 and made by:

- (1) **PERFORMANCE SHIPPING INC.**, a corporation duly incorporated and validly existing under the laws of the Republic of the Marshall Islands, having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, with registration number 38911 as company (the "**Company**");
- (2) **BOCK SHIPPING COMPANY INC.**, a corporation duly incorporated and validly existing under the laws of the Republic of the Marshall Islands, having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, with registration number 116344; and
- (3) **MALOELAP SHIPPING COMPANY INC.**, a corporation duly incorporated and validly existing under the laws of the Republic of the Marshall Islands, having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, with registration number 114826, as original guarantors (the "**Original Guarantors**"),

in favour of:
- (4) **NORDIC TRUSTEE AS**, a company incorporated under the laws of Norway with company registration number 963 342 624, having its registered address at Kronprinsesse Märthas plass 1, 0160 Oslo, Norway, as security agent (the "**Security Agent**") on behalf of the Secured Parties (as defined in the Bond Terms (as defined below)).

WHEREAS:

- (A) Pursuant to certain bond terms dated 15 July 2025 (as amended, restated, modified or supplemented from time to time, the "**Bond Terms**") and made between Performance Shipping Inc. as issuer (the "**Company**") and the Security Agent as bond trustee for the Bondholders (as defined in the Bond Terms), the Company has issued bonds (with ISIN NO0013607028) with an initial issue amount of USD 100,000,000 and a maximum issue amount of up to USD 150,000,000, subject to the terms and conditions of the Bond Terms.
- (B) It is a condition under the Bond Terms that each Guarantor executes and delivers an irrevocable and unconditional guarantee and indemnity in favour of the Security Agent.
- (C) The Security Agent shall hold the guarantee and indemnity created hereunder for the benefit of itself and the Secured Parties pursuant to the terms and conditions of the Bond Terms.

IT IS DECLARED as follows:

1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In this Guarantee:

"**Accession Letter**" means a document substantially in the form set out in Schedule 2 (*Form of Accession Letter*).

"**Corresponding Debt**" means any amount, other than any Parallel Debt, which an Obligor owes to a Secured Party under or in connection with the Finance Documents.

"**Event of Default**" shall have the meaning given to that term in the Bond Terms.

"**FA Act**" means the Norwegian Financial Agreements Act of 18 December 2020 no. 146 (No. *finansavtaleloven*).

"**Finance Documents**" shall have the meaning given to that term in the Bond Terms.

"**Guaranteed Obligations**" shall have the meaning given to the term "Secured Obligations" in the Bond Terms.

"**Guarantee Period**" means the period beginning on the date of this Guarantee and ending on the date upon which all the Guaranteed Obligations have been unconditionally and irrevocably paid and discharged in full to the satisfaction of the Security Agent, whether or not as the result of an enforcement, and none of the Secured Parties are under any further obligation to provide financial accommodation to any of the Obligors under the Finance Documents.

"**Guarantors**" means an Original Guarantor and an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 12 (*Resignation of Guarantors*).

"**Obligor**" shall have the meaning given to that term in the Bond Terms.

"**Parallel Debt**" means any amount which an Obligor owes to the Security Agent under Clause 9 (*Parallel Debt (Covenant to pay the Security Agent)*) or under that Clause as incorporated by reference or in full in any other Finance Document.

"**Resignation Letter**" means a document substantially in the form set out in Schedule 3 (*Form of Resignation Letter*).

"**Security**" shall have the meaning given to that term in the Bond Terms.

1.2 Other defined terms

Capitalised terms not otherwise defined in this Guarantee shall have the meaning given to them in the Bond Terms.

1.3 Construction

- a) Terms that are not capitalised but subject to a certain construction pursuant to Clause 1.2 (*Construction*) of the Bond Terms, shall have the same meaning in this Guarantee unless a contrary indication appears.
- b) In this Guarantee, a reference to a Clause or a Schedule is a reference to a clause of, or a schedule to, this Guarantee, except as otherwise indicated in this Guarantee.

1.4 Conflict

This Guarantee is entered into subject to the terms of the Bond Terms. In the event of a conflict between the terms of this Guarantee and the Bond Terms, then, to the extent the validity and enforceability of this Guarantee and the Secured Parties' rights hereto would not be negatively affected, the terms of the Bond Terms shall prevail.

