
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934**

Dated: May 31, 2017

Commission File No. 333-179250

NAVIOS SOUTH AMERICAN LOGISTICS INC.

**Aguada Park Free Zone
Paraguay 2141, Of. 1603
Montevideo, Uruguay**
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations of Navios South American Logistics Inc. (“Navios Logistics” or the “Company”) for each of the three month periods ended March 31, 2017 and 2016. All of these financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Logistics’ 2016 annual report filed on Form 20-F with the Securities and Exchange Commission (the “2016 Form 20-F”) and the condensed consolidated financial statements and the accompanying notes included in this Form 6-K.

This report contains forward-looking statements within the meaning of the Private Securities Reform Act of 1995. All statements herein other than statements of historical fact, including statements regarding business and industry prospects or future results of operations or financial position, and future dividends or distributions, should be considered forward-looking. Words such as “may,” “expects,” “intends,” “plans,” “believes,” “anticipates,” “hopes,” “estimates,” and variations of such words and similar expressions are intended to identify forward-looking statements. These forward looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by, Navios Logistics at the time this filing was made. Although Navios Logistics believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of Navios Logistics. Actual results may differ materially from those expressed or implied by such forward-looking statements. Included among the factors that, in management’s view, could cause actual results to differ materially from the forward-looking statements contained in this report are changes in any of the following: (i) demand and/or charter and contract rates for our vessels and port facilities; (ii) production or demand for the types of dry and liquid products that are transported by our vessels or stored in our ports; (iii) operating costs including, but not limited to, changes in crew salaries, insurance, provisions, repairs, maintenance and overhead expenses; (iv) changes in interest rates; and other factors listed from time to time in the Navios Logistics’ filings with the Securities and Exchange Commission, including its Form 20-Fs and Form 6-Ks. Navios Logistics expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Navios Logistics’ expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

Recent Developments

On May 18, 2017, Navios Logistics acquired two product tankers, Ferni H (16,871 DWT) and San San H (16,871 DWT) for \$11.2 million which were previously under capital lease with an obligation to purchase in 2020. The remaining capital lease obligation was terminated after the acquisition of the vessels. The acquisition of the two product tankers was financed with a \$14.0 million five year term loan.

Overview

General

Navios Logistics was incorporated under the laws of the Republic of the Marshall Islands on December 17, 2007. We are one of the largest logistics companies in the Hidrovia region river system, the main navigable river system in the region, and on the cabotage trades along the eastern coast of South America. We serve our customers in the Hidrovia region through our two port storage and transfer facilities, one for agricultural, forest and mineral-related exports located in Uruguay and the other for refined petroleum products located in Paraguay. We complement our two port terminals with a diverse fleet of 338 barges and pushboats (including three pushboats to be delivered) that operate in our barge business and eight vessels, including six oceangoing tankers, one bunker vessel and one river and estuary tanker to be delivered in the first quarter of 2018, which operate in our cabotage business. We provide transportation for dry cargo (cereals, cotton pellets, soybeans, wheat, limestone (clinker), mineral iron, and rolling stones) and liquid cargo (hydrocarbons such as crude oil, gas oil, naphtha, fuel oil and vegetable oils) and liquefied cargo (liquefied petroleum gas or “LPG”).

Ports

Navios Logistics owns two port storage and transfer facilities, one for agricultural, forest and mineral-related exports in Nueva Palmira Free Zone, Uruguay, and the other for refined petroleum products in San Antonio, Paraguay. Navios Logistics’ port facilities in Nueva Palmira have a total storage capacity for grains of 460,000 metric tons, and a stockpile capacity of 700,000 tons for mineral ores. Its port facility in San Antonio has a total storage capacity of 45,660 cubic meters.

Fleet

Navios Logistics' current core fleet consists of a total of 346 vessels, barges and pushboats of which 344 are owned and two are chartered-in. Of the 344 owned vessels, barges and pushboats, three pushboats are expected to be delivered in the third quarter of 2017, and a river and estuary tanker is expected to be delivered in the first quarter of 2018.

Two chartered-in tank barges in the Company's current core fleet are chartered-in under long-term charter-in contracts with an average remaining duration of approximately 2.9 years. Charter-in contracts with duration of more than one year at inception are considered to be long-term.

The following is the current core fleet as of May 31, 2017:

Navios Logistics Fleet Summary (owned and chartered-in)

<u>Pushboats/ Barges/ Inland Oil Tankers Fleet</u>	<u>Number of Vessels</u>	<u>Capacity/Brake Horsepower (BHP)</u>	<u>Description</u>
Pushboat fleet ⁽¹⁾	27	95,920 BHP	Various Sizes and Horsepower
Dry Barges	272	481,350 DWT	Dry Cargo
Tank Barges ⁽²⁾	36	114,945 m ³	Liquid Cargo
LPG Barges	3	4,752 m ³	LPG
Total	338		

<u>Product Tanker Fleet</u>	<u>Year Built</u>	<u>DWT</u>	<u>Description</u>
Estefania H	2008	12,000	Double-hulled Product Tanker
Malva H	2008	8,974	Double-hulled Product Tanker
Makenita H	2009	17,508	Double-hulled Product Tanker
Sara H	2009	9,000	Double-hulled Product Tanker
San San H	2010	16,871	Double-hulled Product Tanker
Ferni H	2010	16,871	Double-hulled Product Tanker
Heman H	2012	1,693	Double-hulled Product Tanker
TBN ⁽³⁾	2018	5,000	Double-hulled Product Tanker
Total		87,917	

- (1) Three pushboats are expected to be delivered in the third quarter of 2017.
- (2) Two tank barges are chartered-in with total capacity of 1,610 m³.
- (3) New building river and estuary tanker expected to be delivered in the first quarter of 2018.

Chartering Arrangements

Navios Logistics continually monitors developments in the shipping industry and makes decisions based on an individual vessel and segment basis, as well as on its view of overall market conditions, in order to implement its overall business strategy. In the Barge Business, Navios Logistics typically operates under a mix of time charters and contracts of affreightment ("CoAs") with durations of one to five years (some of which have minimum guaranteed volumes) and spot contracts. In the Cabotage Business, Navios Logistics typically operates under time charters with durations in excess of one year. Some of Navios Logistics' charters provide fixed pricing, minimum volume requirements and labor cost and fuel price adjustment formulas.

Factors Affecting Navios Logistics' Results of Operations

Contract Rates

The shipping and logistics industry has been highly volatile in the recent past. In order to have full utilization of its fleet and storage capacity, the Company must be able to renew the contracts on its fleet and ports upon the expiration or termination of current contracts. This ability depends upon economic conditions in the sectors in which the vessels, barges and pushboats operate, changes in the supply and demand for vessels, barges and pushboats and changes in the supply and demand for the transportation and storage of commodities.

Weather Conditions

As Navios Logistics specializes in the transportation and storage of liquid cargoes and dry bulk cargoes along the Hidrovia, any changes adversely affecting the region, such as low water levels, could reduce or limit Navios Logistics' ability to effectively transport cargo.

Droughts and other adverse weather conditions, including any possible effects of climate change, could result in a decline in production of the agricultural products Navios Logistics transports and stores, and this could result in a reduction in demand for its services.

Foreign Currency Transactions

Navios Logistics' operating results, which are reported in U.S. dollars, may be affected by fluctuations in the exchange rate between the U.S. dollar and other currencies. Navios Logistics uses the U.S. dollar as its functional and reporting currency. Therefore, revenue and expense accounts are translated into U.S. dollars at the exchange rate in effect at the date of each transaction. The balance sheets of the foreign operations are translated using the exchange rate at the balance sheet date except for property and equipment and equity, which are translated at historical rates.

Navios Logistics' subsidiaries in Uruguay, Argentina, Brazil and Paraguay transact some of their operations in Uruguayan pesos, Argentinean pesos, Brazilian reals and Paraguayan guaranies, respectively; however, all of the subsidiaries' primary cash flows are U.S. dollar-denominated. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated are recognized in the statement of operations.

Inflation and Fuel Price Increases

The impact of inflation and the resulting pressure on prices in the South American countries in which Navios Logistics operates may not be fully neutralized by equivalent adjustments in the rate of exchange between the local currencies and the U.S. dollar. Specifically, for Navios Logistics' vessel, barge and pushboat business, Navios Logistics has negotiated, and will continue to negotiate, crew cost adjustment and fuel price adjustment clauses; however, in some cases, the prices that Navios Logistics pays for fuel and crew costs are temporarily not aligned with the adjustments that Navios Logistics obtains under its freight contracts.

Seasonality

Certain of our businesses have seasonality aspects, and seasonality affects the results of our operations and revenues, particularly in the first and last quarters of each year. Generally, the high season for the barge business is the period between February and July as a result of the South American harvest and higher river levels. Any growth in production and transportation of commodities may offset part of this seasonality. During the South American late spring and summer, mainly from November to January, the low level of water in the northern Hidrovia could adversely affect Navios Logistics' operations because the water level is not high enough to accommodate the draft of a heavily laden vessel. Such low levels also adversely impact Navios Logistics' ability to employ convoys as the water level towards the banks of the river may be too low to permit vessel traffic even if the middle of the river is deep enough to permit passage. With respect to dry port terminal operations in Uruguay, the high season is mainly from April to September, linked with the arrival of the first barges down the river and with the oceangoing vessels' logistics operations. Navios Logistics' liquid port terminal operations in Paraguay and its cabotage business are not significantly affected by seasonality as the operations of the liquid port and cabotage business are primarily linked to refined petroleum products.

Statement of Operations Breakdown by Segments

Navios Logistics reports its operations based on three reportable segments: the Port Terminal Business, the Barge Business and the Cabotage Business. The Port Terminal Business segment includes the dry and liquid port terminal operations, the Barge Business segment includes Navios Logistics' river fleet and the Cabotage Business segment includes the product tankers.

Period over Period Comparisons

The following table presents consolidated revenue and expense information for the three month periods ended March 31, 2017 and 2016. This information was derived from the unaudited condensed consolidated financial statements for the respective periods.

	Three Month Period ended March 31, 2017 (unaudited)	Three Month Period ended March 31, 2016 (unaudited)
<i>(Expressed in thousands of U.S. dollars)</i>		
Time charter, voyage and port terminal revenues	\$ 35,789	\$ 47,580
Sales of products	8,012	7,639
Time charter, voyage and port terminal expenses	(6,567)	(7,711)
Direct vessel expenses	(17,528)	(16,699)
Cost of products sold	(7,453)	(6,826)
Depreciation and amortization	(6,090)	(6,674)
General and administrative expenses	(3,521)	(3,298)
Interest expense and finance cost, net	(5,781)	(6,204)
Gain on sale of assets	1,030	—
Other expense, net	(1,382)	(1,157)
(Loss)/income before income taxes	\$ (3,491)	\$ 6,650
Income tax benefit /(expenses)	484	(976)
Net (loss)/income	\$ (3,007)	\$ 5,674
Other Operating Data		
Dry Port—dry cargo tons moved	666,000	867,100
Liquid Port—cubic meters of stored liquid cargos	53,501	39,377
Liquid Port—cubic meters of sales of products	14,242	13,539
Barge—cubic meters of liquid cargos	97,445	77,340
Barge—dry cargo tons	242,501	523,103
Cabotage—cubic meters of liquid cargos	232,233	349,087
Cabotage—available days	591	637
Cabotage—operating days	343	540
Revenues per Segment		
Port Business	\$ 15,588	\$ 16,039
Revenue—dry port	\$ 6,841	\$ 7,654
Revenue—liquid port	\$ 735	\$ 746
Sales of products—liquid port	\$ 8,012	\$ 7,639
Barge Business	\$ 18,984	\$ 26,589
Cabotage Business	\$ 9,229	\$ 12,591

For the three month period ended March 31, 2017 compared to the three month period ended March 31, 2016

Time Charter, Voyage and Port Terminal Revenues: For the three month period ended March 31, 2017, Navios Logistics' time charter, voyage and port terminal revenues decreased by \$11.8 million or 24.8% to \$35.8 million, as compared to \$47.6 million for the same period during 2016. Revenue from the barge business decreased by \$7.6 million or 28.6% to \$19.0 million for the three month period ended March 31, 2017, as compared to \$26.6 million for the same period during 2016, mainly due to the decreased volume of dry cargo transported. Revenue from the cabotage business decreased by \$3.4 million or 26.7% to \$9.2 million for the three month period ended March 31, 2017, as compared to \$12.6 million for the same period during 2016, mainly due to less operating days. Revenue from the port terminal business decreased by \$0.8 million or 9.8% to \$7.6 million for the three month period ended March 31, 2017, as compared to \$8.4 million for the same period during 2016. The decrease was mainly attributable to a decrease in the volume of cargo moved in the dry port terminal.

Sales of Products: For the three month period ended March 31, 2017, Navios Logistics' sales of products increased by \$0.4 million or 4.9% to \$8.0 million, as compared to \$7.6 million for the same period during 2016. This increase was attributable to the increase in the Paraguayan liquid port's volume of products sold.

Time Charter, Voyage and Port Terminal Expenses: For the three month period ended March 31, 2017, time charter, voyage and port terminal expenses decreased by \$1.1 million or 14.8% to \$6.6 million as compared to \$7.7 million for the same period during 2016. Time charter and voyage expenses of the barge business for the three month period ended March 31, 2017 decreased by \$1.1 million or 26.6% to \$3.4 million, as compared to \$4.5 million for the same period during 2016. This was mainly attributable to the less number of trips performed. Port terminal expenses decreased by \$0.2 million or 6.6% to \$2.7 million for the three month period ended March 31, 2017 as compared to \$2.9 million for the same period in 2016. Time charter and voyage expenses of the cabotage business increased by \$0.2 million or 96.2% to \$0.5 million for the three month period ended March 31, 2017 as compared to \$0.3 million for the same period in 2016.

Direct Vessel Expenses: Direct vessel expenses increased by \$0.8 million or 5.0% to \$17.5 million for the three month period ended March 31, 2017, as compared to \$16.7 million for the same period in 2016. Direct vessel expenses of barge business increased by \$1.0 million or 12.6% to \$9.1 million for the three month period ended March 31, 2017, as compared to \$8.1 million for the same period in 2016. This increase was mainly attributable to increased payroll and related costs and repair and maintenance expenses. The overall increase was mitigated by a decrease in the cabotage business of \$0.2 million or 2.3% to \$8.4 million for the three month period ended March 31, 2017, as compared to \$8.6 million for the same period in 2016. This decrease was mainly attributable to reduced crew costs. Direct vessel expenses include crew costs, victualling costs, dockage expenses, lubricants, stores, insurance, maintenance and repairs.

Cost of Products Sold: For the three month period ended March 31, 2017, Navios Logistics' cost of products sold increased by \$0.7 million or 9.2% to \$7.5 million, as compared to \$6.8 million for the same period during 2016. This increase was mainly attributable to the increase in the Paraguayan liquid port's volume of products sold.

Depreciation and Amortization: Depreciation and amortization expense decreased by \$0.6 million or 8.8% to 6.1 million for the three month period ended March 31, 2017, as compared to \$6.7 million for the same period in 2016. The depreciation of tangible assets and the amortization of intangible assets for the three month period ended March 31, 2017 amounted to \$5.2 million and \$0.9 million, respectively, as compared to the depreciation of tangible assets and the amortization of intangible assets for the same period in 2016 which amounted to \$5.7 million and \$1.0 million, respectively. Depreciation and amortization in the barge business decreased by \$0.4 million or 7.9% to \$4.5 million for the three month period ended March 31, 2017, as compared to \$4.9 million for the same period during 2016, mainly due to certain barges having been fully depreciated. Depreciation and amortization in the port business decreased by \$0.3 million or 27.5% to \$0.8 million for the three month period ended March 31, 2017, as compared to \$1.1 million for the same period during 2016. The overall decrease was mitigated by an increase of \$0.1 million or 15.4% to \$0.8 million for the three month period ended March 31, 2017 in the depreciation and amortization of the cabotage business, as compared to \$0.7 million for the same period during 2016.

