



Registration of a Charge

Company Name: **NORTHERN MARINE MANAGEMENT LIMITED**

Company Number: **SC082005**



Received for filing in Electronic Format on the: **09/02/2024**

XCWHX868

Details of Charge

Date of creation: **08/02/2024**

Charge code: **SC08 2005 0016**

Persons entitled: **XIANG H123 INTERNATIONAL SHIP LEASE CO., LIMITED**

Brief description: **SHIP SUBJECT TO A CHARGE: M.V. "AVANCE POLARIS" REGISTERED UNDER THE REPUBLIC OF THE MARSHALL ISLANDS WITH OFFICIAL NUMBER 9599 AND IMO NUMBER 9901984**

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **CHRISTOFOROS GEORGIOS BISMPIKOS OF WATSON FARLEY & WILLIAMS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 82005

Charge code: SC08 2005 0016

The Registrar of Companies for Scotland hereby certifies that a charge dated 8th February 2024 and created by NORTHERN MARINE MANAGEMENT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th February 2024 .

Given at Companies House, Edinburgh on 12th February 2024

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**



CHRISTOFOROS GEORGIOS BISMPIKOS
Solicitor, England & Wales
Watson Farley & Williams LLP
Suites 4610-4619, Jardine House,
1 Connaught Place, Hong Kong

EXECUTION VERSION

MANAGER'S UNDERTAKING

To: **XIANG H123 INTERNATIONAL SHIP LEASE CO., LIMITED**
a company incorporated under the laws of Hong Kong with limited liability
17/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong

From: **NORTHERN MARINE MANAGEMENT LIMITED**
Alba House, 2 Central Avenue, Clydebank, G81 2QR, Scotland, United Kingdom

Date: 8 February 2024

Dear Sirs

"Avance Polaris" (IMO no. 9901984) (the "Vessel")

We refer to a bareboat charterparty in respect of the Vessel dated 31 January 2024 (hereinafter as the same may from time to time be amended, supplemented, novated or replaced, the "Charter") made between Avance Polaris Ltd. as charterers (the "Charterers") and yourselves as owners (the "Owners"), whereby you have agreed to charter the Vessel to the Charterers.

We have been appointed as the technical manager of the Vessel pursuant to a management agreement dated 5 May 2021 (the "Management Agreement") and made between ourselves and the Charterers and that we have accepted our appointment thereunder in accordance with the respective terms and conditions thereof. A copy of the Management Agreement, which we certify as correct, complete and in full force and effect and that no addenda or supplements to it exists as at the date of this Letter, is set out in Schedule 1 hereto.

Unless otherwise specified in this Letter, or unless the context otherwise requires, all words and expressions defined in the Charter shall have the same meaning when used in this Letter. We have received a copy of the Charter and is familiar with and has irrevocably consented to and approved its terms and conditions.

It is a condition precedent of the Charter and a requirement of the Owners that we give you this Letter.

1 UNDERTAKINGS

We therefore agree and undertake with you irrevocably and unconditionally that, whilst we remain the technical manager of the Vessel unless otherwise agreed by you:

- (a) we will not, without your prior written consent, sub-contract or delegate the technical management of the Vessel to any third party;
- (b) we shall upon your written request from time to time inform you of the status of compliance of the Vessel, the Charterers (to the extent we are or ought reasonably to be aware) and ourselves with the requirements of the ISM Code and ISPS Code (as the same may be amended from time to time) or any replacement of these Codes and provide you with documentary evidence of such compliance;
- (c) we shall not do or omit to do, or cause to be done or omitted to be done, anything within our control which may be contrary to or incompatible with the obligations in respect of the

insurance, operation or maintenance of the Vessel undertaken by the Charterers under the Charter or under any document executed by us pursuant to the Charter (including but not limited to any Transaction Document);

- (d) we shall upon your written request, deliver to you all documents of whatsoever nature which we hold in connection with the Charterers, the Vessel, her Earnings, Insurances and any Requisition Compensation and provide to you any other information that we possess in relation to the same as reasonably requested by you;
- (e) upon notification from you that a Termination Event has occurred and is continuing and upon receipt of written notice from you to do so, we will move the Vessel to such place or places within such jurisdiction as you shall direct in such notice and will immediately deliver possession of the Vessel to you or a third party as specified by you in accordance with your written instructions and upon our receipt of confirmation from you that you wish to exercise your right under clause 51(g)(iv) of the Charter to appoint a technical manager of the Vessel, our appointment as technical manager of the Vessel shall cease immediately and the Management Agreement (or any other agreement to which we are a party providing for such appointment) shall immediately terminate;
- (f) without prejudice to paragraph (e) above, upon notice from you a Termination Event has occurred and is continuing, we shall move the Vessel to such place or places within such jurisdiction as you shall direct and shall immediately deliver possession of the Vessel to you or a third party as specified by you at your cost and expense in accordance with your written instructions;
- (g) we will give you at least fourteen (14) days' notice before we will exercise our rights (if any) to terminate the Management Agreement and/or cease to become the technical manager of the Vessel; and
- (h) without prejudice to our undertakings as set out in Clause 2 (*Assignment of Insurances*) below, we shall sign any consent required by any approved broker and/or any approved underwriters which they may require so that you can collect or recover any moneys payable in respect of the Insurances.

2 ASSIGNMENT OF INSURANCES

- 2.1 As continuing security for the due and punctual payment of all sums payable to the Owners under and in connection with the Transaction Documents (the "**Indebtedness**") and the performance of the Charterers' obligations under or arising out of the Transaction Documents, we, with full title guarantee, assign and agree to assign absolutely and unconditionally to you all our rights, title and interests, present and future, in and to the Insurances.
- 2.2 We warrant that we have not disposed of, nor created or permitted any encumbrance or other third party right to arise on or over, any of the Insurances.
- 2.3 We:
 - (a) undertake to immediately following the execution of this Letter and at any other time required by you during the Charter Period, to execute the notice materially in the form set out in Part A of Schedule 2 or in such other form as you may require and immediately upon delivery of the Vessel under the Charter and at any other time required by you during the Charter Period to give such written notice to the brokers and/or underwriters (or, in the case of entries in

protection and indemnity or war risks associations or clubs, to the managers of those associations or clubs) of the assignment of the Insurances contained in this Letter;

- (b) have no objection to a loss payable clause materially in the form set out in Part B of Schedule 2 (or in such other form as you may approve) or, in the case of entries in a protection and indemnity association, a note of your interest in such form as you may approve being endorsed on or attached to the policies, cover notes or certificates of entry relating to the Insurances and that letters of undertaking in such form as you may approve shall be issued to you by the brokers through whom the Insurances are placed (or, in the case of entries in protection and indemnity or war risks associations, by their managers); and
- (c) shall promptly authorise and/or instruct any broker, insurer or association with or through whom any of the Insurances may be effected, details of which shall be advised by the Charterers, to endorse any of the above-mentioned notice(s) on any policy or entry or otherwise to give effect to the loss payable clause(s) referred to in this Clause.

2.4 You shall, at our cost and upon our request, re-assign to us all our rights, title and interests in the Insurances upon the Indebtedness being paid and discharged in full to your satisfaction.

2.5 Notwithstanding the loss payable clause that you may approve for being endorsed on the policies in accordance with the foregoing provisions and we are or may be named as an assured under any Insurances, in respect of our interests in the Insurances, we confirm that our interest is limited as follows:

- (a) in respect of any Insurances for hull and machinery and war risks, our interest is limited to
 - (i) any provable out-of-pocket expenses that we have incurred and which form part of any recoverable claim on underwriters;
 - (ii) any third party liability claims where cover for such claims is provided by the policy and then only in respect of discharge of any claims made against us; and
- (b) in respect of any insurances for protection and indemnity risks, our interest is limited to any recoveries we are entitled to make by way of reimbursement following discharge of any third-party liability claims by us.