1.5 Disapplication of the FA Act

The Security Agent and each Guarantor acknowledge and agree that, to the extent permitted by law, any provisions of the FA Act and any related regulations which are not mandatory, including (without limitation) sections 3-36 and 6-1 to 6-13, shall not apply to this Guarantee or any other Finance Document or to the relationship between the Security Agent and the Guarantors.

2 GUARANTEE

2.1 Guarantee (No. *selvskyldnerkausjon*) and indemnity

Each Guarantor hereby, jointly and severally, irrevocably and unconditionally:

- a) guarantees to the Security Agent (on behalf, and for the benefit, of the Secured Parties), as independent primary obligor (No. *selvskyldner*), the payment, discharge and punctual performance of the Guaranteed Obligations until the expiry of the Guarantee Period;
- b) undertakes with the Security Agent (on behalf, and for the benefit, of each Secured Party) that whenever another Obligor does not pay to any Secured Party any amount when due under or in connection with any Finance Document, that Guarantor shall promptly on demand pay that amount as if it was the primary obligor; and
- c) agrees and undertakes with the Security Agent (on behalf, and for the benefit, of each Secured Party) that if any obligation guaranteed by it pursuant to this Guarantee is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party promptly on demand against any cost, loss or liability it incurs as a result of a Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Guarantee if the amount claimed had been recoverable on the basis of a guarantee.

2.2 Maximum liability

Each Guarantor's aggregate liability under this Guarantee shall never exceed USD 200,000,000 plus interest thereon, and fees, costs, expenses and indemnities as set out in the Finance Documents.

2.3 Guarantee limitations

Notwithstanding any other provision in this Agreement, the guarantee created by this Guarantee will for any Guarantor incorporated in any other jurisdiction than Marshall Islands be subject to any limitations set out in the Accession Letter applicable to such Additional Guarantor.

3 REPRESENTATIONS AND WARRANTIES

3.1 Representations

Each Guarantor represents and warrants to each of the Secured Parties that:

- a) it is a corporation, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted;

- b) the entry into and performance by it of this Guarantee and the transactions contemplated hereby, do not and will not conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or any of its assets;
- c) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Guarantee; and
- d) subject to matters which are usually set out as qualifications or reservations as to matters of law of general application in legal opinions, the obligations expressed to be assumed by it in this Guarantee are legal, valid, binding and enforceable obligations and no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render this Guarantee enforceable against it.

3.2 Time when representations are made

All the representations and warranties set out in this Clause 3 are made by each Guarantor on the date of this Guarantee and by each Additional Guarantor on the date on which it becomes an Additional Guarantor.

4 UNDERTAKING TO PROVIDE ADDITIONAL SECURITY

Each Guarantor undertakes and agrees that it shall enter into Transaction Security Documents for the purpose of creating the following Security in favour of the Security Agent (on behalf of the Secured Parties):

- a) a first preferred and/or priority (as the case may be) mortgage over each Collateral Vessel including all relevant equipment being legally part of the relevant Collateral Vessel under applicable law granted by the relevant Guarantor (including any deed of covenants supplemental to the mortgage, if applicable); and
- b) first priority assignment over the insurances in respect of each Collateral Vessel granted by the relevant Guarantor and any intra-group charterer.

5 DEFERRAL OF GUARANTORS' RIGHTS

During the Guarantee Period, no Guarantor will, unless the Security Agent otherwise directs, exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Guarantee:

- a) to be indemnified by a Obligor;
- b) to claim any contribution from any other guarantor of any Obligor's obligations under the Guaranteed Obligations;
- c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;

- d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity;
- e) to exercise any right of set-off against any Obligor; and/or
- f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with the provisions of the Bond Terms.

6 CONTINUING GUARANTEE AND OTHER MATTERS

6.1 Continuing guarantee

The Guarantee is a continuing guarantee and extends to (subject to Clause 2.2 (*Maximum liability*) and Clause 2.3 (*Guarantee limitations*)) the ultimate balance of the Guaranteed Obligations and shall continue in full force and effect notwithstanding any intermediate payment or discharge in whole or in part of the Guaranteed Obligations. There is no limit on the number of claims that may be made by the Security Agent on behalf of the Secured Parties under this Guarantee.