General and Administrative Expenses: General and administrative expenses increased by \$0.2 million or 6.8% to \$3.5 million for the three month period ended March 31, 2017, as compared to \$3.3 million for the same period during 2016, mainly attributable to an increase in payroll and related costs.

Interest Expense and Finance Cost, Net: Interest expense and finance cost, net decreased by \$0.4 million or 6.8% to \$5.8 million for the three month period ended March 31, 2017, as compared to \$6.2 million for the same period of 2016, mainly due to the increased amount of interest capitalised. For the three month period ended March 31, 2017, interest expense amounted to \$5.5 million and other finance costs amounted to \$0.3 million. For the three month period ended March 31, 2016, interest expense amounted to \$6.1 million, other finance costs amounted to \$0.3 million and interest income amounted to \$0.2 million.

Other Expense, Net: Other expense, net increased by \$0.2 million or 19.5% to \$1.4 million for the three month period ended March 31, 2017, as compared to \$1.2 million for the same period of 2016. Other expense, net in the cabotage business increased by \$0.4 million or 80.0% to \$0.9 million for the three month period ended March 31, 2017, as compared to \$0.5 million for the same period during 2016, mainly due to foreign exchange differences. Other expense, net in the port business increased by \$0.1 million or 183.8% to \$0.1 million for the three month period ended March 31, 2017, as compared to zero for the same period during 2016, mainly due to the decrease in foreign exchange differences. The overall increase was mitigated by a decrease of \$0.3 million or 34.6% in other expense, net in the barge business to \$0.4 million for the three month period ended March 31, 2017, as compared to \$0.7 million for the same period during 2016, mainly due to the income recorded from the arbitration award.

Gain on sales of assets: Gain on sales of assets amounted to \$1.0 million for the three month period ended March 31, 2017, as compared to zero for the same period during 2016, mainly attributable to the sale of two self-propelled barges.

Income Tax benefit/(expense): Income tax benefit increased by \$1.5 million or 149.6% to \$0.5 million for the three month period ended March 31, 2017, as compared to \$1.0 million income tax expense for the same period of 2016. The barge business had an increase of \$1.3 million or 178.3% to \$0.6 million tax benefit for the three month period ended March 31, 2017 as compared to \$0.7 million income tax expense for the same period in 2016. The cabotage business had a decrease of \$0.2 million or 68.1% to \$0.1 million income tax expense for the three month period ended March 31, 2017 as compared to \$0.3 million income tax expense for the same period in 2016.

Liquidity and Capital Resources

Navios Logistics has historically financed its capital requirements with cash flows from operations, equity contributions from stockholders, borrowings under its credit facilities and issuance of other debt. Main uses of funds have been capital expenditures for the acquisition of new vessels, new construction and upgrades at the port terminals, expenditures incurred in connection with ensuring that the owned vessels comply with international and regulatory standards and repayments of credit facilities. Navios Logistics anticipates that cash on hand, internally generated cash flows, borrowings under future credit facilities and issuance of other debt will be sufficient to fund its operations, including working capital requirements. In addition, we regularly review opportunities for acquisitions of businesses and additional vessels, development of new facilities and infrastructure, joint ventures and other corporate transactions that may be material to us. In connection with any such transactions, we may need to raise significant amounts of capital, including debt. We do not have any material contractual arrangements for such transactions at this time. See “Working Capital Position,” “Capital Expenditures,” “Contractual Obligations” and “Long-term Debt Obligations and Credit Arrangements” for further discussion of Navios Logistics’ working capital position.

The following table presents cash flow information derived from the unaudited condensed consolidated statements of cash flows of Navios Logistics for the three month periods ended March 31, 2017, and 2016.

	Three Month Period Ended March 31, 2017 (unaudited)	Three Month Period Ended March 31, 2016 (unaudited)
<i>(Expressed in thousands of U.S. dollars)</i>		
Net cash provided by operating activities	\$ 21,848	\$ 17,605
Net cash used in investing activities	(16,055)	(20,254)
Net cash (used in)/provided by financing activities	(1,245)	10,501
Increase in cash and cash equivalents	4,548	7,852
Cash and cash equivalents, beginning of the period	65,182	81,507
Cash and cash equivalents, end of period	\$ 69,730	\$ 89,359

Cash provided by operating activities for the three month period ended March 31, 2017 as compared to cash provided by operating activities for the three month period ended March 31, 2016:

Net cash from operating activities increased by \$4.2 million to \$21.8 million of cash provided by operating activities for the three month period ended March 31, 2017, as compared to \$17.6 million of cash provided by operating activities for the same period in 2016. In determining net cash from operating activities, net income is adjusted for the effect of certain non-cash items including depreciation and amortization and income taxes, which are analyzed in detail as follows:

(Expressed in thousands of U.S. dollars)	Three Month Period Ended March 31, 2017 (unaudited)	Three Month Period Ended March 31, 2016 (unaudited)
Net (loss)/income	\$ (3,007)	\$ 5,674
Depreciation of vessels, port terminals and other fixed assets	5,224	5,722
Amortization of intangible assets and liabilities	866	952
Amortization of deferred financing costs	259	311
Amortization of deferred drydock costs	1,698	1,598
Provision for losses on accounts receivable	254	106
Gain on sale of assets	(1,030)	—
Income taxes	(484)	976
Net income adjusted for non-cash items	\$ 3,780	\$ 15,339

Net income is also adjusted for changes in operating assets and liabilities in order to determine net cash provided by operating activities.

The positive change in operating assets and liabilities of \$18.1 million for the three month period ended March 31, 2017 resulted from a \$11.9 million decrease in accounts receivable including the \$21.5 million cash received in March 2017 following the favorable rating of the arbitration proceedings in New York (see also “Legal Proceedings”), a \$6.7 million increase in accrued expenses, a \$2.9 million decrease in restricted cash, a \$2.1 million increase in deferred income, a \$1.0 million decrease in long term assets, a \$0.6 million decrease in inventories and a \$0.1 million decrease Note receivable. The positive change in operating assets and liabilities was partially offset by a \$3.8 million increase in accounts payable, a \$2.0 million increase of payments for drydock and special survey costs, a \$1.1 million increase in prepaid expenses, a \$0.2 million decrease in amounts due to affiliate companies and a \$0.1 million decrease in long term liabilities.

The positive change in operating assets and liabilities of \$2.3 million for the three month period ended March 31, 2016 resulted from a \$6.6 million increase in accrued expenses, a \$2.7 million increase in accounts payable, a \$0.8 million increase in deferred income and a \$0.2 million decrease in other long-term assets. The positive change in operating assets and liabilities was partially offset by a \$3.1 million increase in accounts receivable, a \$1.5 million increase in prepaid expenses, a \$1.3 million decrease in amounts due to affiliate companies, a \$1.0 million increase in inventories, a \$0.6 million decrease in long-term liabilities and \$0.5 million of payments for drydock and special survey costs.

Cash used in investing activities for the three month period ended March 31, 2017 as compared to the three month period ended March 31, 2016:

Net cash used in investing activities decreased by \$4.2 million to \$16.1 million for the three month period ended March 31, 2017, from \$20.3 million for the same period in 2016.

Cash used in investing activities for the three month period ended March 31, 2017 was mainly the result of (a) \$9.0 million in payments for the expansion of the Company’s dry port terminal, (b) \$4.0 million in payments for the construction of the Company’s three new pushboats, (c) \$1.3 million in payments for the construction of a river and estuary tanker and (d) \$1.8 million in payments for the purchase of other fixed assets.

Cash used in investing activities for the three month period ended March 31, 2016 was mainly the result of (a) \$17.4 million in payments for the expansion of the Company’s dry port terminal, (b) \$0.5 million in payments for the construction of the Company’s three new pushboats, (c) \$1.1 million in payments for the conversion of two dry barges to tank barges, (d) \$0.8 million in payments for the purchase of covers for the Company’s dry barges and (e) \$0.5 million in payments for the purchase of other fixed assets.

Cash used in financing activities for the three month period ended March 31, 2017 as compared to cash provided by financing activities for the three month period ended March 31, 2016:

Net cash used in financing activities increased by \$11.7 million to \$1.2 million cash used in financing activities for the three month period ended March 31, 2017, as compared to \$10.5 million of cash provided by financing activities for the same period of 2016.

Cash used in financing activities for the three month period ended March 31, 2017 was due to (a) \$0.9 million of payments for obligations under capital leases in connection with the product tanker vessels, the San San H and the Ferni H and (b) \$1.0 million of payments for the repayment of the Notes Payable, partially mitigated by \$0.7 million of proceeds from Notes Payable.

Cash provided by financing activities for the three month period ended March 31, 2016 was due to \$10.9 million of proceeds from Notes Payable, partially mitigated by \$0.4 million of payments for obligations under capital leases in connection with the product tanker vessels, the San San H and the Ferni H.

EBITDA Reconciliation to Net (loss)/income

EBITDA represents net (loss)/income plus interest and finance costs plus depreciation and amortization and income taxes. EBITDA is presented because it is used by certain investors to measure a company's operating performance.

EBITDA is a "non-GAAP financial measure" and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with U.S. GAAP or as a measure of profitability or liquidity. While EBITDA is frequently used as a measure of operating performance, the definition of EBITDA used here may not be comparable to that used by other companies due to differences in methods of calculation.

Three Month Period Ended March 31, 2017

<u>(Expressed in thousands of U.S. dollars)</u>	Port Terminal Business (unaudited)	Cabotage Business (unaudited)	Barge Business (unaudited)	Unallocated Interest (unaudited)	Total
Net income/(loss)	\$ 3,098	\$ (2,836)	\$ (3,269)	—	\$ (3,007)
Depreciation and amortization	807	810	4,473	—	6,090
Amortization of deferred drydock costs	—	958	740	—	1,698
Interest expense and finance costs, net	452	1,137	4,192	—	5,781
Income tax expense/(benefit)	—	81	(565)	—	(484)
EBITDA	<u>\$ 4,357</u>	<u>\$ 150</u>	<u>\$ 5,571</u>	<u>\$ —</u>	<u>\$10,078</u>

Three Month Period Ended March 31, 2016

<u>(Expressed in thousands of U.S. dollars)</u>	Port Terminal Business (unaudited)	Cabotage Business (unaudited)	Barge Business (unaudited)	Unallocated Interest (unaudited)	Total
Net income/(loss)	\$ 4,188	\$ 808	\$ 1,284	\$ (606)	\$ 5,674
Depreciation and amortization	1,113	702	4,859	—	6,674
Amortization of deferred drydock costs	—	940	658	—	1,598
Interest expense and finance costs, net	312	1,252	4,034	606	6,204
Income tax expense	—	254	722	—	976
EBITDA	<u>\$ 5,613</u>	<u>\$ 3,956</u>	<u>\$ 11,557</u>	<u>\$ —</u>	<u>\$21,126</u>

EBITDA decreased by \$11.0 million to \$10.1 million for the three month period ended March 31, 2017, as compared to \$21.1 million for the same period of 2016. This decrease was mainly due to (a) a \$11.8 million decrease in time charter, voyage and port terminal revenues of which \$7.6 million was attributable to the barge business, \$3.4 million was attributable to the cabotage business and \$0.8 million was attributable to the port terminal business, (b) a \$0.7 million increase in cost of products sold in the port terminal business, (c) a \$0.7 million increase in direct vessels expenses (excluding the amortization of deferred drydock and special survey costs) of which, \$0.9 million increase was attributable in barge business, partially mitigated by a \$0.2 million decrease in the cabotage business, (d) a \$0.2 million increase in general and administrative expenses of which \$0.3 million was attributable to the port business, partially mitigated by a \$0.1 million decrease attributable in barge business and (e) a \$0.2 million increase in other expense, net attributable to a \$0.4 million increase in the cabotage business, a \$0.1 million increase in port business, partially mitigated by a \$0.3 million decrease in the barge business. The decrease was partially offset by (a) a \$1.2 million decrease in time charter, voyage and port terminal expenses of which \$1.1 million was attributable to the barge business, \$0.2 million was attributable to the port terminal business, partially mitigated by an increase of \$0.2 million in the cabotage business (b) an \$1.0 million increase in gain on sales of assets in barge business and (c) a \$0.4 million increase in sales of products sold in the port terminal business.

Long-term Debt Obligations and Credit Arrangements

Senior Notes

On April 22, 2014, Navios Logistics and its wholly owned subsidiary Navios Logistics Finance (US) Inc. (“Logistics Finance” and together with Navios Logistics, the “Co-Issuers”) issued \$375.0 million in aggregate principal amount of Senior Notes due on May 1, 2022 (the “2022 Senior Notes”), at a fixed rate of 7.25%. The net proceeds from the sale of the 2022 Senior Notes were partially used to redeem any and all of Navios Logistics then-outstanding 9.25% Senior Notes due 2019 (the “2019 Senior Notes”) and pay related transaction fees and expenses. The 2022 Senior Notes are unregistered and are fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics’ direct and indirect subsidiaries except for Horamar do Brasil Navegação Ltda (“Horamar do Brasil”), Naviera Alto Parana S.A. (“Naviera Alto Parana”) and Terra Norte Group S.A. (“Terra Norte”), which do not guarantee the 2022 Senior Notes pursuant to certain exceptions under the indenture, and Logistics Finance, which is the co-issuer of the 2022 Senior Notes. The subsidiary guarantees are “full and unconditional,” except that the indenture provides for an individual subsidiary’s guarantee to be automatically released in certain customary circumstances, such as in connection with a sale or other disposition of all or substantially all of the assets of the subsidiary, in connection with the sale of a majority of the capital stock of the subsidiary, if the subsidiary is designated as an “unrestricted subsidiary” in accordance with the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Senior Notes.

The Co-Issuers have the option to redeem the 2022 Senior Notes in whole or in part, at their option, at any time on or after May 1, 2017, at a fixed price of 105.438%, which price declines ratably until it reaches par in 2020. In addition, upon the occurrence of certain change of control events, the holders of the 2022 Senior Notes will have the right to require the Co-Issuers to repurchase some or all of the 2022 Senior Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

Interest expense associated with the 2022 Senior Notes amounted to \$6.8 million for the three month period ended March 31, 2017 (\$6.8 million for the three month period ended March 31, 2016).

The indenture contains covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends in excess of 6% per annum of the net proceeds received by or contributed to Navios Logistics in or from any public offering, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering into transactions with affiliates, merging or consolidating or selling all or substantially all of Navios Logistics’ properties and assets and creation or designation of restricted subsidiaries.

The 2022 Senior Notes include customary events of default, including failure to pay principal and interest on the 2022 Senior Notes, a failure to comply with covenants, a failure by Navios Logistics or any significant subsidiary or any group of our restricted subsidiaries that, taken together, would constitute a significant subsidiary to pay material judgments or indebtedness and bankruptcy and insolvency events with respect to us or any significant subsidiary or any group of our restricted subsidiaries that, taken together, would constitute a significant subsidiary.

As of March 31, 2017, all subsidiaries, including Logistics Finance, Horamar do Brasil, Naviera Alto Parana and Terra Norte are 100% owned. Logistics Finance, Horamar do Brasil, and Terra Norte do not have any independent assets or operations.

In addition, there are no significant restrictions on (i) the ability of the parent company, any issuer (or co-issuer) or any guarantor subsidiaries of the 2022 Senior Notes to obtain funds by dividend or loan from any of their subsidiaries or (ii) the ability of any subsidiaries to transfer funds to the issuer (or co-issuer) or any guarantor subsidiaries.