3 SUBORDINATION

3.1 We also agree and undertake with you that all claims of whatsoever nature which we have or may have at any time, whether in our capacity as the technical manager against the Charterers or any of their property or assets (including, but without limitation, the Vessel's Earnings, Insurances or Requisition Compensation) shall rank after and be in all respects subordinate to any and all claims, whether actual or contingent, which you have or may have at any time against the Charterers or any of their property or assets and that we will not without your prior written consent:

- (a) (following your written notification to us that a Termination Event has occurred and is continuing under the Charter and for so long as any moneys remain owing to you under the Transaction Documents) demand or accept payment in whole or in part of any moneys owing to us by the Charterers in relation to our appointment as the technical manager of the Vessel or under any agreement entered into by us with the Charterers providing for such appointment;

- (b) take any steps to enforce our rights to recover any moneys owing to us by the Charterers and more particularly (but without limitation) take or issue any judicial or other legal proceedings against the Charterers or any of their property or assets (including, but without limitation, the Vessel's Earnings, Insurances or Requisition Compensation); or
- (c) prove in the liquidation, winding-up, insolvency or other dissolution of the Charterers or in any legal proceedings or administration action in connection with the Vessel, her Earnings, Insurances or Requisition Compensation in competition with you.

4 NOTICES

Any notice to be sent to us in connection with this Letter should be sent to us at Northern Marine Management Limited of Alba House, 2 Central Avenue, Clydebank, G81 2QR, Scotland, United Kingdom, for the attention of Fleet Director at NMMnotices@stena.com.

5 LAW AND JURISDICTION

- 5.1 This Letter and any non-contractual obligations arising from or in connection with this Letter shall be governed by and construed in accordance with English law.
- 5.2 Any dispute, controversy or claim arising out of or relating to this Letter, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause 5 (*Law and Jurisdiction*).
- 5.3 The arbitration shall be conducted in accordance with the London Maritime Arbitration Association (LMAA) terms current at the time when arbitration proceedings are commenced.
- 5.4 The reference shall be to three (3) arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other Party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its own arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.
- 5.5 Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
- 5.6 In cases where neither the claim nor any counterclaim exceeds the sum of US Dollars Fifty Thousand (US\$50,000) (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

Yours faithfully

For and on behalf of

NORTHERN MARINE MANAGEMENT LIMITED

Signed: 

Name: MURDOCH MACDONALD

Title: DIRECTOR

In the presence of:

Witness Signature: 

Witness Name: DAVID MCLEAN

Witness Address: ALBA HOUSE
2 CENTRAL AVENUE
CLYDEBANK
SCOTLAND
G81 2QR

SCHEDULE 1

(to attach the Management Agreement here)

SHIPMAN 2009

STANDARD SHIP MANAGEMENT AGREEMENT

PART I

**BIMCO**

InterManager

1. Place and date of Agreement Clydebank 5 th May 2021	2. Date of commencement of Agreement (CIs 2, 12, 21 and 25) On delivery from the yard to the Owner, expected on or around 22nd November 2021
3. Owners (name, place of registered office and law of registry) (CI 1) (i) Name: Avance Rover Ltd (ii) Place of registered office: Majuro, Marshall Islands (iii) Law of registry: Marshall Islands	4. Managers (name, place of registered office and law of registry) (CI 1) (i) Name: Northern Marine Management Limited (ii) Place of registered office: Clydebank, Scotland (iii) Law of registry: UK
5. The Company (with reference to the ISM/SPS Codes) (state name and IMO Unique Company identification number. If the Company is a third party then also state registered office and principal place of business) (CIs 1 and 9(c)(i)) (i) Name: Northern Marine Management Limited (ii) IMO Unique Company identification number: 10392244 (iii) Place of registered office: Clydebank, Scotland (iv) Principal place of business: Clydebank, Scotland	6. Technical Management (state "yes" or "no" as agreed) (CI 4) Yes 7. Crew Management (state "yes" or "no" as agreed) (CI 5(a)) Yes 8. Commercial Management (state "yes" or "no" as agreed) (CI 6) No
9. Chartering Services period (only to be filled in if "yes" stated in Box 8) (CI 8(a)) No	10. Crew Insurance arrangements (state "yes" or "no" as agreed) (i) Crew insurances (CI 5(b)): No (ii) Insurance for persons proceeding to sea onboard (CI 5(b)(ii)): No *only to apply if Crew Management (CI 5(a)) agreed (see Box 7)
11. Insurance arrangements (state "yes" or "no" as agreed) (CI 7) No	12. Optional insurances (state optional insurance(s) as agreed, such as piracy, kidnap and ransom, loss of hire and FO & D) (CI 10(a)(iv)) No
13. Interest (state rate of interest to apply after due date to outstanding sums) (CI 9(a)) LIBOR plus 2%	14. Annual management fee (state annual amount) (CI 12(a)) As per agreed management fee rebate structure
15. Manager's nominated account (CI 12(a)) T9A	16. Daily rate (state rate for days in excess of those agreed in budget) (CI 12(c)) USD 500 per day for attendance in excess of fleet average of 30 days per year 17. Lay-up period / number of months (CI 12(d)) Two (2) months
18. Minimum contract period (state number of months) (CI 21(a)) N/A.	19. Management fee on termination (state number of months to apply) (CI 22(a)) Two (2) months
20. Severance Costs (state maximum amount) (CI 22(b)(i)) As per applicable CBA, but not to exceed USD 40,000	21. Dispute Resolution (state alternative CI 23(a), 23(b) or 23(c), if CI 23(c) place of arbitration must be stated) (CI 23) 23(a) London
21. Notices (state full style contact details for serving notice and communication to the Owners) (CI 24) Avance Rover Ltd C/O Frontline Management AS Bryggegate 3, 0250 Oslo,	23. Notices (state full style contact details for serving notice and communication to the Managers) (CI 24) Northern Marine Management Limited Alba House, 2 Central Avenue Clydebank, G81 2QR

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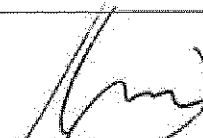

SHIPMAN 2009
Standard ship management agreement

PART 1

(Continued)

Norway Attn: Chief Technical Officer Email: LPG@searancegas.com termination@searancegas.com	Scotland, United Kingdom Email: sean.mccormack@stena.com
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It is mutually agreed between the party stated in Box 3 and the party stated in Box 4 that this Agreement consisting of PART I, and PART II and PART III as well as Annexes "A" (Details of Vessel or Vessels), "B" (Details of Crew), "C" (Budget), "D" (Associated Vessels) and "E" (Fee Schedule) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C", "D" and "E" shall prevail over those of PART II and PART III to the extent of such conflict but no further.

Signature(s) (Owners)  Kjell Langva Attorney-in-Fact	Signature(s) (Managers)  Murdoch MacDonald Commercial Director
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS)
TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2009**

Date of Agreement: 5th May 2021

Name of Vessel(s): Avance Polaris

Particulars of Vessel(s):

Flag:	Marshall Islands
IMO Number:	To be advised
Class:	Lloyds Register
LBP:	To be advised
Breadth:	To be advised
Depth Moulded:	To be advised
GT:	To be advised
NT:	To be advised
Built:	2021 Hull No 2357 DSME South Korea

Approved by the International Ship Managers' Association

First published 1988, Revised 1998 and 2009

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ANNEX "B" (DETAILS OF CREW)
TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2009

Date of Agreement: 5th May 2021

Details of Crew:

<u>Numbers</u>	<u>Rank</u>	<u>Nationality</u>
One	Master	Indian
One	Chief Officer	Indian
One	Second Officer	Filipino
One	Third Officer	Filipino
One	Chief Engineer	Indian
One	Second Engineer	Indian
One	Third/ Gas Engineer	International
One	Fourth Engineer	Filipino
One	ETO	International
One	Bosun	Filipino
Three	AB	Filipino
Two	OS	Filipino
One	Filter	Filipino
One	Motorman	Filipino
One	Chief Cook	Filipino
One	Messman	Filipino
Two	Cadets	International

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ANNEX 'C' (BUDGET)
TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2009

Date of Agreement: 5th May 2021

Managers' initial budget with effect from the commencement date of this Agreement (see Box 2): Annual operating budget to be mutually agreed between the Owner and Manager in accordance with Clause 13.

Continued

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ANNEX "D" (ASSOCIATED VESSELS)
TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2009

NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 22(b)(i) OF THIS AGREEMENT.