6.2 Other matters

Each Guarantor hereby agrees, accepts and acknowledges that:

- a) it is familiar with the additional Security created under the Finance Documents, and that this Guarantee is in addition to and is not in any way prejudiced by any present or future guarantee, collateral or other Security held by the Security Agent or any other Secured Party;
- b) the Secured Parties' rights hereunder are in addition to and not exclusive of those provided by law;
- c) it waives any right it may have of first requiring the Security Agent or any Secured Party to proceed against or enforce any other rights or Security or to claim payment from any person before enforcing the Guarantee;
- d) each Secured Party may at any time during the Guarantee Period refrain from applying or enforcing any other Security or rights held or received by it in respect of the Guaranteed Obligations, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantors shall not be entitled to the benefit of the same;
- e) the Security Agent may hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Guarantee;
- f) where any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the basis of any payment, security or other disposition which is rendered void or must be restored on insolvency, bankruptcy, reorganisation (by voluntary arrangement, scheme of arrangement or otherwise), administration, dissolution, liquidation, winding-up or otherwise, the Guarantee and the

liability of the Guarantors under this Guarantee shall continue as if the discharge, release or arrangement had not occurred; and

- g) the information regarding additional Security shall not in any way prejudice the Security Agent's rights as aforesaid to amend or waive any Security.

6.3 Waiver of defences

Subject only to applicable mandatory law, the obligations of each Guarantor under this Guarantee shall not be affected by any act, omission or circumstance which might operate to release or otherwise exonerate a Guarantor from its obligations under this Guarantee or prejudice or diminish those obligations in whole or in part (unless such release or exoneration is intended), including (but not limited to):

- a) any time or waiver granted to, or composition with, any Obligor or any other person;
- b) any release of any Obligor or any other person under the terms of any composition or arrangement with any Obligor or any other person;
- c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;
- e) any amendment (however fundamental) or replacement of any Finance Document or any other document or Security;
- f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security; or
- g) any insolvency or similar proceedings.

6.4 Guarantor intent

Without prejudice to the generality of Clause 6.3 (*Waiver of defences*), and subject to Clause 2.2 (*Maximum liability*), Clause 2.3 (*Guarantee limitations*), and any applicable mandatory law, each Guarantor expressly confirms that it intends that the Guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to the terms and conditions of any of the Finance Documents and/or any facility, other financing or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; incurring new secured and guaranteed debt in accordance with the terms of the Finance Documents; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities or other financing; refinancing any other indebtedness; making facilities or other financing available to new borrowers; any other variation or extension of the purposes for which any such facility, financing or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

7 FURTHER ASSURANCE

Each Guarantor shall promptly do all such acts or execute all such documents (including, without limitation, assignments, transfers, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) to fulfil the intention of this Guarantee.

8 APPLICATION OF PROCEEDS

Any proceeds collected or received by the Security Agent pursuant to the terms of any Finance Documents (including this Guarantee), under Clause 9 (*Parallel Debt (Covenant to pay the Security Agent)*) or in connection with the realisation or enforcement of all or any part of the Transaction Security shall be held by the Security Agent as agent to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law in the following order of priority:

- a) in discharging any sums, including outstanding fees, liabilities and expenses, owing to the Security Agent or the Bond Trustee, any receiver or any delegate of the Security Agent or the Bond Trustee (other than pursuant to Clause 9 (*Parallel Debt (Covenant to pay the Security Agent)*));
- b) towards discharging of all outstanding amounts due but unpaid under the Finance Documents in accordance with the Bond Terms;
- c) if none of the Obligors is under any further actual or contingent liability under any Finance Documents, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Obligor; and
- d) the balance, if any, in payment or distribution to the relevant Obligor.

9 PARALLEL DEBT (COVENANT TO PAY THE SECURITY AGENT)

- a) Each Obligor irrevocably and unconditionally undertakes to pay to the Security Agent its Parallel Debt which shall be amounts equal to, and in the currency or currencies of, its Corresponding Debt.
- b) The Parallel Debt of an Obligor:
 - (i) shall become due and payable at the same time as its Corresponding Debt;
 - (ii) is independent and separate from, and without prejudice to, its Corresponding Debt.
- c) For the purposes of this Clause 9, the Security Agent:
 - (i) is the independent and separate creditor of each Parallel Debt;
 - (ii) acts in its own name and not as agent, representative or trustee of the Bondholders and its claims in respect of each Parallel Debt shall not be held on trust; and
 - (iii) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

- d) The Parallel Debt of an Obligor shall be:
- (i) decreased to the extent that its Corresponding Debt has been irrevocably and unconditionally paid or discharged; and
 - (ii) increased to the extent that its Corresponding Debt has increased,
- and the Corresponding Debt of an Obligor shall be decreased to the extent that its Parallel Debt has been irrevocably and unconditionally paid or discharged, in each case provided that the Parallel Debt of an Obligor shall never exceed its Corresponding Debt.
- e) All amounts received or recovered by the Security Agent in connection with this Clause 9 to the extent permitted by applicable law, shall be applied in accordance with Clause 8 (*Application of proceeds*).
- f) This Clause 9 shall apply, with any necessary modifications, to each Finance Document.