Notes payable

In connection with the purchase of mechanical equipment for the expansion of its dry port terminal, Corporacion Navios S.A. (“CNSA”) entered into an unsecured export financing line of credit for a total amount of \$42.0 million, including all related fixed financing costs of \$5.9 million, available in multiple drawings upon the completion of certain milestones (“Drawdown Events”). CNSA incurs the obligation for the respective amount drawn by signing promissory notes (“Notes Payable”). Each drawdown is repayable in 16 consecutive semi-annual installments, starting six months after the completion of each Drawdown Event. Together with each Note Payable, CNSA shall pay interest equal to six-month LIBOR. The unsecured export financing line is fully and unconditionally guaranteed by Navios Logistics. As of March 31, 2017, the Company had drawn the total available amount and the outstanding balance of Notes Payable was \$34.1 million.

Interest expense associated with the Notes Payable amounted to \$0.5 million and \$0.1 million for the three month period ended March 31, 2017, and 2016 respectively.

Other Indebtedness

On December 15, 2016, Navios Logistics entered into a facility with Banco Bilbao Vizcayan Argentaria Uruguay S.A. (“BBVA”) for an amount of \$25.0 million, for general corporate purposes. The loan bears interest at a rate of LIBOR (180 days) plus 325 basis points. The loan is repayable in twenty quarterly installments, starting on June 19, 2017, and secured by assignments of certain receivables. As of March 31, 2017, the outstanding amount of the loan was \$25.0 million.

In connection with the acquisition of Hidronave S.A. on October 29, 2009, Navios Logistics assumed a \$0.8 million loan facility that was entered into by Hidronave S.A. in 2001, in order to finance the construction of the pushboat Nazira. As of March 31, 2017, the outstanding loan balance was \$0.3 (\$0.3 as of December 31, 2016). The loan facility bears interest at a fixed rate of 600 basis points. The loan will be repaid in monthly installments and the final repayment date must occur prior to August 10, 2021.

In May 2017, Navios Logistics entered into a term loan for an amount of \$14.0 million to finance the acquisition of two tanker vessels. The term loan bears interest at a rate of LIBOR (180 days) plus 315 basis points and is repayable in twenty quarterly installments with a final balloon payment of \$7.0 million on the last repayment date. The term loan requires compliance with certain covenants.

In connection with the loan and other long term liabilities, the Company is subject to certain covenants and commitments and certain of its assets are restricted as collateral.

We were in compliance with all the covenants as of March 31, 2017.

The maturity table below reflects the principal payments for the next five years and thereafter on all credit facilities outstanding as of March 31, 2017, based on the repayment schedule of the respective loan facilities (as described above).

<u>Year</u>	<u>As of March 31, 2017 (Amounts in millions of U.S. dollars)</u>
March 31, 2018	\$ 7.3
March 31, 2019	8.6
March 31, 2020	9.7
March 31, 2021	10.8
March 31, 2022	11.4
March 31, 2023 and thereafter	386.6
Total	\$ 434.4

Contractual Obligations

The following table summarizes our contractual obligations as of March 31, 2017:

Contractual Obligations (Amounts in millions of U.S. dollars)	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Long-term debt obligations ⁽¹⁾	\$ 7.3	\$ 18.3	\$ 22.2	\$ 386.6	\$434.4
Operating lease obligations (barges)	0.2	0.3	—	—	0.5
Capital lease obligations ⁽²⁾	1.7	9.7	5.3	—	16.7
Acquisition of three pushboats ⁽³⁾	7.3	—	—	—	7.3
Acquisition of estuary and river tanker ⁽⁴⁾	12.3	—	—	—	12.3
Dry port expansion ⁽⁵⁾	1.7	—	—	—	1.7
Rent obligations ⁽⁶⁾	0.9	1.2	0.5	—	2.6
Total	\$ 31.4	\$ 29.5	\$ 28.0	\$ 386.6	\$475.5

- (1) Represents principal payments on amounts drawn on our outstanding credit facilities, the Senior Notes and the Notes Payable, which bear interest at fixed or floating rates. The amounts in the table exclude expected interest payments of \$30.3 million (less than 1 year), \$58.7 million (1-3 years), \$56.7 million (3-5 years) and \$14.3 million (more than 5 years). Expected interest payments are based on the terms of the outstanding debt obligations and currently effective interest rates, where applicable.
- (2) Future remaining contractual payments for the two of our cabotage vessels under capital lease, the Ferni H and the San San H. See also “Recent Developments” for the acquisition of Ferni H and San San H and the new loan of \$14.0 million drawn to finance this acquisition.
- (3) Future remaining contractual payments for the acquisition of three pushboats.
- (4) Future remaining contractual payments for the acquisition of an estuary and river tanker. Navios Logistics has secured a credit from the shipbuilder to finance up to 50% of the purchase price, with a maximum amount of \$6.7 million (€6.2 million).
- (5) Future remaining contractual payments for work related to the expansion of Navios Logistics’ dry port facility. The amount in the table excludes \$3.8 million already included in accounts payable in the accompanying unaudited condensed consolidated balance sheets.
- (6) We have several lease agreements with respect to our various operating offices. For a detailed discussion of Navios Logistics’ lease agreements, refer to “Item 4.D. Property, Plants and Equipment,” included in the Company’s 2016 Form 20-F.

Working Capital Position

On March 31, 2017, Navios Logistics’ current assets totaled \$109.0 million, while current liabilities totaled \$66.6 million, resulting in a positive working capital position of \$42.4 million. Navios Logistics’ cash forecast indicates that Navios Logistics will generate sufficient cash for at least the next 12 months to make the required principal and interest payments on Navios Logistics’ indebtedness, provide for the normal working capital requirements of the business and remain in a positive cash position.

Capital Expenditures

On June 30, 2015, the Company entered into an agreement for the restructuring of its capital leases for the Ferni H and the San San H, by extending their duration until January 2020 and April 2020, respectively, and amending the purchase price obligation to \$5.3 million and \$5.2 million, respectively, payable at the end of the extended period. As of March 31, 2017, the obligations for these vessels were accounted for as capital leases and the lease payments during the three month periods ended March 31, 2017 and 2016 were \$0.9 million and \$0.4 million, respectively. See also “Recent Developments” for the acquisition of Ferni H and San San H.

On February 11, 2014, the Company entered into an agreement, as amended on June 3, 2016, for the construction of three new pushboats with a purchase price of \$7.3 million for each pushboat. As of March 31, 2017, the Company had paid \$20.2 million for the construction of the new pushboats which are expected to be delivered in the third quarter of 2017.

As of March 31, 2017, Navios Logistics had paid \$148.8 million relating to the expansion of its dry port terminal in Uruguay, which included deposits for vessels, port terminals and other fixed assets and port terminal operating rights, including \$8.7 million interest capitalized during construction. In total, including the contractual obligations as of March 31, 2017, Navios Logistics had paid or incurred \$150.5 million relating to the expansion of its dry port terminal in Uruguay.

Navios Logistics has signed a shipbuilding contract for the construction of a river and estuary tanker for a total consideration of €12.4 million (\$13.1 million). As of March 31, 2017, the Company had paid \$1.3 million for the construction of the river and estuary tanker, which is expected to be delivered in the first quarter of 2018.

Dividend Policy

The payment of dividends is at the discretion of Navios Logistics' board of directors. Navios Logistics anticipates retaining most of its future earnings, if any, for use in its operations and the expansion of its business. Any determination as to dividend policy will be made by Navios Logistics' board of directors and will depend on a number of factors, including the requirements of Marshall Islands law, Navios Logistics' future earnings, capital requirements, financial condition and future prospects and such other factors as Navios Logistics' board of directors may deem relevant. Marshall Islands law generally prohibits the payment of dividends other than from surplus, when a company is insolvent or if the payment of the dividend would render the company insolvent.

Navios Logistics' ability to pay dividends is also restricted by the terms of the indenture governing its 2022 Senior Notes.

Because Navios Logistics is a holding company with no material assets other than the stock of its subsidiaries, its ability to pay dividends is dependent upon the earnings and cash flow of its subsidiaries and their ability to pay dividends to Navios Logistics. If there is a substantial decline in any of the markets in which Navios Logistics participates, its earnings will be negatively affected, thereby limiting its ability to pay dividends.

Concentration of Credit Risk

Accounts Receivable

Concentration of credit risk with respect to accounts receivables is limited due to the fact that Navios Logistics' customers are established international operators and have an appropriate credit history, therefore, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables. For the three month period ended March 31, 2017, four customers, Vale, Axion, Cammesa and YPF accounted for 18.5%, 16.1%, 12.5% and 10.5% of Navios Logistics' revenues, respectively. For the three month period ended March 31, 2016, two customers, Vale and YPF, accounted for 31.5% and 10.4% of Navios Logistics' revenues, respectively.

If one or more of our customers does not perform under one or more contracts with us and we are not able to find a replacement contract, or if a customer exercises certain rights to terminate the contract, we could suffer a loss of revenues that could materially adversely affect our business, financial condition and results of operations.

We could lose a customer or the benefits of a contract if, among other things:

- the customer fails to make payments because of its financial inability, the curtailment or cessation of its operations, its disagreements with us or otherwise;
- the customer terminates the contract because we fail to meet their contracted storage needs;
- the customer terminates the contract because we fail to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, there are serious deficiencies in the vessel or prolonged off-hire, default under the contract; or
- the customer terminates the contract because the vessel has been subject to seizure for more than a specified number of days.

See below, under "Legal Proceedings", discussion about the dispute between the Company and Vale International S.A. ("Vale"), relating to the service contract for the iron ore port facility currently under construction in Nueva Palmira, Uruguay.

Cash Deposits with Financial Institutions

Cash deposits in excess of amounts covered by government-provided insurance are exposed to loss in the event of nonperformance by financial institutions. Although Navios Logistics maintains cash deposits in excess of government-provided insurance limits, Navios Logistics minimizes its exposure to credit risk by dealing with a diversified group of major financial institutions.

Off-Balance Sheet Arrangements

Charter hire payments to third parties for chartered-in barges and pushboats are treated as operating leases for accounting purposes. Navios Logistics is also committed to making rental payments under various operating leases for office and other premises.

The Company issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. of all its obligations to Vitol S.A. up to \$12.0 million. This guarantee expires on March 1, 2018.

Legal Proceedings

The Company is subject to legal proceedings, claims and contingencies arising in the ordinary course of business. When such amounts can be estimated and the contingency is probable, management accrues the corresponding liability. While the ultimate outcome of lawsuits or other proceedings against the Company cannot be predicted with certainty, management does not believe the costs, individually or in aggregate, of such actions will have a material effect on the Company's consolidated financial position, results of operations or cash flows.

The Company had a dispute with Vale regarding the termination date of a COA contract, which was under arbitration proceedings in New York. On February 10, 2017, a New York arbitration tribunal ruled in favor of Navios Logistics on this dispute with Vale and the latter was ordered to pay the Company \$21.5 million, including all unpaid invoices, compensation for late payment of invoices, and reimbursement of legal fees incurred. The full amount was received in March 2017.

On March 30, 2016, the Company received written notice from Vale stating that Vale will not be performing the service contract entered into between Corporacion Navios S.A. and Vale on September 27, 2013, relating to the iron ore port facility currently under construction in Nueva Palmira, Uruguay. The Company initiated arbitration proceedings in London on June 10, 2016 pursuant to the dispute resolution provisions of the service contract. On December 20, 2016, a London arbitration tribunal ruled that the Vale port contract remains in full force and effect. If Vale were to further repudiate or renounce the contract, we may elect to terminate the contract and then would be entitled to damages calculated by reference to guaranteed volumes and agreed tariffs for the remaining period of the contract.

Related Party Transactions

Balance due from affiliates as of March 31, 2017 amounted to \$0.1 million (December 31, 2016: \$0.1 million due to affiliates) which includes the current amounts due from Navios Holdings.

General and administrative expenses: On April 12, 2011, Navios Logistics entered into an administrative services agreement for a term of five years, with Navios Holdings, pursuant to which Navios Holdings provides certain administrative management services to Navios Logistics. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. In April 2016, we extended the duration of the Administrative Services Agreement until December 31, 2021. Total general and administrative fees charged for the three month period ended March 31, 2017 amounted to \$0.3 million (\$0.3 million for the three month period ended March 31, 2016).

Lodging and travel services: Navios Logistics obtains lodging and travel services from Empresa Hotelera Argentina S.A./ (NH Lancaster) and Pit Jet S.A., both owned by members of the Lopez family, including Claudio Pablo Lopez, Navios Logistics' Chief Executive Officer and Vice Chairman and Carlos Augusto Lopez, Navios Logistics' Chief Commercial Officer—Shipping Division, each of whom has no controlling interest in those companies. Total charges for the three month period ended March 31, 2017 and 2016 were less than \$0.1 million and amounts payable were less than \$0.1 million both as of March 31, 2017 and as of December 31, 2016.

Quantitative and Qualitative Disclosures about Market Risks

Navios Logistics is exposed to certain risks related to interest rates, foreign currency and time charter hire rate fluctuation. Risk management is carried out under policies approved by executive management.

Interest Rate Risk:

Debt Instruments— As of March 31, 2017 and December 31, 2016, Navios Logistics had a total of \$434.4 million and \$434.8 million, respectively, in long-term indebtedness. The debt is dollar denominated.

Interest rates on the loan facility of Hidronave S.A. and the 2022 Senior Notes are fixed and, therefore, changes in interest rates affect their fair value which as of March 31, 2017 was \$0.3 million and \$369.1 million, respectively, but do not affect the related interest expense. The interest on the Notes Payables and the BBVA loan is at a floating rate and, therefore, changes in interest rates

would affect their interest rate and related interest expense. As of March 31, 2017, the Company's floating rate loan facilities was \$59.1 million. A change in the LIBOR rate of 100 basis points would increase interest expense for the year ended March 31, 2017 by \$0.6 million.

For a detailed discussion of Navios Logistics' debt instruments refer to section "Long-term Debt Obligations and Credit Arrangements" included elsewhere in this document.

Foreign Currency Transactions:

For the three month periods ended March 31, 2017 and 2016 approximately 59.8% and 58.4%, respectively, of Navios Logistics' expenses were incurred in currencies other than U.S dollars. A change in exchange rates between the U.S. dollar and each of the foreign currencies listed above by 1.00% would change Navios Logistics' net income for the three month period ended March 31, 2017 by \$0.2 million. See also "Factors Affecting Navios Logistics' Results of Operations."

Inflation and Fuel Price Increases

See "Factors Affecting Navios Logistics' Results of Operations."

Critical Accounting Policies

The Navios Logistics' interim consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires Navios Logistics to make estimates in the application of its accounting policies based on the best assumptions, judgments and opinions of management.

The Company's most critical accounting policies and estimates are those that involve subjective decisions or assessments and are included in the Company's 2016 Form 20-F.

Recent Accounting Pronouncements

The Company's recent accounting pronouncements are included in the accompanying notes to the unaudited condensed consolidated financial statements included elsewhere in this report.