Date of Agreement: 5th May 2021

Details of Associated Vessels: N/A

Approved by the International Ship Managers' Association

First published 1988, Revised 1988 and 2009

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ANNEX "E" (FEE SCHEDULE)
TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2009

N/A

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PART II
SHIPMAN 2009
Standard ship management agreement

SECTION 1 - Basis of the Agreement

1. Definitions

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them:

"Company" (with reference to the ISM Code and the ISPS Code) means the organization identified in Box 5 or any replacement organization appointed by the Owners from time to time (see Sub-clauses 9(b)(i) or 9(c)(ii), whichever is applicable).

"Crew" means the personnel of the numbers, rank and nationality specified in Annex "B" hereto.

"Crew Insurances" means insurance of liabilities in respect of crew risks which shall include but not be limited to death, permanent disability, sickness, injury, repatriation, shipwreck unemployment indemnity and loss of personal effects (see Sub-clause 5(b) (Crew Insurances) and Clause 7 (Insurance Arrangements) and Clause 10 (Insurance Policies) and Boxes 10 and 11).

"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.

"Flag State" means the State whose flag the Vessel is flying.

"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention and any amendment thereto or substitution therefor.

"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution therefor.

"Managers" means the party identified in Box 4.

"Management Services" means the services specified in SECTION 2 - Services (Clauses 4 through 7) as indicated affirmatively in Boxes 6 through 8, 10 and 11, and all other functions performed by the Managers under the terms of this Agreement.

"Owners" means the party identified in Box 3.

"Severance Costs" means the costs which are legally required to be paid to the Crew as a result of the early termination of any contracts for service on the Vessel.

"SMS" means the Safety Management System (as defined by the ISM Code).

"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 and any amendment thereto or substitution therefor.

"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.

2. Commencement and Appointment

With effect from the date stated in Box 2 for the commencement of the Management Services and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel in respect of the Management Services.

3. Authority of the Managers

Subject to the terms and conditions herein provided, during the period of this Agreement the Managers shall carry out the Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform the Management Services in accordance with sound ship management practice, including but not limited to compliance with all relevant rules and regulations.

PART II
SHIPMAN 2009
Standard ship management agreement

SECTION 2 - Services

4. Technical Management	43
<i>(only applicable if agreed according to Box 6).</i>	44
The Managers shall provide technical management which includes, but is not limited to, the following services:	45
(a) ensuring that the Vessel complies with the requirements of the law of the Flag State;	46
(b) ensuring compliance with the ISM Code;	47
(c) ensuring compliance with the ISPS Code;	48
(d) providing competent personnel to supervise the maintenance and general efficiency of the Vessel;	49
(e) arranging and supervising dry dockings, repairs, alterations and the maintenance of the Vessel to the standards agreed with the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with all requirements and recommendations of the classification society, and with the law of the Flag State and of the places where the Vessel is required to trade;	50
(f) arranging the supply of necessary stores, spares and lubricating oil. Also see Rider Clause 37;	51
(g) appointing surveyors and technical consultants as the Managers may consider from time to time to be necessary;	52
(h) in accordance with the Owners' instructions, supervising the sale and physical delivery of the Vessel under the sale agreement. However services under this <u>Sub-clause 4(h)</u> shall not include negotiation of the sale agreement or transfer of ownership of the Vessel;	53
(i) arranging for the supply of provisions unless provided by the Owners; and	54
(j) arranging for the sampling and testing of bunkers.	55
5. Crew Management and Crew Insurances	56
(a) <i>Crew Management</i>	57
<i>(only applicable if agreed according to Box 7)</i>	58
The Managers shall provide suitably qualified Crew who shall comply with the requirements of STCW 95.	59
The provision of such crew management services includes, but is not limited to, the following services:	60
(i) selecting, engaging and providing for the administration of the Crew, including, as applicable, payroll arrangements, pension arrangements, tax, social security contributions and other mandatory dues related to their employment payable in each Crew member's country of domicile;	61
(ii) ensuring that the applicable requirements of the law of the Flag State in respect of rank, qualification and certification of the Crew and employment regulations, such as Crew's tax and social insurance, are satisfied;	62
(iii) ensuring that all Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements or such higher standard of medical examination as may be agreed with the Owners. In the absence of applicable Flag State requirements the medical certificate shall be valid at the time when the respective Crew member arrives on board the Vessel and shall be maintained for the duration of the service on board the Vessel;	63
(iv) ensuring that the Crew shall have a common working language and a command of the English language of a sufficient standard to enable them to perform their duties safely;	64
(v) arranging transportation of the Crew, including repatriation;	65
(vi) training of the Crew;	66

PART II
SHIPMAN 2009
Standard ship management agreement

(vii) conducting union negotiations; and	85
(viii) if the Managers are the Company, ensuring that the Crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.	86 87 88
(ix) if the Managers are not the Company:	89
(1) ensuring that the Crew, before joining the Vessel, are given proper familiarisation with their duties in relation to the ISM Code; and	90 91
(2) instructing the Crew to obey all reasonable orders of the Company in connection with the operation of the SMS.	92 93
(x) Where Managers are not providing technical management services in accordance with <u>Clause 4</u> (Technical Management):	94 95
(1) ensuring that no person connected to the provision and the performance of the crew management services shall proceed to sea on board the Vessel without the prior consent of the Owners (such consent not to be unreasonably withheld); and	96 97 98
(2) ensuring that in the event that the Owners' drug and alcohol policy requires measures to be taken prior to the Crew joining the Vessel, implementing such measures;	99 100
(b) Crew Insurances	101
<i>(only applicable if Sub-clause 5(a) applies and if agreed according to Box 10)</i>	102
The Managers shall throughout the period of this Agreement provide the following services:	103
(i) arranging Crew Insurances in accordance with the best practice of prudent managers of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations. Insurances for any other persons proceeding to sea onboard the Vessel may be separately agreed by the Owners and the Managers (see <u>Box 10</u>);	104 105 106 107
(ii) ensuring that the Owners are aware of the terms, conditions, exceptions and limits of liability of the insurances in Sub-clause 5(b)(i);	108 109
(iii) ensuring that all premiums or calls in respect of the insurances in Sub-clause 5(b)(i) are paid by their due date;	110 111
(iv) if obtainable at no additional cost, ensuring that insurances in Sub-clause 5(b)(i) name the Owners as a joint assured with full cover and, unless otherwise agreed, on terms such that Owners shall be under no liability in respect of premiums or calls arising in connection with such insurances.	112 113 114
(v) providing written evidence, to the reasonable satisfaction of the Owners, of the Managers' compliance with their obligations under Sub-clauses 5(b)(ii), and 5(b)(iii) within a reasonable time of the commencement of this Agreement, and of each renewal date and, if specifically requested, of each payment date of the insurances in Sub-clause 5(b)(i).	115 116 117 118
5. Commercial Management	119
<i>(only applicable if agreed according to Box 8).</i>	120
The Managers shall provide the following services for the Vessel in accordance with the Owners' instructions, which shall include but not be limited to:	121 122
(a) seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in <u>Box 9</u> , consent thereto in writing shall first be obtained from the Owners;	123 124 125
(b) arranging for the provision of bunker fuels of the quality specified by the Owners as required for the Vessel's trade;	126 127
(c) voyage estimating and accounting and calculation of hire, freights, demurrage and/or despatch monies due from or due to the charterers of the Vessel; assisting in the collection of any sums due to the Owners related to the commercial operation of the Vessel in accordance with <u>Clause 11</u> (Income Collected and	128 129 130

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Expenses Paid on Behalf of Owners);	131
<i>If any of the services under Sub -clauses 6(a), 6(b) and 6(c) are to be excluded from the Management Fee, remuneration for these services must be stated in Annex E (Fee Schedule). See Sub -clause 12(e).</i>	132
	133
(d) issuing voyage instructions;	134
(e) appointing agents;	135
(f) appointing stevedores; and	136
(g) arranging surveys and associated with the commercial operation of the Vessel.	137
7. Insurance Arrangements	138
<i>(only applicable if agreed according to <u>Box 11</u>).</i>	139
The Managers shall arrange insurances in accordance with <u>Clause 10</u> (Insurance Policies), on such terms as	140
the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles,	141
franchises and limits of liability.	142