10 ASSIGNMENT

- a) The Security Agent may at any time assign or transfer any of its rights and/or obligations under this Guarantee in accordance with the terms of the Finance Documents.
- b) No Guarantor may assign or transfer any of its rights and/or obligations under this Guarantee.

11 ADDITIONAL GUARANTORS

- a) The Company may by written notice to the Security Agent request that any of its Subsidiaries accedes to this Guarantee and thereby become a Guarantor (an "**Additional Guarantor**") in accordance with the terms of the Finance Documents.
- b) A member of the Group shall become an Additional Guarantor if:
- (i) the Company and the proposed Additional Guarantor deliver to the Security Agent a duly completed and executed Accession Letter; and
 - (ii) the Security Agent has received all of the documents and other evidence required under the Finance Documents in relation to that Additional Guarantor, each in form and substance satisfactory to the Security Agent.
- c) The Security Agent shall notify the Company promptly upon being satisfied that it has received (each in form and substance satisfactory to it) all the documents and other evidence required in relation to that Additional Guarantor.

12 RESIGNATION OF GUARANTORS

- a) Subject to the Finance Documents, the Company may request that a Subsidiary ceases to be a Guarantor (each a "**Resigning Guarantor**") by delivering to the Security Agent a duly completed Resignation Letter.
- b) The Security Agent shall accept such Resignation Letter and notify the Company and the Guarantors of its acceptance if:

- (i) the Company has confirmed to the Security Agent that no Event of Default under the Finance Documents entered into with one or several Secured Parties is continuing or would result from the acceptance of the Resignation Letter; and
 - (ii) no payment is due from the Resigning Guarantor under the Guarantee.
- c) The resignation of any Resigning Guarantor is effective from the date on which the Security Agent confirms that the conditions for release are fulfilled at which time that Resigning Guarantor ceases to be a Guarantor and has no further rights or obligations under the Guarantee.

13 RELEASE OF GUARANTEE

Upon expiry of the Guarantee Period, the Security Agent shall, at the request and cost of the Guarantors, release this Guarantee.

14 MISCELLANEOUS PROVISIONS

14.1 Waivers

The rights of the Secured Parties under this Guarantee may be waived only in writing and specifically, subject to the provisions of the Finance Documents, on such terms as the Security Agent sees fit.

14.2 Amendments

This Guarantee may not be amended unless by an instrument in writing signed by or on behalf of the Guarantors and by the Security Agent (having obtained the requisite approval in accordance with the provisions of the Finance Documents).

14.3 Delegation

- a) The Security Agent may, subject to the Bond Terms, at any time delegate to any person(s) all or any of its rights, powers and discretions under this Guarantee on such terms (including power to sub-delegate) as the Security Agent sees fit and employ agents, managers, employees, advisers and others on such terms as it sees fit for any of the purposes set out in this Guarantee.
- b) The Security Agent will not be liable or responsible to any Guarantor or any person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of such delegate or sub-delegate unless such loss is caused directly by the gross negligence or wilful misconduct of the Security Agent.

14.4 Notices

The terms of clause 18.3 (*Notices, contact information*) of the Bond Terms shall apply as if incorporated in full into this Guarantee (with any logical adjustments).

14.5 Severability

- a) If a provision of this Guarantee is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:
 - (i) the legality, validity or enforceability in that jurisdiction of any other provision of this Guarantee; or

- (ii) the legality, validity or enforceability in other jurisdictions of that or any other provision of this Guarantee.
- b) Notwithstanding paragraph a) above, the parties hereto agree that they will negotiate in good faith and will replace the invalid, void or unenforceable provision with a valid and enforceable provision which reflects as much as possible the intention of the parties as referred to in the provision thus replaced.

14.6 Counterparts

This Guarantee may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Guarantee.