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NAVIOS SOUTH AMERICAN LOGISTICS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars—except share data)

	Notes	March 31, 2017 (unaudited)	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents		\$ 69,730	\$ 65,182
Restricted cash	6	—	2,900
Accounts receivable, net		20,764	32,913
Due from affiliate companies	7	98	—
Note receivable, current portion	3	200	—
Prepaid expenses and other current assets		10,896	9,792
Inventories		7,295	7,815
Total current assets		108,983	118,602
Deposits for vessels, port terminals and other fixed assets	3	153,314	136,891
Vessels, port terminals and other fixed assets, net	3	405,972	409,489
Intangible assets other than goodwill, net	4	62,685	63,551
Goodwill		104,096	104,096
Note receivable, net of current portion	3	705	—
Other long term-assets		21,855	22,551
Total noncurrent assets		748,627	736,578
Total assets		\$ 857,610	\$ 855,180
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		\$ 28,198	\$ 29,915
Accrued expenses		22,651	15,901
Deferred income		6,666	4,517
Due to affiliate companies	7	—	54
Notes payable, current portion	5	4,665	4,532
Current portion of capital lease obligations	3	1,719	2,639
Current portion of long-term debt	5	2,669	1,819
Total current liabilities		\$ 66,568	59,377
Senior notes, net	5	368,440	368,180
Notes payable, net of current portion	5	29,464	29,915
Long term-debt, net of current portion	5	22,635	23,502
Capital lease obligations, net of current portion	3	14,988	14,978
Income tax payable		453	435
Deferred tax liability		10,929	11,526
Other long-term liabilities		970	1,097
Total noncurrent liabilities		\$ 447,879	449,633
Total liabilities		\$ 514,447	509,010
Commitments and contingencies	6	—	—
STOCKHOLDERS' EQUITY			
Common stock—\$1.00 par value: 50,000,000 authorized shares; 20,000 shares issued and outstanding for both, March 31, 2017 and December 31, 2016	8	20	20
Additional paid-in capital		303,441	303,441
Retained earnings		39,702	42,709
Total stockholders' equity		343,163	346,170
Total liabilities and stockholders' equity		\$ 857,610	\$ 855,180

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NAVIOS SOUTH AMERICAN LOGISTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in thousands of U.S. dollars—except share and per share data)

	Notes	Three Month Period Ended March 31, 2017 (unaudited)	Three Month Period Ended March 31, 2016 (unaudited)
Time charter, voyage and port terminal revenues		\$ 35,789	\$ 47,580
Sales of products		8,012	7,639
Time charter, voyage and port terminal expenses		(6,567)	(7,711)
Direct vessel expenses		(17,528)	(16,699)
Cost of products sold		(7,453)	(6,826)
Depreciation and amortization	3,4	(6,090)	(6,674)
General and administrative expenses		(3,521)	(3,298)
Interest expense and finance cost, net		(5,781)	(6,204)
Gain on sale of assets		1,030	—
Other expense, net		(1,382)	(1,157)
(Loss)/income before income taxes		\$ (3,491)	\$ 6,650
Income tax benefit/(expense)		484	(976)
Net (loss)/income		\$ (3,007)	\$ 5,674
Basic and diluted net (loss)/earnings per share		\$ (0.15)	\$ 0.28
Weighted average number of shares, basic and diluted	8	20,000	20,000

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NAVIOS SOUTH AMERICAN LOGISTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars)

	<u>Notes</u>	Three Month Period Ended March 31, 2017 (unaudited)	Three Month Period Ended March 31, 2016 (unaudited)
OPERATING ACTIVITIES:			
Net (loss)/income		\$ (3,007)	\$ 5,674
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:			
Non-cash adjustments		6,787	9,665
Decrease /(increase) in operating assets		15,323	(5,387)
Increase in operating liabilities		4,735	8,176
Payments for drydock and special survey costs		(1,990)	(523)
Net cash provided by operating activities		<u>21,848</u>	<u>17,605</u>
INVESTING ACTIVITIES:			
Acquisition of vessels, port terminals and other fixed assets	3	(1,707)	(2,417)
Deposits for vessels, port terminals and other fixed assets		(14,348)	(17,837)
Net cash used in investing activities		<u>(16,055)</u>	<u>(20,254)</u>
FINANCING ACTIVITIES:			
Repayments of long-term debt	5	(17)	(15)
Payments of obligations under capital leases	3	(910)	(394)
Proceeds from Notes Payable		709	10,910
Repayment of Notes Payable		(1,027)	—
Net cash (used in)/ provided by financing activities		<u>(1,245)</u>	<u>10,501</u>
Net increase in cash and cash equivalents		<u>4,548</u>	<u>7,852</u>
Cash and cash equivalents, beginning of period		<u>65,182</u>	<u>81,507</u>
Cash and cash equivalents, end of period		<u>\$ 69,730</u>	<u>\$ 89,359</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest, net of capitalized interest		\$ 215	\$ —
Non cash investing and financing activities:			
Acquisition of vessels, port terminals and other fixed assets, net		\$ —	\$ (114)
Deposits for vessels, port terminals and other fixed assets		\$ (2,075)	\$ (621)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NAVIOS SOUTH AMERICAN LOGISTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of U.S. dollars—except share data)

	Number of shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
Balance December 31, 2015	20,000	\$ 20	\$303,441	\$32,552	\$ 336,013
Net income	—	—	—	5,674	5,674
Balance March 31, 2016 (unaudited)	20,000	\$ 20	\$303,441	\$38,226	\$ 341,687
Balance December 31, 2016	20,000	\$ 20	\$303,441	\$42,709	\$ 346,170
Net (loss)	—	—	—	(3,007)	(3,007)
Balance March 31, 2017 (unaudited)	20,000	\$ 20	\$303,441	\$39,702	\$ 343,163

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NAVIOS SOUTH AMERICAN LOGISTICS INC.
UNAUDITED CONDENSED NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars—except share data)

NOTE 1: DESCRIPTION OF BUSINESS

Navios South American Logistics Inc. (“Navios Logistics” or the “Company”) is one of the largest logistics companies in the Hidrovia region of South America, focusing on the Hidrovia river system, the main navigable river system in the region, and on cabotage trades along the eastern coast of South America. Navios Logistics is focused on providing its customers integrated transportation, storage and related services through its port facilities, its large, versatile fleet of dry and liquid cargo barges and its product tankers. Navios Logistics serves the needs of a number of growing South American industries, including mineral and grain commodity providers as well as users of refined petroleum products.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Presentation:

The accompanying interim condensed consolidated financial statements are unaudited, but, in the opinion of management, reflect all adjustments for a fair statement of Navios Logistics’ consolidated statements of financial position, statements of changes in equity, statements of operations and cash flows for the periods presented. Adjustments consist of normal, recurring entries. The results of operations for the interim periods are not necessarily indicative of results for the full year. The footnotes are condensed as permitted by the requirements for interim financial statements and, accordingly, do not include information and disclosures required under United States generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. These interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes included in Navios Logistics’ 2016 annual report filed on Form 20-F with the Securities and Exchange Commission (“SEC”).

(b) Principles of Consolidation:

The accompanying interim condensed consolidated financial statements include the accounts of Navios Logistics and its subsidiaries, both majority and wholly-owned. All significant intercompany balances and transactions between these entities have been eliminated in the consolidated statements.

(c) Recent Accounting Pronouncements:

In March 2017, the Financial Accounting Standards Board (“FASB”) issued ASU 2017-08, “Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20)”. This update amends the amortization period for certain purchased callable debt securities held at a premium and shortens the amortization period for the premium to the earliest call date. The amendments in this update affect all entities that hold investments in callable debt securities that have an amortized cost basis in excess of the amount that is repayable by the issuer at the earliest call date (that is, at a premium). For public business entities, the amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity should apply the amendments in this update on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. Additionally, in the period of adoption, an entity should provide disclosures about a change in accounting principle. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements.

In March 2017, FASB issued ASU 2017-07, “Compensation—Retirement Benefits (Topic 715)”. This update improves the presentation of net periodic pension cost and net periodic postretirement benefit cost and includes amendments to the Overview and Background Sections of the FASB Accounting Standards Codification. The amendments in this update apply to all employers that offer to their employees defined benefit pension plans, other postretirement benefit plans, or other types of benefits accounted for under Topic 715. The amendments in this update are effective for public business entities for annual periods beginning after December 15, 2017, including interim periods within those annual periods. Early adoption is permitted as of the beginning of an annual period for which financial statements (interim or annual) have not been issued or made available for issuance. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements.

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In February 2017, FASB issued ASU 2017-05, “Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20)”. This update clarifies the scope of Subtopic 610-20 “Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets” and provides guidance for partial sales of nonfinancial assets. Subtopic 610-20, which was issued in May 2014 as a part of ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)”, provides guidance for recognizing gains and losses from the transfer of nonfinancial assets in contracts with noncustomers. The amendments in ASU 2017-05 are effective at the same time as the amendments in ASU 2014-09. Therefore, for public entities, the amendments are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements.

In January 2017, FASB issued ASU 2017-04, “Intangibles-Goodwill and Other (Topic 350)”. This update addresses concern expressed about the cost and complexity of the goodwill impairment test and simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. The amendments in this ASU are required for public business entities and other entities that have goodwill reported in their financial statements and have not elected the private company alternative for the subsequent measurement of goodwill. The amendments are effective for public business entities that are SEC filers for fiscal years beginning after December 15, 2019. Early adoption is permitted for all entities. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements.

In January 2017, FASB issued ASU 2017-03, “Accounting Changes and Error Corrections (Topic 250) and Investments-Equity Method and Joint Ventures (Topic 323)”. The ASU amends the Codification for SEC staff announcements made at recent Emerging Issues Task Force (EITF) meetings. The SEC guidance that specifically relates to our consolidated financial statement was from the September 2016 meeting, where the SEC staff expressed their expectations about the extent of disclosures registrants should make about the effects of the new FASB guidance as well as any amendments issued prior to adoption, on revenue (ASU 2014-09), leases (ASU 2016-02) and credit losses on financial instruments (ASU 2016-13) in accordance with SAB Topic 11.M. Registrants are required to disclose the effect that recently issued accounting standards will have on their financial statements when adopted in a future period. In cases where a registrant cannot reasonably estimate the impact of the adoption, then additional qualitative disclosures should be considered. The ASU incorporates these SEC staff views into ASC 250 and adds references to that guidance in the transition paragraphs of each of the three new standards. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements.

In January 2017, FASB issued ASU 2017-01, “Business Combinations” to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisition (or disposals) of assets or businesses. Under current implementation guidance the existence of an integrated set of acquired activities (inputs and processes that generate outputs) constitutes an acquisition of business. This ASU provides a screen to determine when a set of assets and activities does not constitute a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This update is effective for public entities with reporting periods beginning after December 15, 2017, including interim periods within those years. The amendments of this ASU should be applied prospectively on or after the effective date. Early adoption is permitted, including adoption in an interim period 1) for transactions for which the acquisition date occurs before the issuance date or effective date of the ASU, only when the transaction has not been reported in financial statements that have been issued or made available for issuance and 2) for transactions in which a subsidiary is deconsolidated or a group of assets is derecognized at a time before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued or made available for issuance. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements.

In December 2016, FASB issued ASU 2016-20, “Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers”. The amendments in this ASU affect narrow aspects of the guidance issued in ASU 2014-09, which is not yet effective, and are of a similar nature to the items typically addressed in the Technical Corrections and Improvements project. The effective date and transition requirements for the amendments are the same as the effective date and transition requirements for Topic 606 (and any other Topic amended by Update 2014-09). ASU 2015-14, “Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date”, defers the effective date of Update 2014-09 by one year, as noted below.

In November 2016, FASB issued ASU 2016-18, “Statement of Cash Flows (Topic 230): Restricted Cash”. This update addresses the classification and presentation of changes in restricted cash on the statement of cash flows under Topic 230, Statement of Cash Flows. The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim

periods within those fiscal years. Early adoption is permitted for all entities. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements.

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In August 2016, FASB issued ASU 2016-15, “Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments”. This update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted for all entities. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements and footnotes disclosures.

In February 2016, FASB issued ASU 2016-02, “Leases (Topic 842)”. ASU 2016-02 will apply to both capital (or finance) leases and operating leases. According to ASU 2016-02, lessees will be required to recognize assets and liabilities on the balance sheet for the rights and obligations created by all leases with terms of more than 12 months. ASU 2016 – 02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements and footnotes disclosures.

In January 2016, FASB issued ASU 2016-01, “Financial Instruments—Overall (Subtopic 825-10)—Recognition and Measurement of Financial Assets and Financial Liabilities”. The amendments in this ASU require an entity (i) to measure equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) at fair value with changes in fair value recognized in net income; (ii) to perform a qualitative assessment to identify impairment in equity investments without readily determinable fair values; (iii) to present separately in other comprehensive income the fair value of a liability resulting from a change in the instrument-specific credit risk; and (iv) to present separately financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet. The amendments also eliminate the requirement, for public business entities, to disclose the methods and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost on the balance sheet and clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity’s other deferred tax assets. For public business entities, ASU 2016-01 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The adoption of this new standard is not expected to have a material impact on the Company’s results of operations, financial position or cash flows.

In May 2014, FASB issued ASU 2014-09, “Revenue from Contracts with Customers”, clarifying the method used to determine the timing and requirements for revenue recognition on the statements of income. Under the new standard, an entity must identify the performance obligations in a contract, the transaction price and allocate the price to specific performance obligations to recognize the revenue when the obligation is completed. The amendments in this update also require disclosure of sufficient information to allow users to understand the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts. The new accounting guidance was originally effective for interim and annual periods beginning after December 15, 2016. In August 2015, the FASB issued ASU 2015-14 which deferred the effective date of ASU 2014-09 for all entities by one year. The standard will be effective for public entities for annual reporting periods beginning after December 15, 2017 and interim periods therein. The Company is currently reviewing the effect of ASU No. 2014-09 on its revenue recognition.

Subsidiaries:

Subsidiaries are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition. The excess of the cost of acquisition over the fair value of the net assets acquired and liabilities assumed is recorded as goodwill.

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Subsidiaries included in the consolidation:

Company Name	Country of Incorporation	Nature	Percentage of Ownership	Statement of Operations Period Ended March 31,	
				2017	2016
Corporacion Navios S.A.	Uruguay	Port Facility-Owning Company	100%	1/1-3/31	1/1-3/31
Energias Renovables del Sur S.A.	Uruguay	Port-Terminal Rights Owning Company	100%	1/1-3/31	1/1-3/31
Nauticler S.A.	Uruguay	Sub-Holding Company	100%	1/1-3/31	1/1-3/31
Compania Naviera Horamar S.A.	Argentina	Vessel-Operating Management Company	100%	1/1-3/31	1/1-3/31
Compania de Transporte Fluvial International S.A.	Uruguay	Sub-Holding Company	100%	1/1-3/31	1/1-3/31
Ponte Rio S.A.	Uruguay	Operating Company	100%	1/1-3/31	1/1-3/31
HS Tankers Inc.	Panama	Tanker-Owning Company	100%	1/1-3/31	1/1-3/31
HS Navigation Inc.	Panama	Tanker-Owning Company	100%	1/1-3/31	1/1-3/31
HS Shipping Ltd. Inc.	Panama	Tanker-Owning Company	100%	1/1-3/31	1/1-3/31
HS South Inc.	Panama	Tanker-Owning Company	100%	1/1-3/31	1/1-3/31
Petrovia Internacional S.A.	Uruguay	Land-Owning Company	100%	1/1-3/31	1/1-3/31
Mercopar S.A.	Paraguay	Operating/Barge-Owning Company	100%	1/1-3/31	1/1-3/31
Petrolera San Antonio S.A.	Paraguay	Port Facility-Owning Company	100%	1/1-3/31	1/1-3/31
Stability Oceanways S.A.	Panama	Barge and Pushboat-Owning Operating Company	100%	1/1-3/31	1/1-3/31
Hidronave South American Logistics S.A.	Brazil	Pushboat-Owning Company	100%	1/1-3/31	1/1-3/31
Horamar do Brasil Navegação Ltda	Brazil	Non-Operating Company	100%	1/1-3/31	1/1-3/31
Navarra Shipping Corporation	Marshall Is.	Tanker-Owning Company	100%	1/1-3/31	1/1-3/31
Pelayo Shipping Corporation	Marshall Is.	Tanker-Owning Company	100%	1/1-3/31	1/1-3/31
Navios Logistics Finance (US) Inc.	Delaware	Operating Company	100%	1/1-3/31	1/1-3/31
Varena Maritime Services S.A.	Panama	Barge and Pushboat-Owning Operating Company	100%	1/1-3/31	1/1-3/31
Honey Bunkering S.A.	Panama	Tanker-Owning Company	100%	1/1-3/31	1/1-3/31
Naviera Alto Parana S.A.	Paraguay	Operating Company	100%	1/1-3/31	1/1-3/31
Edolmix S.A.	Uruguay	Port-Terminal Rights Owning Company	100%	1/1-3/31	1/1-3/31
Cartisur S.A.	Uruguay	Non-Operating Company	100%	1/1-3/31	1/1-3/31
NP Trading S.A.	British Virgin Islands	Sub-Holding Company	100%	1/1-3/31	1/1-3/31
Ruswe International S.A.	Uruguay	Barge-Operating Company	100%	1/1-3/31	1/1-3/31
Terra Norte Group S.A.	Paraguay	Non-Operating Company	100%	1/1-3/31	1/1-3/31
Delta Naval Trade S.A.	Panama	Tanker-Owning Company	100%	1/1-3/31	—

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NOTE 3: VESSELS, PORT TERMINALS AND OTHER FIXED ASSETS, NET

Vessels, port terminals and other fixed assets, net consisted of the following:

<u>Tanker Vessels, Barges and Pushboats</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2016	\$475,380	\$ (150,040)	\$325,340
Additions	1,585	(4,463)	(2,878)
Disposals	(3,323)	3,323	—
Balance March 31, 2017	\$473,642	151,180	322,462
<u>Dry Port Terminal</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2016	\$ 80,103	\$ (15,823)	\$ 64,280
Additions	52	(553)	(501)
Balance March 31, 2017	\$ 80,155	(16,376)	63,779
<u>Oil Storage Plant and Port Facilities for Liquid Cargoes</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2016	\$ 29,121	\$ (11,568)	\$ 17,553
Additions	36	(93)	(57)
Balance March 31, 2017	\$ 29,157	(11,661)	17,496
<u>Other Fixed Assets</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2016	\$ 5,613	\$ (3,297)	\$ 2,316
Additions	34	(115)	(81)
Balance March 31, 2017	\$ 5,647	(3,412)	2,235
<u>Total</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2016	\$590,217	\$ (180,728)	\$409,489
Additions	1,707	(5,224)	(3,517)
Disposals	(3,323)	3,323	—
Balance March 31, 2017	\$588,601	(182,629)	405,972

Certain assets of the Company have been pledged as collateral for a loan facility. As of March 31, 2017, and December 31, 2016, the net book value of such assets was \$614 and \$650, respectively.