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SECTION 3 - Obligations

8. Managers' Obligations	143
(a) The Managers undertake to use their best endeavours to provide the Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder.	144 145 146
Provided however, that in the performance of their management responsibilities under this Agreement, the Managers shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	147 148 149 150 151 152
(b) Where the Managers are providing technical management services in accordance with <u>Clause 4</u> (Technical Management), they shall procure that the requirements of the Flag State are satisfied and they shall agree to be appointed as the Company, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code and the ISPS Code, if applicable.	153 154 155 156
(c) The Managers shall make available to Owners all documentation and records related to the Safety Management System which the Owners need in order to demonstrate compliance with the ISM code and STCW 95 or defend a claim against a third party. All manuals and forms issued by the Managers which comprise the Safety Management System and the copyright thereof remain the property of the Managers.	
9. Owners' Obligations	157
(a) The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement. In the event of payment after the due date of any outstanding sums the Manager shall be entitled to charge interest at the rate stated in <u>Box 13</u> .	158 159 160
(b) Where the Managers are providing technical management services in accordance with <u>Clause 4</u> (Technical Management), the Owners shall:	161 162
(i) report (or where the Owners are not the registered owners of the Vessel procure that the registered owners report) to the Flag State administration the details of the Managers as the Company as required to comply with the ISM and ISPS Codes;	163 164 165
(ii) procure that any officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95; and	166 167
(iii) instruct such officers and ratings to obey all reasonable orders of the Managers (in their capacity as the Company) in connection with the operation of the Managers' safety management system.	168 169
(c) Where the Managers are not providing technical management services in accordance with <u>Clause 4</u> (Technical Management), the Owners shall:	170 171
(i) procure that the requirements of the Flag State are satisfied and notify the Managers upon execution of this Agreement of the name and contact details of the organization that will be the Company by completing <u>Box 5</u> ;	172 173 174
(ii) If the Company changes at any time during this Agreement, notify the Managers in a timely manner of the name and contact details of the new organization;	175 176
(iii) procure that the details of the Company, including any change thereof, are reported to the Flag State administration as required to comply with the ISM and ISPS Codes. The Owners shall advise the Managers in a timely manner when the Flag State administration has approved the Company; and	177 178 179
(iv) unless otherwise agreed, arrange for the supply of provisions at their own expense.	180
(d) Where the Managers are providing crew management services in accordance with <u>Sub-clause 5(a)</u> the Owners shall:	181 182
(i) inform the Managers prior to ordering the Vessel to any excluded or additional premium area under any of the Owners' Insurances by reason of war risks and/or piracy or like perils and pay whatever	183 184

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additional costs may properly be incurred by the Managers as a consequence of such orders including,	185
if necessary, the costs of replacing any member of the Crew. Any delays resulting from negotiation	186
with or replacement of any member of the Crew as a result of the Vessel being ordered to such an area	187
shall be for the Owners' account. Should the Vessel be within an area which becomes an excluded or	188
additional premium area the above provisions relating to cost and delay shall apply;	189
(ii) agree with the Managers prior to any change of flag of the Vessel and pay whatever additional costs	190
may properly be incurred by the Managers as a consequence of such change. If agreement cannot be	191
reached then either party may terminate this Agreement in accordance with Sub-clause 22(e); and	192
(iii) provide, at no cost to the Managers, in accordance with the requirements of the law of the Flag State,	193
or higher standard, as mutually agreed, adequate Crew accommodation and living standards.	194
(e) Where the Managers are not the Company, the Owners shall ensure that Crew are properly familiarised	195
with their duties in accordance with the Vessel's SMS and that instructions which are essential to the SMS	196
are identified, documented and given to the Crew prior to sailing.	197

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SECTION 4 - Insurance, Budgets, Income, Expenses and Fees

10. Insurance Policies	198
The Owners shall procure, whether by instructing the Managers under <u>Clause 7</u> (Insurance Arrangements) or otherwise, that throughout the period of this Agreement:	199
	200
(a) at the Owners' expense, the Vessel is insured for not less than its sound market value or entered for its full gross tonnage, as the case may be for:	201
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(i) hull and machinery marine risks (including but not limited to crew negligence) and excess liabilities;	203
(ii) protection and indemnity risks (including but not limited to pollution risks, diversion expenses and, except to the extent insured separately by the Managers in accordance with Sub -clause 5(b)(i) , Crew Insurances;	204
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<i>NOTE: If the Managers are not providing crew management services under Sub -clause 5(a) (Crew Management) or have agreed not to provide Crew Insurances separately in accordance with Sub -clause 5(b)(i), then such insurances must be included in the protection and indemnity risks cover for the Vessel (see Sub -clause 10(a)(ii) above).</i>	207
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(iii) war risks (including but not limited to blocking and trapping, protection and indemnity, terrorism and crew risks); and	211
	212
(iv) such optional insurances as may be agreed (such as piracy, kidnap and ransom, loss of hire and FD & D) (see <u>Box 12</u>)	213
	214
Sub -clauses 10(a)(i) through <u>10(a)(iv)</u> all in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations ("the Owners' Insurances");	215
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(b) all premiums and calls on the Owners' Insurances are paid by their due date;	218
(c) the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover. It is understood that in some cases, such as protection and indemnity, the normal terms for such cover may impose on the Managers and any such third party a liability in respect of premiums or calls arising in connection with the Owners' Insurances.	219
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If obtainable at no additional cost, however, the Owners shall procure such insurances on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances. In any event, on termination of this Agreement in accordance with <u>Clause 21</u> (Duration of the Agreement) and <u>Clause 22</u> (Termination), the Owners shall procure that the Managers and any third party designated by the Managers as joint assured shall cease to be joint assured and, if reasonably achievable, that they shall be released from any and all liability for premiums and calls that may arise in relation to the period of this Agreement; and	223
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(d) written evidence is provided, to the reasonable satisfaction of the Managers, of the Owners' compliance with their obligations under this <u>Clause 10</u> within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	230
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11. Income Collected and Expenses Paid on Behalf of Owners	233
(a) Except as provided in Sub -clause 11(c) all monies collected by the Managers under the terms of this Agreement (other than monies payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	234
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(b) All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 12(c)</u>) may be debited against the Owners in the account referred to under Sub -clause 11(a) but shall in any event remain payable by the Owners to the Managers on demand.	237
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(c) All monies collected by the Managers under <u>Clause 6</u> (Commercial Management) shall be paid into a bank account in the name of the Owners or as may be otherwise advised by the Owners in writing.	240
	241
12. Management Fee and Expenses	242

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(a) The Owners shall pay to the Managers an annual management fee as stated in <u>Box 14</u> for their services as Managers under this Agreement, which shall be payable in equal monthly instalments in advance, the first instalment (pro rata if appropriate) being payable on the commencement of this Agreement (see <u>Clause 2</u> (Commencement and Appointment) and <u>Box 2</u>) and subsequent instalments being payable at the beginning of every calendar month. The management fee shall be payable to the Managers' nominated account stated in <u>Box 15</u> .	243 244 245 246 247 248
(b) The management fee shall be subject to an annual review and the proposed fee shall be presented in the annual budget in accordance with Sub- <u>clause 13(a)</u> .	249 250
(c) The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of this <u>Clause 12</u> (Management Fee and Expenses) the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services. Any days used by the Managers' personnel travelling to or from or attending on the Vessel or otherwise used in connection with the Management Services in excess of those agreed in the budget shall be charged at the daily rate stated in <u>Box 16</u> . Also see Rider Clause 32.	251 252 253 254 255 256 257
(d) If the Owners decide to layup the Vessel and such layup lasts for more than the number of months stated in <u>Box 17</u> , an appropriate reduction of the Management Fee for the period exceeding such period until one month before the Vessel is again put into service shall be mutually agreed between the parties. If the Managers are providing crew management services in accordance with Sub- <u>clause 5(a)</u> , consequential costs of reduction and reinstatement of the Crew shall be for the Owners' account. If agreement cannot be reached then either party may terminate this Agreement in accordance with Sub- <u>clause 22(e)</u> .	258 259 260 261 262 263
(e) Save as otherwise provided in this Agreement, all discounts and commissions obtained by the Managers in the course of the performance of the Management Services shall be credited to the Owners. Also see Rider Clause 37.	264 265
13. Budgets and Management of Funds	266
(a) The Managers' initial budget is set out in Annex "C" hereto. Subsequent budgets shall be for twelve month periods and shall be prepared by the Managers and presented to the Owners not less than three months before the end of the budget year.	267 268 269
(b) The Owners shall state to the Managers in a timely manner, but in any event within one month of presentation, whether or not they agree to each proposed annual budget. The parties shall negotiate in good faith and if they fail to agree on the annual budget, including the management fee, either party may terminate this Agreement in accordance with Sub- <u>clause 22(e)</u> . Also see Rider Clause 33.	270 271 272 273
(c) Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement for the Vessel and shall each month request the Owners in writing to pay the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account. Also see Rider Clause 30.	274 275 276 277 278 279 280
(d) The Managers shall at all times maintain and keep true and correct accounts in respect of the Management Services in accordance with the relevant International Financial Reporting Standards or such other standard as the parties may agree, including records of all costs and expenditure incurred, and produce a comparison between budgeted and actual income and expenditure of the Vessel in such form and at such intervals as shall be mutually agreed.	281 282 283 284 285
The Managers shall make such accounts available for inspection and auditing by the Owners and/or their representatives in the Managers' offices or by electronic means, provided reasonable notice is given by the Owners.	286 287 288
(e) Notwithstanding anything contained herein, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	289 290