15 GOVERNING LAW AND JURISDICTION

- a) This Guarantee shall be governed by and construed in accordance with Norwegian law.
- b) The courts of Norway shall have exclusive jurisdiction over matters arising out of or in connection with this Guarantee. The Oslo District Court (No. *Oslo tingrett*) shall be the court of first instance. The submission to the jurisdiction of the Norwegian courts shall not limit the right of the Security Agent or a Secured Party to take proceedings against a Guarantor in any court which may otherwise exercise jurisdiction over that Guarantor or any of its assets.

16 SERVICE FOR PROCESS

- a) Without prejudice to any other mode of service allowed under any relevant law, each Guarantor:
 - (i) irrevocably appoints CSC (Norway) AS, as its agent for service of process in relation to any proceedings before the Norwegian courts in connection with this Agreement; and
 - (ii) agrees that failure by a process agent to notify the relevant Guarantor of the process will not invalidate the proceedings concerned.
- b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Security Agent. Failing this, the Security Agent may appoint another agent for this purpose.

* * *

This Guarantee has been entered into on the date stated at the beginning of this Guarantee by the parties listed on the execution page at the end of this Guarantee.

SCHEDULE 1: FORM OF ACCESSION LETTER

To: Nordic Trustee AS, as Security Agent

From: *[Additional Guarantor]*

Date: [•]

Dear Sir or Madam,

GUARANTEE DATED [•] SEPTEMBER 2025 (THE "GUARANTEE")

We refer to the Guarantee. This is an Accession Letter. Unless otherwise indicated, terms defined in the Guarantee have the same meaning in this Accession Letter.

1. *[Subsidiary]* agrees to become an Additional Guarantor under the Guarantee and to be bound by the terms of the Guarantee as an Additional Guarantor pursuant to Clause 11 (*Additional Guarantors*) of the Guarantee.
2. *[Subsidiary]* is a company duly incorporated or formed under the laws of *[name of relevant jurisdiction]*.
3. *[Insert guarantee limitation language, if appropriate pursuant to applicable law]*
4. *[Subsidiary]*'s administrative details are as follows:

Address:
E-mail:
Attention:

This Accession Letter is governed by Norwegian law.

[SUBSIDIARY]
as Additional Guarantor

PERFORMANCE SHIPPING INC.
as Company

By: _____
Name:
Title:

By: _____
Name:
Title:

NORDIC TRUSTEE AS
as Security Agent

By: _____
Name:
Title:

SCHEDULE 2: FORM OF RESIGNATION LETTER

To: Nordic Trustee AS, as Security Agent

From: [Resigning Guarantor]

Date: [•]

Dear Sir or Madam,

GUARANTEE DATED [•] SEPTEMBER 2025 (THE "GUARANTEE")

We refer to the Guarantee. This is a Resignation Letter. Unless otherwise indicated, terms defined in the Guarantee have the same meaning in this Resignation Letter.

Pursuant to Clause 12 (*Resignation of Guarantors*) of the Guarantee, we request that [Subsidiary] (the "**Resigning Guarantor**") is released from its obligations as a Guarantor under the Guarantee.

We confirm that:

- a) no Event of Default under the Finance Documents entered into with one or several Secured Parties is continuing or would result from the acceptance of the Resignation Letter; and
- b) no payment is due from the Resigning Guarantor under the Guarantee.

This Resignation Letter is governed by Norwegian law.

[SUBSIDIARY]
as Resigning Guarantor

PERFORMANCE SHIPPING INC.
as Company

By: _____
Name:
Title:

By: _____
Name:
Title:

NORDIC TRUSTEE AS
as Security Agent

By: _____
Name:
Title:

SIGNATORIES

The Company:

PERFORMANCE SHIPPING INC.

DocuSigned by:
By:  *Andreas Michalopoulos*
E49D15793A0C4AE...
Name: Andreas Michalopoulos
Title: CEO and board member

The Guarantors:

BOCK SHIPPING COMPANY INC.

DocuSigned by:
By:  *Andreas Michalopoulos*
E49D15793A0C4AE...
Name: Andreas Michalopoulos
Title: CEO and board member

MALOELAP SHIPPING COMPANY INC.

DocuSigned by:
By:  *Andreas Michalopoulos*
E49D15793A0C4AE...
Name: Andreas Michalopoulos
Title: CEO and board member

The Security Agent:

NORDIC TRUSTEE AS

DocuSigned by:
By:  *Merete Vatsendvik*
A07659014D99495...
Name: Merete Vatsendvik
Title: Authorised signatory (p.p.)