On June 30, 2015, Navios Logistics entered into an agreement for the restructuring of its capital leases for the Ferni H and the San San H, by extending their duration until January 2020 and April 2020, respectively, and amending the purchase price obligation to \$5,325 and \$5,150, respectively, payable at the end of the extended period. The lease payments during the three month periods ended March 31, 2017 and 2016 for both vessels were \$910 and \$394, respectively. See also Note 11.

The following is an analysis of the leased property under capital leases:

<u>Vessels</u>	<u>March 31, 2017</u>
San San H and Ferni H	\$ 32,753
Less: Accumulated amortization	(4,559)
Net book value	\$ 28,194

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Future minimum lease payments under capital leases together with the present value of the future minimum lease payments as of March 31, 2017, are as follows:

<u>Payment Due by Period</u>	<u>March 31, 2017</u>
March 31, 2018	\$ 2,190
March 31, 2019	2,937
March 31, 2020	7,463
March 31, 2021	5,317
Total future minimum lease payments ⁽¹⁾	17,907
Less: amount representing interest ⁽²⁾	(1,200)
Present value of future minimum lease payments ⁽³⁾	<u>\$ 16,707</u>

- (1) There are no minimum sublease rentals to be reduced by minimum payments.
- (2) Amount necessary to reduce net minimum lease payments to present value calculated at the Company's incremental borrowing rate at the inception of the lease.
- (3) Reflected in the balance sheet as obligations under capital leases.

In February 2017, two self-propelled barges of our fleet, Formosa and San Lorenzo, were sold for a total amount of \$1,109, to be paid in cash. Sale price will be received in installments in the form of lease payments through 2023. The barges may be transferred at the lessee's option at no cost at the end of the lease period.

Future minimum collections of Note receivable as of March 31, 2017, are as follows:

<u>Collections Due by Period</u>	<u>March 31, 2017</u>
March 31, 2018	\$ 218
March 31, 2019	229
March 31, 2020	115
March 31, 2021	111
March 31, 2022	168
March 31, 2023	38
March 31, 2024	131
Total future minimum note receivable collections	1,010
Less: amount representing interest	(105)
Present value of future minimum Note receivable collections ⁽¹⁾	<u>\$ 905</u>

- (1) Reflected in the balance sheet as Note receivable current and non-current.

Deposits for vessels, port terminals and other fixed assets

On February 11, 2014, Navios Logistics entered into an agreement, as amended on June 3, 2016, for the construction of three new pushboats with a purchase price of \$7,344 for each pushboat. As of March 31, 2017 and December 31, 2016, Navios Logistics had paid \$20,160 and \$16,156, respectively, for the construction of the new pushboats which are expected to be delivered in the third quarter of 2017. Capitalized interest included in deposits for vessels, port terminals and other fixed assets for the construction of the three new pushboats amounted to \$2,235 and \$1,934 as of March 31, 2017 and December 31, 2016, respectively.

Navios Logistics has signed a shipbuilding contract for the construction of a river and estuary tanker for a total consideration of \$13,257 (€12,400). As of March 31, 2017, Navios Logistics had paid \$1,346. Capitalized interest included in deposits for vessels, port terminals and other fixed assets for the construction of the vessel amounted to \$4 as of March 31, 2017. The vessel is expected to be delivered in the first quarter of 2018. Navios Logistics has secured a credit from the shipbuilder to finance up to 50% of the purchase price, with a maximum amount of €6,200 (\$6,656).

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As of March 31, 2017 and December 31, 2016, Navios Logistics had paid \$131,808 and \$120,735, respectively, for the expansion of its dry port in Uruguay, which is currently an asset under construction. Capitalized interest included in deposits for vessels, port terminals and other fixed assets for the expansion of dry port amounted to \$8,697 and \$6,862 as of March 31, 2017 and December 31, 2016, respectively.

NOTE 4: INTANGIBLE ASSETS OTHER THAN GOODWILL, NET

Intangible assets as of March 31, 2017 and December 31, 2016 consisted of the following:

<u>March 31, 2017</u>	<u>Acquisition Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value March 31, 2017</u>
Trade name	\$ 10,420	\$ (9,639)	\$ 781
Port terminal operating rights (1)	53,152	(10,324)	42,828
Customer relationships	36,120	(17,044)	19,076
Total intangible assets	\$ 99,692	\$ (37,007)	\$ 62,685

<u>December 31, 2016</u>	<u>Acquisition Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value December 31, 2016</u>
Trade name	\$ 10,420	\$ (9,378)	\$ 1,042
Port terminal operating rights (1)	53,152	(10,162)	42,990
Customer relationships	36,120	(16,601)	19,519
Total intangible assets	\$ 99,692	\$ (36,141)	\$ 63,551

(1) As of March 31, 2017, Navios Logistics had paid \$17,000 for the expansion of its dry port terminal in Uruguay.

Amortization expense for the three month period ended March 31, 2017 amounted to \$866, (\$952 for the three month period ended March 31, 2016).

The aggregate amortization of intangibles will be as follows:

<u>Description</u>	<u>Within One Year</u>	<u>Year Two</u>	<u>Year Three</u>	<u>Year Four</u>	<u>Year Five</u>	<u>Thereafter</u>	<u>Total</u>
Trade name	\$ 781	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 781
Port terminal operating rights	898	994	994	994	994	37,954	42,828
Customer relationships	1,775	1,775	1,775	1,775	1,775	10,201	19,076
Total	\$3,454	\$2,769	\$2,769	\$2,769	\$2,769	\$ 48,155	\$62,685

NOTE 5: BORROWINGS

Borrowings consisted of the following:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Senior notes	\$375,000	\$ 375,000
BBVA loan	25,000	25,000
Notes payable	34,129	34,447
Loan for Nazira	304	321
Total borrowings	434,433	434,768
Less: current portion	(7,334)	(6,351)
Less: deferred financing costs, net	(6,560)	(6,820)
Total long-term borrowings	\$420,539	\$ 421,597

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Senior Notes

On April 22, 2014, Navios Logistics and its wholly owned subsidiary Navios Logistics Finance (US) Inc. (“Logistics Finance” and together with Navios Logistics, the “Co-Issuers”) issued \$375,000 in aggregate principal amount of Senior Notes due on May 1, 2022 (the “2022 Senior Notes”), at a fixed rate of 7.25%. The net proceeds from the sale of the 2022 Senior Notes were partially used to redeem any and all of Navios Logistics then-outstanding 9.25% Senior Notes due 2019 (the “2019 Senior Notes”) and pay related transaction fees and expenses. The 2022 Senior Notes are unregistered and are fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics’ direct and indirect subsidiaries except for Horamar do Brasil Navegação Ltda (“Horamar do Brasil”), Naviera Alto Parana S.A. (“Naviera Alto Parana”) and Terra Norte S.A. (“Terra Norte”), which do not guarantee the 2022 Senior Notes pursuant to certain exceptions under the indenture, and Logistics Finance, which is the co-issuer of the 2022 Senior Notes. The subsidiary guarantees are “full and unconditional,” except that the indenture provides for an individual subsidiary’s guarantee to be automatically released in certain customary circumstances, such as in connection with a sale or other disposition of all or substantially all of the assets of the subsidiary, in connection with the sale of a majority of the capital stock of the subsidiary, if the subsidiary is designated as an “unrestricted subsidiary” in accordance with the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Senior Notes.

The Co-Issuers have the option to redeem the 2022 Senior Notes in whole or in part, at their option, at any time on or after May 1, 2017, at a fixed price of 105.438%, which price declines ratably until it reaches par in 2020. In addition, upon the occurrence of certain change of control events, the holders of the 2022 Senior Notes will have the right to require the Co-Issuers to repurchase some or all of the 2022 Senior Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

Interest expense associated with the 2022 Senior Notes amounted to \$6,797 for the three month period ended March 31, 2017, (\$6,797 for the three month period ended March 31, 2016).

The indenture contains covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends in excess of 6% per annum of the net proceeds received by or contributed to Navios Logistics in or from any public offering, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering into transactions with affiliates, merging or consolidating or selling all or substantially all of Navios Logistics’ properties and assets and creation or designation of restricted subsidiaries.

The 2022 Senior Notes include customary events of default, including failure to pay principal and interest on the 2022 Senior Notes, a failure to comply with covenants, a failure by Navios Logistics or any significant subsidiary or any group of our restricted subsidiaries that, taken together, would constitute a significant subsidiary to pay material judgments or indebtedness and bankruptcy and insolvency events with respect to us or any significant subsidiary or any group of our restricted subsidiaries that, taken together, would constitute a significant subsidiary.

As of March 31, 2017, all subsidiaries, including Logistics Finance, Horamar do Brasil, Naviera Alto Parana and Terra Norte are 100% owned. Logistics Finance, Horamar do Brasil and Terra Norte do not have any independent assets or operations.

In addition, there are no significant restrictions on (i) the ability of the parent company, any issuer (or co-issuer) or any guarantor subsidiaries of the 2022 Senior Notes to obtain funds by dividend or loan from any of their subsidiaries or (ii) the ability of any subsidiaries to transfer funds to the issuer (or co-issuer) or any guarantor subsidiaries.

Notes Payable

In connection with the purchase of mechanical equipment for the expansion of its dry port terminal, Corporacion Navios S.A. (“CNSA”) entered into an unsecured export financing line of credit for a total amount of \$41,964, including all related fixed financing costs of \$5,949, available in multiple drawings upon the completion of certain milestones (“Drawdown Events”). CNSA incurs the obligation for the respective amount drawn by signing promissory notes (“Notes Payable”). Each drawdown is repayable in 16 consecutive semi-annual installments, starting six months after the completion of each Drawdown Event. Together with each Note Payable, CNSA shall pay interest equal to six-month LIBOR. The unsecured export financing line is fully and unconditionally guaranteed by Navios Logistics. As of March 31, 2017, the Company had drawn the total available amount and the outstanding balance of Notes Payable was \$34,129.

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Interest expense associated with the Notes Payable amounted to \$453 and \$69 for the three month period ended March 31, 2017, and 2016 respectively.

Other Indebtedness

On December 15, 2016, Navios Logistics entered into a facility with Banco Bilbao Vizcayan Argentaria Uruguay S.A. (“BBVA”) for an amount of \$25,000, for general corporate purposes. The loan bears interest at a rate of LIBOR (180 days) plus 325 basis points. The loan is repayable in twenty quarterly installments, starting on June 19, 2017, and secured by assignments of certain receivables. As of March 31, 2017, the outstanding amount of the loan was \$25,000.

In connection with the acquisition of Hidronave S.A. on October 29, 2009, Navios Logistics assumed a \$817 loan facility that was entered into by Hidronave S.A. in 2001, in order to finance the construction of the pushboat Nazira. As of March 31, 2017, the outstanding loan balance was \$304 (\$321 as of December 31, 2016). The loan facility bears interest at a fixed rate of 600 basis points. The loan is repayable in monthly installments of \$6 each and the final repayment must occur prior to August 10, 2021.

In connection with the loan and other long term liabilities, the Company is subject to certain covenants and commitments and certain of its assets are restricted as collateral.

The Company was in compliance with all the covenants as of March 31, 2017.

The maturity table below reflects future payments of the long-term debt outstanding as of March 31, 2017, for the next five years and thereafter.

<u>Year</u>	<u>Amount in thousands of U.S. dollars</u>
March 31, 2018	\$ 7,334
March 31, 2019	8,637
March 31, 2020	9,681
March 31, 2021	10,782
March 31, 2022	11,404
March 31, 2023 and thereafter	386,595
Total	\$ 434,433

NOTE 6: COMMITMENTS AND CONTINGENCIES

As of March 31, 2017, the Company had operating lease obligations related to chartered-in barges amounting to \$532 until March 2020.

As of March 31, 2017, the Company had obligations related to the construction of three new pushboats, the expansion of its dry port facility and the construction of a river and estuary tanker (including supervision costs) of \$7,268, \$1,715 and \$12,291, respectively, until the first quarter of 2018.

Navios Logistics has issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. (a consolidated subsidiary) of all its obligations to Vitol S.A. up to \$12,000. This guarantee expires on March 1, 2018.

The Company is subject to legal proceedings, claims and contingencies arising in the ordinary course of business. When such amounts can be estimated and the contingency is probable, management accrues the corresponding liability. While the ultimate outcome of lawsuits or other proceedings against the Company cannot be predicted with certainty, management does not believe the costs, individually or in aggregate of such actions will have a material effect on the Company’s consolidated financial position, results of operations or cash flows.

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The Company had a dispute with Vale regarding the termination date of a COA contract, which was under arbitration proceedings in New York. Related to this arbitration, the Company issued a letter of credit amounting to \$2,900 and the total amount was collateralized by a cash deposit, which was presented as restricted cash in the accompanying balance sheets. On February 10, 2017, the arbitration tribunal ruled in favor of Navios Logistics. Vale has been ordered to pay Navios Logistics \$21,500, compensating for all unpaid invoices, late payment of invoices, and legal fees incurred. The full amount had been received in March 2017, and the collateralized cash amount of \$2,900, was released.

On March 30, 2016, the Company received written notice from Vale stating that Vale will not be performing the service contract entered into between CNSA and Vale on September 27, 2013, relating to the iron ore port facility currently under construction in Nueva Palmira, Uruguay. The Company initiated arbitration proceedings in London on June 10, 2016 pursuant to the dispute resolution provisions of the service contract. On December 20, 2016, a London arbitration tribunal ruled that the Vale port contract remains in full force and effect. If Vale were to further repudiate or renounce the contract, we may elect to terminate the contract and then would be entitled to damages calculated by reference to guaranteed volumes and agreed tariffs for the remaining period of the contract.

NOTE 7: TRANSACTIONS WITH RELATED PARTIES

At March 31, 2017 and December 31, 2016, the amounts from / (due to) affiliate companies were as follows:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Navios Holdings	\$ 98	\$ (54)

Amounts from/(due to) affiliate companies do not accrue interest and do not have a specific due date for their settlement.