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SECTION 5 - Legal, General and Duration of Agreement

14. Trading Restrictions	291
If the Managers are providing crew management services in accordance with Sub- <u>clause 5(a)</u> (Crew Management), the Owners and the Managers will, prior to the commencement of this Agreement, agree on any trading restrictions to the Vessel that may result from the terms and conditions of the Crew's employment.	292 293 294
15. Replacement	295
If the Managers are providing crew management services in accordance with Sub- <u>clause 5(a)</u> (Crew Management), the Owners may require the replacement, at their own expense, at the next reasonable opportunity, of any member of the Crew found on reasonable grounds to be unsuitable for service. If the Managers have failed to fulfil their obligations in providing suitable qualified Crew within the meaning of Sub- <u>clause 5(a)</u> (Crew Management), then such replacement shall be at the Managers' expense.	296 297 298 299 300
16. Managers' Right to Sub-Contract	301
The Managers shall not subcontract any of their obligations hereunder without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.	302 303 304
17. Responsibilities	305
(a) Force Majeure	306
Neither party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimize or prevent the effect of such events and/or conditions:	307 308 309 310
(i) acts of God;	311
(ii) any Government requisition, control, intervention, requirement or interference;	312
(iii) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;	313 314
(iv) riots, civil commotion, blockades or embargoes;	315
(v) epidemics;	316
(vi) earthquakes, landslides, floods or other extraordinary weather conditions;	317
(vii) strikes, lockouts or other industrial action, unless limited to the employees (which shall not include the Crew) of the party seeking to invoke force majeure;	318 319
(viii) fire, accident, explosion except where caused by negligence of the party seeking to invoke force majeure; and	320 321
(ix) any other similar cause beyond the reasonable control of either party.	322
(b) Liability to Owners	323
(i) Without prejudice to Sub- <u>clause 17(a)</u> , the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees or agents, or sub-contractors employed by them in connection with the Vessel, in which case	324 325 326 327 328 329

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(save where loss, damage, delay or expense has resulted from the Manager s' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten (10) times the annual management fee payable hereunder.	330 331 332 333 334
(ii) <i>Acts or omissions of the Crew</i> - Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any acts or omissions of the Crew, even if such acts or omissions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under <u>Clause 5(a)</u> (Crew Management), in which case their liability shall be limited in accordance with the terms of this <u>Clause 17</u> (Responsibilities).	335 336 337 338 339 340
(c) <i>Indemnity</i> Except to the extent and solely for the amount therein set out that the Managers would be liable under <u>Sub-clause 17(b)</u> , the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of this Agreement, and against and in respect of all costs, loss, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	341 342 343 344 345 346 347 348 349
(d) <i>"Himalaya"</i> It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 17</u> (Responsibilities), every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 17</u> (Responsibilities) the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	350 351 352 353 354 355 356 357 358 359 360 361 362 363
18. General Administration	364
(a) The Managers shall keep the Owners and, if appropriate, the Company informed in a timely manner of any incident of which the Managers become aware which gives or may give rise to delay to the Vessel or claims or disputes involving third parties.	365 366 367
(b) The Managers shall handle and settle all claims and disputes arising out of the Management Services hereunder, unless the Owners instruct the Managers otherwise. The Managers shall keep the Owners appropriately informed in a timely manner throughout the handling of such claims and disputes.	368 369 370
(c) The Owners may request the Managers to bring or defend other actions, suits or proceedings related to the Management Services, on terms to be agreed.	371 372
(d) The Managers shall have power to obtain appropriate legal or technical or other outside expert advice in relation to the handling and settlement of claims in relation to <u>Sub-clauses 18(a)</u> and <u>18(b)</u> and disputes and any other matters affecting the interests of the Owners in respect of the Vessel, unless the Owners instruct the Managers otherwise.	373 374 375 376
(e) On giving reasonable notice, the Owners may request, and the Managers shall in a timely manner make available, all documentation, information and records in respect of the matters covered by this Agreement either related to mandatory rules or regulations or other obligations applying to the Owners in respect of the Vessel (including but not limited to STCW 95, the ISM Code and ISPS Code) to the extent permitted by relevant legislation.	377 378 379 380 381

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On giving reasonable notice, the Managers may request, and the Owners shall in a timely manner make available, all documentation, information and records reasonably required by the Managers to enable them to perform the Management Services.	382 383 384
(f) The Owners shall arrange for the provision of any necessary guarantee bond or other security.	385
(g) Any costs incurred by the Managers in carrying out their obligations according to this <u>Clause 18</u> (General Administration) shall be reimbursed by the Owners.	386 387
19. Inspection of Vessel	388
The Owners may at any time after giving reasonable notice to the Managers inspect the Vessel for any reason they consider necessary.	389 390
20. Compliance with Laws and Regulations	391
The parties will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Flag State, or of the places where the Vessel trades.	392 393
21. Duration of the Agreement	394
(a) This Agreement shall come into effect at the date stated in <u>Box 2</u> and shall continue until terminated by either party by giving notice to the other; in which event this Agreement shall terminate upon the expiration of the later of the number of months stated in <u>Box 18</u> or a period of two (2) months from the date on which such notice is received, unless terminated earlier in accordance with <u>Clause 22</u> (Termination).	395 396 397 398
(b) Where the Vessel is not at a mutually convenient port or place on the expiry of such period, this Agreement shall terminate on the subsequent arrival of the Vessel at the next mutually convenient port or place.	399 400
22. Termination	401
(a) <i>Owners' or Managers' default</i>	402
If either party fails to meet their obligations under this Agreement, the other party may give notice to the party in default requiring them to remedy it. In the event that the party in default fails to remedy it within a reasonable time to the reasonable satisfaction of the other party, that party shall be entitled to terminate this Agreement with immediate effect by giving notice to the party in default.	403 404 405 406
(b) <i>Notwithstanding Sub-clause 22(a):</i>	407
(i) The Managers shall be entitled to terminate the Agreement with immediate effect by giving notice to the Owners if any monies payable by the Owners and/or the owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten days (10) of receipt by the Owners of the Managers' written request, or if the Vessel is repossessed by the Mortgagee(s).	408 409 410 411 412
(ii) If the Owners proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice.	413 414 415 416 417 418
(iii) If either party fails to meet their respective obligations under Sub-clause 5(b) (Crew Insurances) and <u>Clause 10</u> (Insurance Policies), the other party may give notice to the party in default requiring them to remedy it within ten (10) days, failing which the other party may terminate this Agreement with immediate effect by giving notice to the party in default.	419 420 421 422
(c) <i>Extraordinary Termination</i>	423
This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or, if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned or has been declared missing or, if bareboat chartered, unless otherwise agreed, when the bareboat charter comes to an end.	424 425 426 427
(d) <i>For the purpose of Sub-clause 22(c) hereof:</i>	428
(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Vessel's owners cease to be the registered owners of the Vessel;	429 430