General and administrative expenses: On April 12, 2011, Navios Logistics entered into an administrative services agreement for a term of five years, with Navios Holdings, pursuant to which Navios Holdings provides certain administrative management services to Navios Logistics. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. In April 2016, the Company extended the duration of the Administrative Services Agreement until December 31, 2021. Total general and administrative fees charged for the three month period ended March 31, 2017 amounted to \$250, (\$250 for the three month period ended March 31, 2016).

Lodging and travel services: Navios Logistics obtains lodging and travel services from Empresa Hotelera Argentina S.A./(NH Lancaster) and Pit Jet S.A., both owned by members of the Lopez family, including Claudio Pablo Lopez, Navios Logistics' Chief Executive Officer and Vice Chairman and Carlos Augusto Lopez, Navios Logistics' Chief Commercial Officer—Shipping Division, each of whom has no controlling interest in those companies. Total charges were \$17 for the three month period ended March 31, 2017, (\$1, for the three month period ended March 31, 2016), and amounts payable amounted to \$9 as of March 31, 2017 and \$6 as of December 31, 2016.

NOTE 8: SHARE CAPITAL

Common shares and shareholders

On August 4, 2010, the Company amended its articles of incorporation increasing its authorized share capital to 50,000,000 shares of common stock with a par value of \$0.01 per share.

As of March 31, 2017 and December 31, 2016, the Company has issued 20,000 shares of common stock, with a par value of \$1.00.

Holders of each share of common stock have one vote for each share held of record on all matters submitted to a vote of shareholders. Dividends on shares of common stock may be declared and paid from funds available to the Company.

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NOTE 9: SEGMENT INFORMATION

Current accounting guidance establishes standards for reporting information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial reports issued to shareholders. Operating segments are components of a company of which separate financial information is available that is regularly evaluated by the chief operating decision makers in deciding how to allocate resources and assess performance. Chief operating decision makers use net income attributable to common stockholders to evaluate operating performance of each segment. The guidance also establishes standards for related disclosures about a company's products and services, geographical areas and major customers. The Company has determined that its reportable segments are those that are based on the Company's method of internal reporting. Navios Logistics has three reportable segments: Port Terminal Business, Barge Business and Cabotage Business. The Port Terminal Business includes the dry port terminal operations and the liquid port terminal operations. A general description of each segment follows:

The Port Terminal Business segment

This segment includes the operating results of Navios Logistics' dry port terminal and liquid port terminal operations.

(i) Dry port terminal operations

Navios Logistics owns and operates the largest independent bulk transfer and storage port terminal in Uruguay based on throughputs. Its dry port terminal is located in an international tax-free trade zone in the port of Nueva Palmira, Uruguay, at the convergence of the Parana and Uruguay rivers.

(ii) Liquid port terminal operations

Navios Logistics owns and operates an up-river port terminal with tank storage for refined petroleum products, oil and gas in San Antonio, Paraguay, approximately 17 miles by river from the capital of Asuncion. Its port terminal is one of the largest independent storage facilities for crude and petroleum products in Paraguay based on storage capacity.

The Barge Business segment

Navios Logistics services the Argentine, Bolivian, Brazilian, Paraguayan and Uruguayan river transportation markets through its fleet. Navios Logistics operates different types of pushboats and wet and dry barges for delivering a wide range of dry and liquid products between ports in the Parana, Paraguay and Uruguay River systems in South America (the Hidrovia or the "waterway"). Navios Logistics contracts its vessels either on a time charter basis or on a contract of affreightment ("CoA") basis.

The Cabotage Business segment

Navios Logistics owns and operates oceangoing vessels to support the transportation needs of its customers in the South American coastal trade business. Its fleet consists of six oceangoing product tanker vessels, a bunker vessel and a river and estuary tanker expected to be delivered in the first quarter of 2018. Navios Logistics contracts its vessels either on a time charter basis or on a CoA basis.

Unallocated interest

This reconciling item represents the interest expense resulting from the 2022 Senior Notes, which has not yet been fully allocated to the segments due to the fact that the amount received had been maintained at the corporate level and not utilized by an operating segment as of March 31, 2016.

Inter-segment transactions, if any, are accounted for at current market prices.

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The following table describes the results of operations of the three segments, the Port Terminal Business segment, the Barge Business segment and the Cabotage Business segment for the three and nine month periods ended March 31, 2017 and 2016:

	Port Terminal Business Segment for the Three Month Period Ended March 31, 2017	Cabotage Business Segment for the Three Month Period Ended March 31, 2017	Barge Business Segment for the Three Month Period Ended March 31, 2017	Total
Time charter, voyage and port terminal revenues	\$ 7,576	\$ 9,229	\$ 18,984	\$ 35,789
Sales of products	8,012	—	—	8,012
Time charter, voyage and port terminal expenses	(2,740)	(510)	(3,317)	(6,567)
Direct vessel expenses	—	(8,376)	(9,152)	(17,528)
Cost of products sold	(7,453)	—	—	(7,453)
Depreciation and amortization	(807)	(810)	(4,473)	(6,090)
General and administrative expenses	(933)	(294)	(2,294)	(3,521)
Interest expense and finance cost, net	(452)	(1,137)	(4,192)	(5,781)
Gain on sale of assets	—	—	1,030	1,030
Other expense, net	(105)	(857)	(420)	(1,382)
Income/(loss) before income taxes	3,098	(2,755)	(3,834)	(3,491)
Income tax (expense)/benefit	—	(81)	565	484
Net income/(loss)	\$ 3,098	\$ (2,836)	\$ (3,269)	\$ (3,007)

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	Port Terminal Business Segment for the Three Month Period Ended March 31, 2016	Cabotage Business Segment for the Three Month Period Ended March 31, 2016	Barge Business Segment for the Three Month Period Ended March 31, 2016	Unallocated Interest for the Three Month Period Ended March 31, 2016	Total
Time charter, voyage and port terminal revenues	\$ 8,400	\$ 12,591	\$ 26,589	\$ —	\$ 47,580
Sales of products	7,639	—	—	—	7,639
Time charter, voyage and port terminal expenses	(2,935)	(260)	(4,516)	—	(7,711)
Direct vessel expenses	—	(8,574)	(8,125)	—	(16,699)
Cost of products sold	(6,826)	—	—	—	(6,826)
Depreciation and amortization	(1,113)	(702)	(4,859)	—	(6,674)
General and administrative expenses	(628)	(265)	(2,405)	—	(3,298)
Interest expense and finance cost, net	(312)	(1,252)	(4,034)	(606)	(6,204)
Other expense, net	(37)	(476)	(644)	—	(1,157)
Income/(loss) before income taxes	4,188	1,062	2,006	(606)	6,650
Income tax expense	—	(254)	(722)	—	(976)
Net income/(loss)	\$ 4,188	\$ 808	\$ 1,284	\$ (606)	\$ 5,674

For the Barge Business segment and for the Cabotage Business segment, the Company's vessels operate on a regional basis and are not restricted to specific locations. Accordingly, it is not practicable to allocate the assets of these operations to specific locations. The total net book value of long-lived assets for vessels amounted to \$343,968 and \$341,496 at March 31, 2017 and December 31, 2016, respectively.

All of the assets related to the Port Terminal Business segment are located in Uruguay and in Paraguay. The total net book value of long-lived assets for the Port Terminal Business segment, including constructions in progress, amounted to \$213,083 and \$202,568 as of March 31, 2017 and December 31, 2016, respectively.

In addition, the net book value of intangible assets other than goodwill allocated to the Barge Business segment and to the Cabotage Business segment, collectively, amounted to \$19,857 and \$20,561 as of March 31, 2017 and December 31, 2016, respectively, while the net book value of intangible assets allocated to the Port Terminal segment amounted to \$42,828 and \$42,990 as of March 31, 2017 and December 31, 2016, respectively.

As of March 31, 2017 and December 31, 2016, goodwill totaling to \$22,142, \$40,868 and \$41,086 has been allocated to the three segments, the Port Terminal Business, the Barge Business and the Cabotage Business, respectively.

NOTE 10: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Restricted cash: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Borrowings: The book value of the 2022 Senior Notes is presented net of deferred financing costs. The 2022 Senior Notes are fixed rate borrowings and their fair value was determined based on quoted market prices, excluding the effect of any deferred finance costs.

Note receivable: The carrying amount of the Note receivable approximates its fair value.

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Notes Payable: The Notes Payable are floating rate obligations and their carrying amounts approximate their fair value as indicated in the table below.

Capital leases and long term debt: The capital leases and long-term debt are fixed rate obligations and their carrying amounts approximate their fair value as indicated in the table below.

The estimated fair values of the Company's financial instruments are as follows:

	March 31, 2017		December 31, 2016	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 69,730	\$ 69,730	\$ 65,182	\$ 65,182
Restricted cash	\$ —	\$ —	\$ 2,900	\$ 2,900
Note receivable, including current portion	\$ 905	\$ 905	\$ —	\$ —
Senior notes	\$(368,440)	\$(369,143)	\$(368,180)	\$(355,781)
Notes payable, including current portion	\$ (34,129)	\$ (34,129)	\$ (34,447)	\$ (34,447)
Capital lease obligations, including current portion	\$ (16,707)	\$ (16,707)	\$ (17,617)	\$ (17,617)
Long-term debt, including current portion	\$ (25,304)	\$ (25,304)	\$ (25,321)	\$ (25,321)

Fair Value Measurements

The estimated fair value of our financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable.

	Fair Value Measurements at March 31, 2017			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 69,730	\$ 69,730	\$ —	\$ —
Note receivable(2)	\$ 905	\$ —	\$ 905	\$ —
Senior notes	\$(369,143)	\$(369,143)	\$ —	\$ —
Notes payable(1)	\$ (34,129)	\$ —	\$(34,129)	\$ —
Capital lease obligations(1)	\$ (16,707)	\$ —	\$(16,707)	\$ —
Long-term debt(1)	\$ (25,304)	\$ —	\$(25,304)	\$ —

	Fair Value Measurements at December 31, 2016			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 65,182	\$ 65,182	\$ —	\$ —
Restricted cash	\$ 2,900	\$ 2,900	\$ —	\$ —
Senior notes	\$(355,781)	\$(355,781)	\$ —	\$ —
Notes payable(1)	\$ (34,447)	\$ —	\$(34,447)	\$ —
Capital lease obligations(1)	\$ (17,617)	\$ —	\$(17,617)	\$ —
Long-term debt(1)	\$ (25,321)	\$ —	\$(25,321)	\$ —

- (1) The fair value of the Company's debt is estimated based on currently available debt with similar contract terms, interest rates and remaining maturities as well as taking into account our creditworthiness.
- (2) The fair value of the Company's Note receivable is estimated considering the counterparty's creditworthiness.

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NOTE 11: SUBSEQUENT EVENTS

On May 18, 2017, Navios Logistics acquired two product tankers, Ferni H (16,871 DWT) and San San H (16,871 DWT) for \$11,239 which were previously under capital lease with an obligation to purchase in 2020. The remaining capital lease obligation was terminated after the acquisition of the vessels. The acquisition of the two product tankers was financed with a \$14,000 five year term loan. The term loan bears interest at a rate of LIBOR (180 days) plus 315 basis points and is repayable in twenty quarterly installments with a final balloon payment of \$7,000 on the last repayment date.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 31, 2017

NAVIOS SOUTH AMERICAN LOGISTICS INC.

By: /s/ Claudio Pablo Lopez

Claudio Pablo Lopez
Chief Executive Officer

EXHIBIT INDEX

Exhibit
No.

Exhibit

10.1 Facility Agreement, dated as of May 17, 2017, among Navarra Shipping Corporation and Pelayo Shipping Corporation, as borrowers, and Alpha Bank A.E., as lender.

Private and Confidential

DATED 17 May 2017

**NAVARRA SHIPPING CORPORATION
and
PELAYO SHIPPING CORPORATION (1)
as Borrowers**

-and-

**ALPHA BANK A.E. (2)
as Lender**

**FACILITY AGREEMENT
in respect of a loan of up to
USD14,000,000**

INCE & CO

PIRAEUS

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THIS AGREEMENT is dated 17 May 2017 and made **BETWEEN**:

- (1) **NAVARRA SHIPPING CORPORATION** and **PELAYO SHIPPING CORPORATION** as Borrowers; and
- (2) **ALPHA BANK A.E.** as Bank.

IT IS AGREED as follows:

1 **PURPOSE AND DEFINITIONS**

1.1 **Purpose**

This Agreement sets out the terms and conditions upon which the Bank agrees to make available to the Borrowers a loan facility of up to USD14,000,000 for the purpose of part financing the purchase by the Borrowers of the Vessels.

1.2 **Definitions**

In this Agreement, unless the context otherwise requires:

“**Approved Broker**” means each of (i) H Clarkson & Co. Ltd. of St Magnus House, 3 Lower Thames Street, London EC3R 6HE, England, (ii) Arrow Research Ltd. of Harbour House, Chelsea Harbour, London SW10 0XE, England, (iii) SSY of Lloyds Chambers, 1 Portsoken Street, London E1 8PH, England, (iv) Maersk Broker K/S, Midtermolen 1, 2100 Copenhagen, Denmark, (v) E.A. Gibson Shipbrokers Ltd., Audrey House, 16-20 Ely Place, London EC1N 6SN, England and (vi) Golden Destiny of 57 Akti Miaouli Street, Piraeus GR-185 36, Greece, or such other reputable, independent and first class firm of shipbrokers specialising in the valuation of vessels of the relevant type appointed by the Bank and agreed with the Borrowers;

“**Asset Cover Ratio**” means, on any day, the ratio of the Security Value to the Loan on that day.

“**Assignee**” is defined in clause 15.3;

“**Bank**” means Alpha Bank A.E., a banking société anonyme duly incorporated under the laws of Greece, having its registered office at 40 Stadiou Street, Athens, 102 52, Greece, acting for the purposes of this Agreement through its office at 93 Akti Miaouli, 185 38 Piraeus, Greece (or of such other address as may last have been notified to the Borrowers pursuant to clause 16.2.3);

“**Banking Day**” means a day on which dealings in deposits in USD are carried on in the London Interbank Eurocurrency Market and a day (other than Saturday or Sunday) on which banks are open for general business in Buenos Aires, London, Piraeus, Athens, Hamburg and New York City;

“**Bareboat Charter**” means each of:

- (i) the bareboat charterparty dated 04 June 2010 and made between Navarra as owner and the Bareboat Charterer as bareboat charterer in respect of Vessel A, as the same may be amended and supplemental from time to time, in such form as the Bank may approve or require; and

- (ii) the bareboat charterparty dated 01 June 2010 and made between Pelayo as owner and the Bareboat Charterer as bareboat charterer in respect of Vessel B, as the same may be amended and supplemental from time to time, in such form as the Bank may approve or require,

and in the plural means both of them;

“**Bareboat Charter Assignment**” means the assignment of each Bareboat Charter executed or to be executed pursuant hereto by Navarra and Pelayo respectively in favour of the Bank in such form as the Bank may approve or require, and in the plural means both of them;

“**Bareboat Charterer**” means Compañía Naviera Horamar S.A., a company incorporated in Argentina with its registered office at Av. Juana Manso 205, 6th floor, Buenos Aires, Argentina.

“**Borrowed Money**” means Indebtedness in respect of (i) money borrowed and debit balances at banks, (ii) any bond, note, loan stock, debenture or similar debt instrument, (iii) acceptance or documentary credit facilities, (iv) receivables sold or discounted (otherwise than on a non-recourse basis), (v) deferred payments for assets or services acquired, (vi) finance leases and hire purchase contracts, (vii) swaps, forward exchange contracts, futures and other derivatives, (viii) any other transaction (including without limitation forward sale or purchase agreements) having the commercial effect of a borrowing or of any of (ii) to (vii) above and (ix) guarantees in respect of Indebtedness of any person falling within any of (i) to (viii) above;

“**Borrowers**” means Navarra Shipping Corporation (“**Navarra**”) and Pelayo Shipping Corporation (“**Pelayo**”), each of which is incorporated in the Marshall Islands and has its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960 and each registered as a foreign maritime entity in Liberia, and in the plural means both of them;

“**Break Costs**” means the aggregate amount of all losses, premiums, penalties, costs and expenses whatsoever certified by the Bank at any time and from time to time as having been incurred by it in maintaining or funding the Loan or in liquidating or re-employing fixed deposits acquired to maintain the same as a result of either:

- (a) any repayment or prepayment of the Loan or any part thereof otherwise than in accordance with, respectively, clause 4.1 (*Repayment*) or clause 4.3 (*Mandatory Prepayment on Total Loss*) whether on a voluntary or involuntary basis or otherwise howsoever or
- (b) of the Borrowers failing or being incapable of drawing the Loan after a Drawdown Notice has been given;

“**Casualty Amount**” means seven hundred fifty thousand Dollars (USD750,000) (or the equivalent in any other currency);

“**Certified Copy**” means in relation to any document delivered or issued by or on behalf of any company, a copy of such document certified as a true, complete and up to date copy of the original by any of the directors or officers for the time being of such company or by such company’s attorneys or solicitors;

“**Charter Assignment**” means a specific assignment of any Extended Employment Contract required to be executed hereunder by either Borrower in favour of the Bank (including any notices and/or acknowledgements and/or undertakings associated therewith) in such form as the Bank may require in its sole discretion;

“**Classification**” means, in relation to each Vessel, the highest class available for a vessel of her type with the relevant Classification Society;

“**Classification Society**” means, in relation to each Vessel, any IACS classification society which the Bank shall, at the request of the Borrowers, have agreed in writing shall be treated as the classification society in relation to such Vessel for the purposes of the relevant Ship Security Documents;

“**Code**” means the US Internal Revenue Code of 1986, as amended, and the regulations promulgated and rulings issued thereunder;

“**Commitment**” means, in relation to the Loan, the maximum amount which the Bank has agreed to lend to the Borrowers under clause 2.1 as reduced by any relevant term of this Agreement;

“**Compulsory Acquisition**” means, in respect of a Vessel, requisition for title or other compulsory acquisition including, if that ship is not released therefrom within the Relevant Period, capture, appropriation, forfeiture, seizure, detention, deprivation or confiscation howsoever for any reason (but excluding requisition for use or hire) by or on behalf of any Government Entity or other competent authority or by pirates, hijackers, terrorists or similar persons; “**Relevant Period**” means for the purposes of this definition of Compulsory Acquisition either (i) ninety (90) days or, (ii) if relevant underwriters confirm in writing (in terms satisfactory to the Bank) prior to the end of such ninety (90) day period that such capture, seizure, detention or confiscation will be fully covered by the relevant Borrower’s and/or the Bareboat Charterer’s war risks insurance if continuing for a further period exceeding ten (10) calendar months, the shorter of twelve (12) months and such period at the end of which cover is confirmed to attach;

“**Corporate Guarantee**” means the guarantee required to be executed hereunder by the Corporate Guarantor in such form as the Bank may agree or require ;

“**Corporate Guarantor**” means Navios South American Logistics Inc., a company incorporated in the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“**Default**” means any Event of Default or any event or circumstance which with the giving of notice or lapse of time or the satisfaction of any other condition (or any combination thereof) would constitute an Event of Default;

“**Delivery Date**” means, in respect of each Vessel, the date on which that Vessel is delivered to the relevant Borrower pursuant to the MOA;

“**Dollars**” and “**USD**” and “**\$**” means the lawful currency of the USA and in respect of all payments to be made under any of the Security Documents means funds which are for same day settlement in the New York Clearing House Interbank Payments System (or such other US dollar funds as may at the relevant time be customary for the settlement of international banking transactions denominated in US dollars);

“**Drawdown Date**” means, in relation to the Loan, any date being a Banking Day falling during the relevant Drawdown Period, on which the Loan is, or is to be, made available;

“**Drawdown Notice**” means, in relation to the Loan, a notice substantially in the form of schedule 1;

“**Drawdown Period**” means, in respect of the Loan, the period commencing on the Execution Date and ending on the earlier of (i) 31 May 2017 or such other date as the Bank and the Borrowers may agree and (ii) any date on which the Commitment is finally cancelled or fully drawn under the terms of this Agreement;

“**Earnings Account**” means, in respect of each Borrower, an interest bearing USD Account required to be opened hereunder with the Bank in the name of that Borrower designated “*Navarra Shipping Corporation—Earnings Account*” or “*Pelayo Shipping Corporation—Earnings Account*” and includes any other account designated in writing by the Bank to be an Earnings Account for the purposes of this Agreement;

“**Earnings Account Pledge**” means, in respect of each Earnings Account, the pledge required to be executed hereunder by the relevant Borrower over its Earnings Account in such form as the Bank may agree or require, and in the plural means both of them;

“**Encumbrance**” means any mortgage, charge, pledge, lien, hypothecation, assignment, title retention, preferential right, option, trust arrangement or security interest or any other encumbrance, security or arrangement conferring howsoever a priority of payment in respect of any obligation of any person;

“**Environmental Affiliate**” means any agent or employee of the Borrower, the Bareboat Charterer, the Manager or any other Group Member or any other person having a contractual relationship with the Borrower, the Bareboat Charterer, the Manager or any other Group Member in connection with any Relevant Vessel or its operation or the carriage of cargo and/or passengers thereon and/or the provision of goods and/or services on or from any Relevant Vessel;

“**Environmental Approval**” means any consent, authorisation, licence or approval of any governmental or public body or authorities or courts applicable to any Relevant Vessel or its operation or the carriage of cargo and/or passengers thereon and/or the provision of goods and/or services on or from any Relevant Vessel required under any Environmental Law;

“**Environmental Claim**” means (i) any claim by, or directive from, any applicable Government Entity alleging breach of, or non-compliance with, any Environmental Laws or Environmental Approvals or otherwise howsoever relating to or arising out of an Environmental Incident or (ii) any claim by any other third party howsoever relating to or arising out of an Environmental Incident (and, in each such case, “claim” shall include a claim for damages and/or direction for and/or enforcement relating to clean-up costs, removal, compliance, remedial action or otherwise) or (iii) any Proceedings arising from any of the foregoing;

“**Environmental Incident**” means, regardless of cause, (i) any actual or threatened discharge or release of Environmentally Sensitive Material from any Relevant Vessel; (ii) any incident in which Environmentally Sensitive Material is discharged or released from a vessel other than a Relevant Vessel which involves collision between a Relevant Vessel and such other vessel or some other incident of navigation or operation, in either case, where the Relevant Vessel, the Manager and/or the relevant Borrower and/or the Bareboat Charterer and/or the relevant

Group Member and/or the relevant Operator are actually, contingently or allegedly at fault or otherwise howsoever liable (in whole or in part) or (iii) any incident in which Environmentally Sensitive Material is discharged or released from a vessel other than a Relevant Vessel and where such Relevant Vessel is actually or potentially liable to be arrested as a result and/or where the Manager and/or the relevant Borrower and/or the Bareboat Charterer and/or other Group Member and/or the relevant Operator are actually, contingently or allegedly at fault or otherwise howsoever liable;

“**Environmental Laws**” means all laws, regulations, conventions and agreements whatsoever relating to pollution, human or wildlife well-being or protection of the environment (including, without limitation, the United States Oil Pollution Act of 1990 and any comparable laws of the individual States of the USA);

“**Environmentally Sensitive Material**” means oil, oil products or any other products or substance which are polluting, toxic or hazardous or any substance the release of which into the environment is howsoever regulated, prohibited or penalised by or pursuant to any Environmental Law;

“**Event of Default**” means any of the events or circumstances listed in clause 10.1;

“**Execution Date**” means the date on which this Agreement has been executed by all the parties hereto;

“**Extended Employment Contract**” means, in respect of a Mortgaged Vessel, any time charterparty, contract of affreightment or other contract of employment of such ship (including the entry of either Vessel in any pool) made or to be made between the relevant Borrower and a charterer which has a tenor of not less than twelve (12) months (including any options to renew or extend such tenor);

“**Facility Period**” means the period starting on the Drawdown Date and ending on such date as all obligations whatsoever of all of the Security Parties under or pursuant to the Security Documents whensoever arising, actual or contingent, have been irrevocably paid, performed and/or complied with;

“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other associated official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

“**FATCA Application Date**” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 January 2014;

- (b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2015; or
- (c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement;

“**FATCA Deduction**” means a deduction or withholding from a payment under a Security Document required by FATCA;

“**FATCA Exempt Party**” means a party that is entitled to receive payments free from any FATCA Deduction;

“**FATCA FFI**” means a foreign financial institution as defined in section 1471(d)(4) of the Code which, if the Bank is not a FATCA Exempt Party, could be required to make a FATCA Deduction;

“**Flag State**” means the Republic of Liberia or such other state or territory agreed by the Bank, at the request of the Borrowers, as the “Flag State” of the Vessels for the purposes of the Security Documents;

“**GAAP**” means generally accepted accounting principles.

“**General Assignment**” means, in respect of each Vessel, the deed of assignment of its earnings, insurances and requisition compensation executed or to be executed by the relevant Borrower in favour of the Bank in such form as the Bank may require in its sole discretion, and in the plural means both of them;

“**Government Entity**” means any national or local government body, tribunal, court or regulatory or other agency and any organisation of which such body, tribunal, court or agency is a part or to which it is subject;

“**Group**” means at any relevant time the Corporate Guarantor and its subsidiaries;

“**Group Member**” means any member of the Group;

“**IACS**” means the International Association of Classification Societies;

“**Indebtedness**” means any obligation howsoever arising (whether present or future, actual or contingent, secured or unsecured as principal, surety or otherwise) for the payment or repayment of money;

“**Indenture**” means the indenture covering the 7.25% Corporate Guarantor senior notes due on 2022;

“**Indenture Excerpt**” means the excerpt from the Indenture set out in Schedule 3;

“**Interest Payment Date**” means the last day of an Interest Period and, if an Interest Period is longer than 3 months, the date falling at the end of each successive period of 3 months during such Interest Period starting from its commencement;

“**Interest Period**” means each period for the calculation of interest in respect of the Loan ascertained in accordance with the provisions of clause 3;

“**ISM Code**” means in relation to its application to the Borrowers, the Vessels and their operation:

- (c) ‘The International Management Code for the Safe Operation of Ships and for Pollution Prevention’, currently known or referred to as the ‘ISM Code’, adopted by the Assembly of the International Maritime Organisation by Resolution A.741 (18) on 4 December 1993 and incorporated on 19 May 1994 into Chapter IX of the International Convention for Safety of Life at Sea 1974 (SOLAS 1974); and
- (d) all further resolutions, circulars, codes, guidelines, regulations and recommendations which are now or in the future issued by or on behalf of the International Maritime Organisation or any other entity with responsibility for implementing the ISM Code, including, without limitation, the ‘Guidelines on implementation or administering of the International Safety Management (ISM) Code by Administrations’ produced by the International Maritime Organisation pursuant to Resolution A.788(19) adopted on 25 December 1995,

as the same may be amended, supplemented or replaced from time to time;

“**ISM Code Documentation**” means, in relation to each Vessel, the document of compliance (DOC) and safety management certificate (SMC) issued by a Classification Society pursuant to the ISM Code in relation to such Vessel within the periods specified by the ISM Code;

“**ISM SMS**” means the safety management system which is required to be developed, implemented and maintained under the ISM Code;

“**ISPS Code**” means the International Ship and Port Security Code of the International Maritime Organisation and includes any amendments or extensions thereto and any regulations issued pursuant thereto;

“**ISSC**” means an International Ship Security Certificate issued in respect of a Vessel pursuant to the ISPS Code;

“**LIBOR**” means, for an Interest Period:

- (a) the London interbank offered rate administered by ICE Benchmark Administration Limited (“**ICE**”) (or any other person which takes over the administration of that rate) for deposits in Dollars for a period equal to, or as near as possible equal to, the relevant Interest Period which appears on Thomson Reuters Page Libor 01 at or about 11.00 a.m. (London time) on the Quotation Day for that Interest Period (and, for the purposes of this Agreement, “Thomson Reuters Page Libor 01” means the display designated as the “Page LIBOR 01” on the Thomson Reuters Service or such other page as may replace Page LIBOR 01 on that service for the purpose of displaying rates comparable to that rate or on such other service as may be nominated by ICE as the information vendor for the purpose of displaying ICE Interest Settlement Rates for Dollars); or
- (b) if on such date no rate is displayed, LIBOR for such period shall be the Bank’s offered rate for deposits of Dollars in an amount approximately equal to the amount in relation to which LIBOR is to be determined for a period equivalent to such period to prime banks in the London Interbank Market at or about 11:00 a.m. (London time) on the Quotation Date for such period and for delivery on the first Banking Day of it,

Provided, however, that if any such rate is below zero, LIBOR shall be deemed to be zero.

“**Loan**” means the principal amount borrowed by the Borrowers under this Agreement or (as the context may require) the principal amount owing to the Bank under this Agreement at any relevant time;

“**MII & MAP Policy**” means a mortgagee’s interest and (if required by the Bank) pollution risks insurance policy (including additional perils (pollution) cover) in respect of each Mortgaged Vessel to be effected by the Bank to cover the Mortgaged Vessels as the same may be renewed or replaced annually thereafter and maintained throughout the Facility Period through such brokers, with such underwriters and containing such coverage as may be acceptable to the Bank in its sole discretion, insuring a sum of at least one hundred and ten per cent (110%) of the Loan;

“**Management Agreement**” means, in respect of each Vessel, the agreement between the relevant Borrower and the Manager (if in place) in a form previously approved in writing by the Bank;

“**Manager**” means, for the duration of the Baraboard Charter, the Bareboat Charterer or any other manager of the Mortgaged Vessels acceptable to the Bank, and thereafter any person appointed by a Borrower, with the prior written consent of the Bank, as the manager of the relevant Mortgaged Vessel;

“**Manager’s Undertakings**” means, collectively, the undertakings and assignments required to be executed hereunder by the Manager in favour of the Bank in respect of each of the Vessels each in such form as the Bank may require in its sole discretion (and “**Managers’ Undertakings**” means both of them);

“**Margin**” means 3.15 per cent (3.15%) per annum;

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

- (i) the ability of any Security Party to perform or comply with any of its obligations under any Security Document; or
- (ii) the security provided by any Security Document or the enforceability of that security in accordance with its terms;

“**MOA**” has the meaning ascribed to it in Schedule 4 (*Vessels’ details*);

“**month**” means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it started, provided that (i) if the period started on the last Banking Day in a calendar month or if there is no such numerically corresponding day, it shall end on the last Banking Day in the such next calendar month and (ii) if such numerically corresponding day is not a Banking Day, the period shall end on the next following Banking Day in the same calendar month but if there is no such Banking Day it shall end on the preceding Banking Day and “months” and “monthly” shall be construed accordingly;

“**Mortgage**” means, in relation to each Vessel, the first preferred mortgage of such Vessel required to be executed hereunder by the relevant Borrower which is the owner of such Vessel in such form as the Bank may agree or require, and in the plural means both of them;

“**Mortgaged Vessel**” means, at any relevant time, a Vessel which is at such time subject to a Mortgage and/or the Earnings, Insurances and Requisition Compensation (each such term as defined in the relevant Ship Security Documents) of which are subject to an Encumbrance pursuant to the relevant Ship Security Documents and a Vessel shall, for the purposes of this Agreement, be regarded as a Mortgaged Vessel as from whichever shall be the earlier of (a) her Delivery Date and (b) the date on which the Mortgage of that Vessel has been executed and registered in accordance with this Agreement until whichever shall be the earlier of (i) the payment in full of the amount required to be paid to the Bank pursuant to clause 4.3 or 4.4 following the Total Loss or sale respectively of such Vessel and (ii) the end of the Facility Period;