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(ii) the Vessel shall be deemed to be lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred; and	431 432 433 434
(iii) the date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first. A missing vessel shall be deemed lost in accordance with the provisions of Sub-clause 22(d) (ii).	435 436 437 438
(e) In the event the parties fail to agree the annual budget in accordance with Sub-clause 13(b), or to agree a change of flag in accordance with Sub-clause 9(d)(ii), or to agree to a reduction in the Management Fee in accordance with Sub-clause 12(d), either party may terminate this Agreement by giving the other party not less than one month's notice, the result of which will be the expiry of the Agreement at the end of the current budget period or on expiry of the notice period, whichever is the later.	439 440 441 442 443
(f) This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver or administrator is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	444 445 446 447
(g) In the event of the termination of this Agreement for any reason other than default by the Manager's the management fee payable to the Managers according to the provisions of Clause 12 (Management Fee and Expenses), shall continue to be payable for a further period of the number of months stated in Box 19 as from the effective date of termination. If Box 19 is left blank then ninety (90) days shall apply.	448 449 450 451
(h) In addition, where the Managers provide Crew for the Vessel in accordance with Clause 5(a) (Crew Management):	452 453
(i) the Owners shall continue to pay Crew Support Costs during the said further period of the number of months stated in Box 19 and	454 455
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may be incurred, not exceeding the amount stated in Box 20. The Managers shall use their reasonable endeavours to minimise such Severance Costs.	456 457 458
(l) On the termination, for whatever reason, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all accounts and all documents specifically relating to the Vessel and its operation. Also see Rider Clause 38.	459 460 461
(j) The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.	462 463
23. BIMCO Dispute Resolution Clause	464
(a) This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	465 466 467 468
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	469 470
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party	471 472 473 474 475 476 477

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accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	478 479
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	480 481
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	482 483 484
(b) This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	485 486 487 488 489 490
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	491 492 493 494
(c) This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	495 496 497
(d) Notwithstanding Sub-clauses 23(a), 23(b) or 23(c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Agreement.	498 499
(i) In the case of a dispute in respect of which arbitration has been commenced under Sub -clauses 23(a), 23(b) or 23(c) above, the following shall apply:	500 501
(ii) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.	502 503 504
(iii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.	505 506 507 508 509 510
(iv) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.	511 512 513
(v) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.	514 515
(vi) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.	516 517 518
(vii) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.	519 520
(viii) The mediation process shall be without prejudice and confidential and no information or documents	521

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Standard ship management agreement

disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.	522 523
<i>(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)</i>	524
(e) If <u>Box 21</u> in Part I is not appropriately filled in, Sub-clause <u>23(a)</u> of this Clause shall apply.	525
<i>Note: Sub-clauses <u>23(a)</u>, <u>23(b)</u> and <u>23(c)</u> are alternatives; indicate alternative agreed in <u>Box 21</u>. Sub-clause <u>23(d)</u> shall apply in all cases.</i>	526 527
24. Notices	528
(a) All notices given by either party or their agents to the other party or their agents in accordance with the provisions of this Agreement shall be in writing and shall, unless specifically provided in this Agreement to the contrary, be sent to the address for that other party as set out in <u>Boxes 22</u> and <u>23</u> or as appropriate or to such other address as the other party may designate in writing.	529 530 531 532
A notice may be sent by registered or recorded mail, facsimile, electronically or delivered by hand in accordance with this Sub-clause <u>24(a)</u> .	533 534
(b) Any notice given under this Agreement shall take effect on receipt by the other party and shall be deemed to have been received:	535 536
(i) if posted, on the seventh (7th) day after posting;	537
(ii) if sent by facsimile or electronically, on the day of transmission; and	538
(iii) if delivered by hand, on the day of delivery.	539
And in each case proof of posting, handing in or transmission shall be proof that notice has been given, unless proven to the contrary.	540 541
25. Entire Agreement	542
This Agreement constitutes the entire agreement between the parties and no promise, undertaking, representation, warranty or statement by either party prior to the date stated in <u>Box 2</u> shall affect this Agreement. Any modification of this Agreement shall not be of any effect unless in writing signed by or on behalf of the parties.	543 544 545 546
26. Third Party Rights	547
Except to the extent provided in Sub-clauses <u>17(c)</u> (Indemnity) and <u>17(d)</u> (Himalaya), no third parties may enforce any term of this Agreement.	548 549
27. Partial Validity	550
If any provision of this Agreement is or becomes or is held by any arbitrator or other competent body to be illegal, invalid or unenforceable in any respect under any law or jurisdiction, the provision shall be deemed to be amended to the extent necessary to avoid such illegality, invalidity or unenforceability, or, if such amendment is not possible, the provision shall be deemed to be deleted from this Agreement to the extent of such illegality, invalidity or unenforceability, and the remaining provisions shall continue in full force and effect and shall not in any way be affected or impaired thereby.	551 552 553 554 555 556
28. Interpretation	557
In this Agreement:	558
(a) Singular/Plural The singular includes the plural and vice versa as the context admits or requires.	559 560
(b) Headings The index and headings to the clauses and appendices to this Agreement are for convenience only and shall not affect its construction or interpretation.	561 562 563
(c) Day "Day" means a calendar day unless expressly stated to the contrary.	564 565

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29.BIMCO MLC Clause for SHIPMAN 2009

For the purposes of this Clause:

"MLC" means the International Labour Organisation (ILO) Maritime Labour Convention (MLC 2006) and any amendment thereto or substitution thereof.

"Shipowner" shall mean the party named as "shipowner" on the Maritime Labour Certificate for the Vessel.

(a) Subject to Clause 3 (Authority of the Managers), the Managers shall, to the extent of their Management Services, assume the Shipowner's duties and responsibilities imposed by the MLC for the Vessel, on behalf of the Shipowner.

(b) The Owners shall ensure compliance with the MLC in respect of any crew members supplied by them or on their behalf.

(c) The Owners shall procure, whether by instructing the Managers under Clause 7 (Insurance Arrangements) or otherwise, insurance cover or financial security to satisfy the Shipowner's financial security obligations under the MLC.

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Rider Clauses

30. In relation to Sub-clause 13(c), the Managers shall request the Owner for funds required to run the Vessel for the ensuing month by ten (10) days before the end of the month, and then the Owners shall remit such funds to the managers by the end of each month.

31. Any information relating to the Owners or its business or trade secrets which the Managers have obtained under this Agreement shall be kept confidential and not be disclosed to any third party during and after termination of this Agreement unless such disclosure is required by applicable law or regulations.

32. In relation to Sub-Clause 12(c), no attendance charge will be levied when a superintendent or port captain is visiting a Vessel except when such visits exceeds thirty (30) superintendent days in average over the fleet managed by the Managers on behalf of the Owners and his associated companies. When the thirty (30) days in average is reached in any calendar year, any additional superintendent days should be charged at USD 500 per day.

33. All charges from the Managers or by associated companies of the Managers against the Owners should only be processed after explicitly being approved by the Owners in writing. To the extent the charges from the Managers or its associated companies are included in the budget, the charges should only be deemed approved when a separate, detailed overview of such charges is approved. Failure to seek such approval before the cost is charged against the Owners' accounts should be deemed to be default by the managers.

34. N/A

35. The Managers shall implement a planned maintenance and spare part system onboard the vessel. The system/date remains the property of the Owners when the Management Agreement is terminated.

36. N/A

37. The Owners shall, at its discretion, have the option to choose suppliers or vendors of goods or services, negotiate the terms and conditions for the purchase of such goods or services and subsequently instruct the Managers to purchase the goods or services accordingly. In the event of the Managers obtaining any discount, commissions or other pecuniary benefit, including but not limited to any contract rebate/volume discount as a result of purchase of goods and services for the Vessel, the amount of such benefit shall be passed to the Owners in full. Non-compliance with this clause is to be regarded as breach of contract which will allow termination of the Agreement without notice.

38. The Managers shall store and keep available to the Owners, all records and documents relating to the management of the Vessel for a period of one year after termination of the Agreement. After such period the records/documents should be forwarded to an addressee to be named by the Owners for the account of the Owners.

39. Sanction Clause

(a) For the purposes of this Clause: "Sanctioned Activity" means any activity, service, carriage, trade or voyage subject to sanctions imposed by a Sanctioning Authority.

"Sanctioning Authority" means the United Nations, European Union, United Kingdom, United States of America or any other applicable competent authority or government.

"Sanctioned Party" means any persons, entities, bodies, or vessels designated by a Sanctioning Authority.

(b) Owners warrant that at the date of this Agreement and throughout its duration they, the registered owners, charterers, disponent owners, the Vessel and any substitute, and any shareholder, company, subsidiary, affiliate, ultimate beneficial owner, director or officer thereof, are not a Sanctioned Party.

(c) Managers warrant that at the date of this Agreement and throughout its duration they, their shareholders, parent company, subsidiaries, affiliates, ultimate beneficial owners, and its directors or officers, are not a Sanctioned Party.

(d) Managers warrant that the Management Services provided this Agreement under shall not, directly or indirectly, involve a Sanctioned Party or a Sanctioned Activity.

PART III
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Standard ship management agreement

(e) Owners warrant that the Vessel shall not, directly or indirectly, be engaged in any Sanctioned Activity nor with any Sanctioned Party.

(f) The parties warrant that at the date of the Agreement and throughout its duration, they will not knowingly facilitate any business with, or provide any services to, a Sanctioned Party, or engage in any Sanctioned Activity.

(g) Managers shall procure that appropriate sanction clauses shall be incorporated into relevant contracts and Managers' sub-contracts, including (but not limited to) those with supervisors, suppliers, agencies, surveyors or other third party, pursuant to this Agreement.

(h) If at any time either party is in breach of subclause (b)-(f) above then the party not in breach may suspend or terminate this Agreement with immediate effect, and/or claim damages resulting from the breach.

40 Anti-Bribery and Anti-Corruption Clause

1. Managers and their Directors, Officers, Employees, Masters and Crew members shall comply with the applicable laws, rules, regulations, decrees and/or official government orders, including but not limited to the United Kingdom Bribery Act of 2010 as amended and the United States of America Foreign Corrupt Practices Act of 1977 as amended, or any other applicable jurisdiction, relating to Anti-Bribery and Anti-Money Laundering and that they shall take no action which would subject themselves or the Owners to fines or penalties under such laws, regulations, rules decrees or orders.

2. The parties agree that they will have procedures in place that are, to the best of its knowledge and belief, designed to prevent the commission of any offence under such legislation by any member of its organisation or by any person providing services for it or on its behalf and to make and keep books, records, and accounts which in reasonable detail accurately and fairly reflect the transactions in connection with this Agreement.

3. If either party fails to comply with any applicable anti-corruption legislation it shall defend and indemnify the other party against any fine, penalty, liability, loss or damage and for any related costs (including, without limitation, court costs and legal fees) arising from such breach.

4. Without prejudice to any of its other rights under this Agreement, either party may terminate this Agreement without incurring any liability to the other party if

- (i) at any time the other party or any member of its organisation has committed a breach of any applicable anti-corruption legislation in connection with this Agreement; and
- (ii) such breach causes the non-breaching party to be in breach of any applicable anti-corruption legislation.

Any such right to terminate must be exercised without undue delay."

41. Personal Data Processing

The Owners agree to process Northern Marine Personal data in accordance with the Managers GDPR External Data Processor policy below;



NORTHERN MARINE GROUP LIMITED

GDPR EXTERNAL DATA PROCESSOR POLICY

1. Interpretation

- a. Capitalised terms not otherwise defined herein shall have the meaning given to them in the Agreement. In this Addendum, the following terms shall have the meanings set out below and cognate terms shall be construed accordingly:

"Controller", "Data Subject", "Personal Data", "Joint Controller", "Personal Data Breach", "Processing" (and the expressions **"Process", "Processed"** and **"Processes"** shall be construed accordingly), **"Processor"** and **"Supervisory Authority"** have the meanings set out in GDPR;

"Data Controller" means Northern Marine Group Limited and any subsidiary company;

"Data Protection Legislation" means the GDPR and any other laws, regulations and provisions relating to Processing applicable in the United Kingdom;

"GDPR" means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016;

"Services" mean the services and other activities carried out or supplied by the Processor to the Data Controller under the Agreement;

"Sub-Processor" means any person appointed by the Processor to Process the Data Controller Personal Data; and

"Data Controller Personal Data" means any Personal Data Processed by the Processor on behalf of the Data Controller.

- b. In this Policy, except where the context otherwise requires:

- i. any reference to a Clause or sub-clause shall be to, respectively, a Clause or sub-clause to this Policy;
- ii. clause headings are for ease of reference only and shall not affect the construction or interpretation of any Clause; and
- iii. words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders.

2. General Undertaking

The purpose of this Policy is to set out the scope of the Processing of Data Controller Personal Data to be carried out by the Processor from 25 May 2018.

3. Data Processing Obligations

The Processor shall:

- a. comply with the applicable Data Protection Legislation in the Processing of Data Controller Personal Data;

- b. Process Data Controller Personal Data only on the documented instructions from Data Controller (including with regard to transfers Data Controller Personal Data to a third country or an international organisation) unless required to do so by applicable law to which the Processor is subject; in such a case, the Processor shall inform Data Controller of that legal requirement before commencing Processing, unless that law prohibits such information on important grounds of public interest;
- c. take reasonable steps to ensure the reliability of any individual who may have access to or Process Data Controller Personal Data, ensuring in each case that access is strictly limited to those individuals who need to know/access the relevant Data Controller Personal Data, as strictly necessary for the Agreement, and ensure that all such individuals are subject to confidentiality undertakings or professional or statutory obligations of confidentiality.
- d. taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of Data Subjects, implement and maintain (and provide details of such measures to Data Controller on request) appropriate technical and organisational measures to ensure a level of security appropriate to the risk including but not limited to the following:
 - e. the pseudonymisation and encryption of Data Controller Personal Data;
 - i. the ability to ensure the ongoing confidentiality and access to Data Controller Personal Data in a timely manner in the event of a physical or technical incident;
 - ii. the ability to restore the availability and access to Data Controller Personal Data in a timely manner in the event of a physical or technical incident; and
 - iii. a process for regular testing, assessing and evaluating the effectiveness of technical and organisational measures for ensuring the security of Processing.
- f. in assessing the appropriate level of security, take account of the risks that are presented by Processing, in particular from a Personal Data Breach;
- g. ensure that any individual acting under its authority who has access to Data Controller Personal Data does not Process the data except on instructions from Data Controller, unless he or she is required to do so by law (in which case this must be notified to Data Controller prior to any such Processing commencing);
- h. taking into account the nature of the Processing, assist Data Controller by implementing and maintaining appropriate technical and organisational measures, insofar as this is possible, for the fulfilment of Data Controller's obligation to respond to requests for exercising the Data Subject's rights under the Data Protection Legislation;
- i. assist Data Controller in ensuring compliance with Data Controller's obligations in so far as applicable to the Agreement under the Data Protection Legislation concerning:
 - i. the security of Processing pursuant to Article 32 of the GDPR;
 - ii. notification of a Personal Data Breach to the Supervisory Authority pursuant to Article 33 of the GDPR;
 - iii. communication of a Personal Data Breach to the Data Subject pursuant to Article 34 of the GDPR; and
 - iv. data protection impact assessments, including prior consultation with the Supervisory Authority, which Data Controller reasonably considers to be required pursuant to Articles 35 and 36 of the GDPR, in each case solely in relation to Processing of Data Controller Personal Data by, and taking into account the nature of the Processing and information available to, the Processor.

- j. within thirty (30) days after the end of the provision of Services relating to the Processing delete existing copies of all Data Controller Personal Data unless specifically instructed by Data Controller or where the retention of the Personal Data is required by law and only to the extent and for such period as required by law and always provided that the Processor shall ensure:
 - i. the confidentiality of all such Data Controller Personal Data; and
 - ii. that such Data Controller Personal Data is only Processed as necessary for the purpose(s) specified in the applicable law requiring its storage and for no other purpose, and if requested by Data Controller, provide evidence of the same.
- k. immediately inform Data Controller if, in its opinion, an instruction infringes or conflicts with Data Protection Legislation and shall not commence such Processing until it has received confirmed instructions from Data Controller.

4. Personal Data Breach

- a. The Processor shall notify Data Controller by email immediately and in any event within at least 24 hours after becoming aware of a Personal Data Breach relating to the Services or the Processing undertaken in relation to Data Controller. Where such notification is not made within 24 hours to Data Controller, the Processor must accompany the notice of such Personal Data Breach with details of the reason for the delay in notification.
- b. The notification referred to in Clause 4.a shall include the following information as a minimum, and the Processor shall update such notification as and when more information becomes available:
 - i. a description of the nature of the Personal Data Breach including, where possible, the categories and approximate number of Data Subjects concerned and the categories and approximate number of Personal Data records concerned;
 - ii. the name and contact details of the data protection officer or other contact point where more information can be obtained;
 - iii. a description of the likely consequences of the Personal Data Breach; and
 - iv. a description of the measures taken or proposed to be taken by the Processor to address the Personal Data Breach, including, where appropriate, measures to mitigate its possible adverse effects.
- c. The Processor shall co-operate with Data Controller and take such reasonable commercial steps as are directed by Data Controller to assist in the investigation, mitigation and remediation of each such Personal Data Breach.

5. Records

- a. The Processor shall maintain a complete and accurate written record of all categories of Processing activities carried out on behalf of Data Controller.
- b. Such records shall include as a minimum:
 - i. details of the Processor and any data protection officer it has appointed;
 - ii. categories of Processing activities performed;
 - iii. information regarding any cross border data transfers; and
 - iv. a general description of the security measures implemented in respect of Data Controller Personal Data.
- c. The Processor shall make available to Data Controller all information necessary to demonstrate compliance with this Addendum and allow for and contribute to audits, including inspections, conducted by Data Controller and/or an auditor mandated by Data Controller.

6. Sub-Contracting

- a. The Processor shall not engage a Sub-Processor without the prior specific authorisation of Data Controller.
- b. Where the Processor engages a Sub-Processor:
 - i. the Processor shall impose the same data protection obligations in this Policy and as required by Data Protection Legislation on the Sub-Processor by way of a written contract. In particular such contract must provide sufficient guarantees that the Sub-Processor shall implement and maintain appropriate technical and organisational measures in such a manner that the Processing will meet the requirements of the Data Protection Legislation; and
 - ii. provide to Data Controller for review copies of such agreement with the Sub-Processor as Data Controller may reasonably request from time to time.
- c. The Processor shall remain fully liable to Data Controller for the performance of the Sub-Processor's obligations.

7. Cross Border Data Transfers

The Processor shall not transfer Data Controller Personal Data outside of the European Economic Area without the prior written consent of Data Controller.

8. Severance

Should any provision of this Policy be invalid or unenforceable, then the remainder of this Policy shall remain valid and in force. The invalid or unenforceable provision shall be either: (i) amended as necessary to ensure its validity and enforceability, while preserving the parties' intentions as closely as possible or, if this is not possible, (ii) construed in a manner as if the invalid or unenforceable part had never been contained therein.

SCHEDULE 2

PART A

NOTICE OF ASSIGNMENT

(For attachment by way of endorsement to all policies, contracts and cover notes)

Dated: [●]

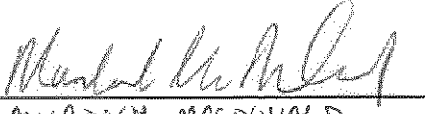
We, Avance Polaris Ltd. (the "**Bareboat Charterer**"), the bareboat charterer of "Avance Polaris" (the "**Vessel**"), Northern Marine Management Limited (the "**Technical Manager**"), the technical manager of the Vessel and Avance Gas AS (the "**Commercial Manager**"), the commercial manager of the Vessel give notice that:

1. by a charterer's assignment dated [●] and made by the Bareboat Charterer in favour of **XIANG H123 INTERNATIONAL SHIP LEASE CO., LIMITED**, a company incorporated under the laws of Hong Kong with limited liability (the "**Assignee**"), the Bareboat Charterer has assigned to the Assignee all their rights, title and interest in and to all insurances effected or to be effected in respect of the Vessel, including the insurances constituted by the policy on which this notice is endorsed (which for the avoidance of doubt include entries of the Vessel in any protection and indemnity or war risks association, which are effected in respect of the Vessel, its earnings or otherwise in relation to it), and including all money payable and to become payable thereunder or in connection therewith (including return of premiums) (the "**Insurances**");
2. by a manager's undertaking dated [●] and made by the Technical Manager in favour of the Assignee, the Technical Manager has assigned to the Assignee all their rights, title and interest in and to the Insurances; and
3. by a manager's undertaking dated [●] and made by the Commercial Manager in favour of the Assignee, the Commercial Manager has assigned to the Assignee all their rights, title and interest in and to the Insurances.

For and on behalf of
AVANCE POLARIS LTD.

By: _____
Name:
Title:

For and on behalf of
**NORTHERN MARINE MANAGEMENT
LIMITED**

By: 
Name: **MURDOCH MACDONALD**
Title: **DIRECTOR**

For and on behalf of
AVANCE GAS AS

By: _____
Name:
Title:

PART B

LOSS PAYABLE CLAUSE

LOSS PAYABLE CLAUSE

(in relation to hull & machinery and war risks insurances)

It is noted that, by a first priority assignment in writing dated [●], **AVANCE POLARIS LTD.** of Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH 96960 (the "**Charterers**"), the bareboat charterer of "Avance Polaris" (IMO No. 9901984) (the "**Vessel**") assigned absolutely to **XIANG H123 INTERNATIONAL SHIP LEASE CO., LIMITED**, a company incorporated under the laws of Hong Kong with limited liability (the "**Owners**"), the owners of the Vessel, all its rights and interests in this policy and all benefits of this policy, including all claims of any nature under this policy (the "**Charterer's Interests**").

It is further noted that, by a first priority assignment in writing dated [●], **NORTHERN MARINE MANAGEMENT LIMITED** of Alba House, 2 Central Avenue, Clydebank, G81 2QR, Scotland, United Kingdom (the "**Technical Manager**"), the technical manager of the Vessel, assigned absolutely to the Owners all its rights and interests in this policy and all benefits of this policy, including all claims of any nature under this policy.

It is further noted that, by a first priority assignment in writing dated [●], **AVANCE GAS AS** of Bryggegata 3, 0250, Oslo, Norway (the "**Commercial Manager**", together with the Technical Manager, the "**Managers**"), the commercial manager of the Vessel, assigned absolutely to the Owners all their interests in this policy and all benefits of this policy, including all claims of any nature under this policy.

Claims and all other sums payable under this policy in respect of a total or constructive total or an arranged or agreed or compromised total loss or requisition for title or other compulsory acquisitions of the Vessel shall, until otherwise confirmed in writing by the Owners, be payable to the Owners.

Subject thereto, all other claims shall be payable as follows (unless and until underwriters have received notice from the Owners otherwise, in which case all claims shall be paid to the Owners or to their order):

- (a) a claim in respect of any one casualty where the aggregate claim against all insurers does not exceed **UNITED STATES DOLLARS TWO MILLION (US\$2,000,000)** or the equivalent in any other currency, prior to adjustment for any franchise or deductible under the terms of the policy, shall be paid directly to the Charterers and/or the Managers (as the case may be) or to their order; and
- (b) a claim in respect of any one casualty where the aggregate claim against all insurers exceeds **UNITED STATES DOLLARS TWO MILLION (US\$2,000,000)** or the equivalent in any other currency prior to adjustment for any franchise or deductible under the terms of the policy, shall, subject to the prior written consent of the Owners, be paid to the Charterers and/or the Managers (as the case may be) or to their order as and when the Vessel is restored to her former state and condition and the liability in respect of which the insurance loss is payable is discharged, provided that the insurers may with such consent make payment on account of repairs in the course of being effected, but, in the absence of such prior written consent shall be payable directly to the Owners.

LOSS PAYABLE CLAUSE
(in relation to protection and indemnity insurances)

Payment of any recovery which **AVANCE POLARIS LTD., NORTHERN MARINE MANAGEMENT LIMITED and/ or AVANCE GAS AS** (collectively, the "**Assignors**") is entitled to make out of the funds of the Association in respect of any liability, costs or expenses incurred by it shall be made to the Assignor(s) or to its order, unless and until the Association receives notice from **XIANG H123 INTERNATIONAL SHIP LEASE CO., LIMITED**, a company incorporated under the laws of Hong Kong with limited liability (the "**Assignee**") that the Assignor(s) is in default under the Bareboat Charter dated [●] made between **AVANCE POLARIS LTD.** and the Assignee in respect of "Avance Polaris", in which event all recoveries shall thereafter be paid to the Assignee or to its order; provided always that no liability whatsoever shall attach to the Association, its Managers or their Agents for failure to comply with the latter obligation until after the expiry of two (2) clear business days from the receipt of such notice.