“**Minimum Liquidity Amount**” has the meaning ascribed to it in Clause 14.2 (*Earnings Account*);

“**Operator**” means any person who is from time to time during the Facility Period concerned in the operation of a Relevant Vessel and falls within the definition of “Company” set out in rule 1.1.2 of the ISM Code;

“**Party**” means a party to this Agreement;

“**Permitted Encumbrance**” means any Encumbrance created pursuant to or expressly permitted by the Security Documents and Permitted Liens or otherwise permitted by the Bank;

“**Permitted Liens**” means any lien on a Vessel for master’s, officer’s or crew’s wages outstanding in the ordinary course of trading, any lien for salvage and any ship repairer’s or outfitter’s possessory lien for a sum not (except with the prior written consent of the Bank) exceeding the Casualty Amount;

“**Pertinent Jurisdiction**” means any jurisdiction in which or where any Security Party is incorporated, resident, domiciled, has a permanent establishment or assets, carries on, or has a place of business or is otherwise howsoever effectively connected;

“**Proceedings**” means any litigation, arbitration, legal action or complaint or judicial, quasi-judicial or administrative proceedings whatsoever arising or instigated by anyone in any court, tribunal, public office or other forum whatsoever and wheresoever (including, without limitation, any action for provisional or permanent attachment of any thing or for injunctive remedies or interim relief and any action instigated on an ex parte basis);

“**Prohibited Person**” means any person (whether designated by name or by reason of being included in a class of persons) against whose Sanctions are directed;

“**Quotation Day**” means, in respect of any period in respect of which LIBOR falls to be determined under this Agreement, the second Banking Day before the first day of such period;

“**Registry**” means, in relation to each Vessel, the office of the registrar, commissioner or representative of the Flag State, who is duly empowered to register such Vessel, the relevant Borrower’s title thereto and the relevant Mortgage under the laws and flag of the Flag State;

“**Relevant Vessel**” means a Vessel and any other ship from time to time (whether before or after the date of this Agreement) owned, managed or crewed by, or chartered to, any Group Member;

“**Repayment Dates**” means, subject to clause 6.3, each of the dates falling at quarterly intervals after the Drawdown Date, up to and including the date falling 60 months after such Drawdown Date;

“**Required Authorisation**” means any authorisation, consent, declaration, licence, permit, exemption, approval or other document, whether imposed by or arising in connection with any law, regulation, custom, contract, security or otherwise howsoever which must be obtained at any time from any person, Government Entity or central bank or other self-regulating or supra-national authority in order to enable the Borrowers lawfully to draw the Loan and/or to enable any Security Party lawfully and continuously to continue its corporate existence and/or perform all its obligations whatsoever whensoever arising and/or grant security under the relevant Security Documents and/or to ensure the continuous validity and enforceability thereof;

“**Required Security Amount**” means the amount in USD (as certified by the Bank) which is 125% of the Loan.

“**Sanctions**” means any embargo or sanction or prohibited order (or any similar order or directive) as referred to it in clause 8.1.20.

“**Security Documents**” means this Agreement, the Corporate Guarantee, the Mortgages, the General Assignments, the Bareboat Charter Assignments, any Charter Assignments, the Tripartite Deeds, the Earnings Account Pledges, the Manager’s Undertakings and any other documents as may have been or shall from time to time after the date of this Agreement be executed in favour of the Bank to guarantee and/or to govern and/or to secure payment of all or any part of the Loan, interest thereon and other moneys from time to time owing by the Borrowers pursuant to this Agreement (whether or not any such document also guarantees and/or secures moneys from time to time owing pursuant to any other document or agreement);

“**Security Party**” means the Borrowers, the Corporate Guarantor, the Bareboat Charterer, the Manager or any other person who may at any time be a party to any of the Security Documents (other than the Bank);

“**Security Value**” means the amount in USD (as certified by the Bank) which, at any relevant time, is the aggregate of (i) the Valuation Amount of the Vessels as most recently determined in accordance with clause 8.2.2, (ii) the market value of any additional security (or, in the case of cash Dollars, its face value) at that time held by the Bank and provided under clause 8.2.1 or otherwise and (iii) the Minimum Liquidity Amount;

“**Seller**” means in relation to Vessel A, the Vessel A Seller, and to Vessel B, the Vessel B Seller;

“**Ship Security Documents**” means in relation to each Vessel, the Mortgage, the General Assignment, any Charter Assignment, the Tripartite Deeds, the Bareboat Charter Assignment and the Manager’s Undertaking in respect of such Vessel;

“**subsidiary**” of a person means any company or entity directly or indirectly controlled by such person, and for this purpose “control” means the ownership of more than fifty per cent (50%) of the voting share capital (or equivalent rights of ownership) of such company or entity;

“**Taxes**” includes all present and future income, corporation, capital or value-added taxes and all stamp and other taxes and levies, imposts, deductions, duties, charges and withholdings whatsoever together with interest thereon and penalties in respect thereto, if any, and charges, fees or other amounts made on or in respect thereof (and “Taxation” shall be construed accordingly);

“**Total Loss**” means, in respect of each Vessel:

- (a) actual, constructive, compromised, agreed or arranged total loss of such Vessel; or
- (b) Compulsory Acquisition; or
- (c) any hijacking, theft, condemnation, capture, seizure, arrest, detention or confiscation of such Vessel not falling within the definition of Compulsory Acquisition by any Government Entity, or by persons allegedly acting or purporting to act on behalf of any Government Entity, unless such Vessel be released and restored to the relevant Borrower within ninety (90) days after such incident;

“**Transferee**” is defined in clause 15.4;

“**Tripartite Deed**” means, in respect of each Vessel, a deed containing, inter alia, an assignment of any Bareboat Charterer’s interest in the Insurances (as defined in, and in accordance with the requirements of, the Ship Security Documents) of that Vessel, to be made between the relevant Borrower which is the owner thereof, the Bareboat Charterer and the Bank, in such form as the Bank may approve or require and in the plural means both of them;

“**U.S.**” means the United States of America;

“**Unlawfulness**” means any event or circumstance which either is or, as the case may be, might in the reasonable opinion of the Bank become the subject of a notification by the Bank to the Borrowers under clause 12.1; and

“**Underlying Documents**” means, together, the MOA, the Bareboat Charters, any Extended Employment Contracts and the Management Agreements, if applicable;

“**Valuation Amount**” means, in respect of each Mortgaged Vessel, the value thereof as most recently determined under clause 8.2.2;

“**Vessel**” means each of Vessel A and Vessel B and in the plural means both of them;

“**Vessel A**” has the meaning ascribed to it in Schedule 4 (*Vessels’ details*);

“**Vessel A Seller**” has the meaning ascribed to it in Schedule 4 (*Vessels’ details*);

“**Vessel B**” has the meaning ascribed to it in Schedule 4 (*Vessels’ details*);

“**Vessel B Seller**” has the meaning ascribed to it in Schedule 4 (*Vessels’ details*).

Words and expressions defined in Schedule 4 (*Vessels’ Details*) shall have the meanings given to them therein as if the same were set out in full in this clause 1.2

1.3 **Construction**

In this Agreement, unless the context otherwise requires:

- 1.3.1 clause headings and the index are inserted for convenience of reference only and shall be ignored in the construction of this Agreement;
- 1.3.2 references to clauses and schedules are to be construed as references to clauses of, and schedules to, this Agreement and references to this Agreement include its schedules;
- 1.3.3 references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as duly amended and/or supplemented and/or novated;
- 1.3.4 references to a “regulation” include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any Government Entity, central bank or any self-regulatory or other supra-national authority;
- 1.3.5 references to any person in or party to this Agreement shall include reference to such person’s lawful successors and assigns and references to the Bank shall also include a Transferee;
- 1.3.6 words importing the plural shall include the singular and vice versa;
- 1.3.7 references to a time of day are, unless otherwise stated, to London time;
- 1.3.8 references to a person shall be construed as references to an individual, firm, company, corporation or unincorporated body of persons or any Government Entity;
- 1.3.9 references to a “guarantee” include references to an indemnity or any other kind of assurance whatsoever (including, without limitation, any kind of negotiable instrument, bill or note) against financial loss or other liability including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any Indebtedness and “guaranteed” shall be construed accordingly;
- 1.3.10 references to any statute or other legislative provision are to be construed as references to any such statute or other legislative provision as the same may be re enacted or modified or substituted by any subsequent statute or legislative provision (whether before or after the date hereof) and shall include any regulations, orders, instruments or other subordinate legislation issued or made under such statute or legislative provision;
- 1.3.11 a certificate by the Bank as to any amount due or calculation made or any matter whatsoever determined in connection with this Agreement shall be conclusive and binding on the Borrowers except for manifest error;
- 1.3.12 if any document, term or other matter or thing is required to be approved, agreed or consented to by the Bank such approval, agreement or consent must be obtained in writing unless the contrary is stated;
- 1.3.13 time shall be of the essence in respect of all obligations whatsoever of the Borrowers under this Agreement, howsoever and whensoever arising;
- 1.3.14 the words “other” and “otherwise” shall not be construed eiusdem generis with any foregoing words where a wider construction is possible; and

1.3.15 the term “indebtedness” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent.

1.4 **Accounting Terms and references to currencies**

All accounting terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted international accounting principles (or such other accounting principles as the Bank deems appropriate).

1.5 **Contracts (Rights of Third Parties Act) 1999**

Except for clause 18.6.4 no part of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

1.6 **Bail-in**

Notwithstanding any other term of any Security Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Security Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Security Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

In this clause:

“**Bail-In Action**” means the exercise of any Write-down and Conversion Powers.

“**Bail-In Legislation**” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

“**Resolution Authority**” means any body which has authority to exercise any Write-down and Conversion Powers.

“**Write-down and Conversion Powers**” means in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule.

2 **THE BANK’S COMMITMENT, ADVANCE AND USE OF PROCEEDS**

2.1 **The Commitment**

In reliance upon each of the representations and warranties in clause 7, the Bank agrees to pay to the Sellers by way of loan to the Borrowers on the terms of this Agreement the principal sum of up to USD14,000,000 for the purpose of part financing the purchase by the Borrowers of the Vessels.

2.2 **Advance**

On the terms and subject to the conditions of this Agreement, the Loan shall be advanced on the Drawdown Date following receipt by the Bank from the Borrowers of a Drawdown Notice not later than 10 a.m. on the third Banking Day before the proposed Drawdown Date or earlier if agreed by the Bank. A Drawdown Notice shall be effective on actual receipt by the Bank and, once given, shall, subject as provided in clause 3.6.1, be irrevocable.

2.3 **Amount**

The principal amount specified in the Drawdown Notice for borrowing on the Drawdown Date shall, subject to the terms of this Agreement, not exceed the lesser of (i) USD14,000,000 and (ii) 52% of the aggregate Valuation Amount for the Vessels.

2.4 **Availability**

Upon receipt of a Drawdown Notice complying with the terms of this Agreement the Bank shall, subject to the provisions of clause 9, make the Loan available to the Borrowers on the relevant Drawdown Date in accordance with clause 2.2. The Borrowers acknowledge that payment of the Loan to the Sellers in accordance with clause 2.2 shall satisfy the obligation of the Bank to lend that part of the Commitment to the Borrowers under this Agreement.

2.5 **Cancellation**

If any part of the Loan is not drawn down by the end of the Drawdown Period, the Commitment shall thereupon be automatically cancelled and the Bank shall have no further obligation under this Agreement.

2.6 **Use of Proceeds**

Without prejudice to the Borrowers’ obligations under clause 8.1.4, the Bank shall have no responsibility for the Borrowers’ use of the proceeds of the Loan.

3 **INTEREST AND INTEREST PERIODS**

3.1 **Normal interest rate**

The Borrowers agree to pay interest on the Loan in respect of each Interest Period relating thereto on each Interest Payment Date (or, in the case of Interest Periods of more than three (3) months, interest shall be payable in quarterly arrears) at the rate per annum determined by the Bank to be the aggregate of (a) the Margin and (b) LIBOR for such period.

3.2 **Selection of Interest Periods**

The Borrowers may by notice received by the Bank not later than 10 a.m. on the third Banking Day before the start of each Interest Period request that such Interest Period shall have a length of one (1), two (2) or three (3) months or such other period as the Borrowers may select and the Bank may, subject to the same being available in the London Interbank Market, agree.

3.3 **Determination of Interest Periods**

The length of each Interest Period shall be as requested by the Borrowers under clause 3.2 but so that:

- 3.3.1 the first Interest Period shall start on the Drawdown Date and each subsequent Interest Period shall start on the last day of the previous Interest Period;
- 3.3.2 if any Interest Period would otherwise overrun a Repayment Date, then, in the case of the last Repayment Date, such Interest Period shall end on such Repayment Date, and in the case of any other Repayment Date the Loan shall be divided into parts so that there is one part in the amount of the repayment instalment due on each Repayment Date falling in that Interest Period and having an Interest Period ending on the relevant Repayment Date and another part consisting of the balance of the Loan having an Interest Period ascertained in accordance with the other provisions of this clause 3; and
- 3.3.3 if the Borrowers fail to specify the length of an Interest Period in accordance with the provisions of clause 3.2 and this clause 3.3 such Interest Period shall last three months or such other period as complies with this clause 3.3.

3.4 **Default interest**

If the Bank fails to receive any sum whatsoever on its due date for payment under any of the Security Documents, the Borrowers must pay interest on such sum on demand from the due date up to the date of actual payment (as well after as before judgment) at a rate determined by the Bank under this clause 3.4. The period starting on such due date and ending on such date of payment shall be divided into successive periods of not more than three (3) months as selected by the Bank each of which (other than the first, which shall start on such due date) shall start on the last day of the preceding such period. The rate of interest applicable to each such period shall be the aggregate (as determined by the Bank) of (a) two (2.0) per cent per annum, (b) the Margin and (c) LIBOR for such period. Such interest shall be due and payable on the last day of each such period as determined by the Bank and each such day shall be treated as an Interest Payment Date, provided that if such unpaid sum is an amount of principal which became due and payable, by reason of a declaration by the Bank under clause 10.2 or a prepayment pursuant to clauses 4.3, 4.4, 8.2 or 12.1, on a date other than an Interest Payment Date relating thereto, the first such period selected by the Bank shall be of a length equal to the period between the due date of such principal sum and such Interest Payment

Date and interest shall be payable on such principal sum during such period at a rate of two (2.0) per cent above the rate applicable immediately before it shall have become so due and payable. If, for the reasons specified in clause 3.6.1, the Bank is unable to determine a rate in accordance with the provisions of this clause 3.4, interest on any sum not paid on its due date for payment shall be calculated at a rate determined by the Bank to be two (2.0) per cent per annum above the aggregate of the Margin and the cost of funds to the Bank compounded at six (6) months intervals.

3.5 **Notification of Interest Periods and interest rate**

The Bank agrees to notify the Borrowers promptly of the length of each Interest Period and of each rate of interest determined by it under this clause 3.

3.6 **Market disruption; non-availability**

3.6.1 Whenever, at any time prior to the start of any Interest Period, the Bank determines:

- (a) that adequate and fair means do not exist for determining LIBOR during such Interest Period; or
- (b) that deposits in USD are not available to the Bank in the London Interbank Market in its ordinary course of business in sufficient amounts to fund the Loan for such Interest Period;

the Bank shall promptly give notice (a “**Determination Notice**”) thereof to the Borrowers. A Determination Notice shall give brief details of the circumstances giving rise to its issue. After the giving of any Determination Notice any undrawn amount of the Commitment may not be borrowed until notice to the contrary is given to the Borrowers by the Bank;

3.6.2 upon a Determination Notice being given, the Borrower and the Bank shall discuss the same in order to agree an alternative basis for maintaining the Loan, but if they are unable to agree an alternative basis within 30 days of the date of the Determination Notice, then 40 days after the Determination Notice being given, the Bank shall certify an alternative basis (such basis, or if agreed, the basis agreed by the Bank and the Borrower, the “**Substitute Basis**”) for maintaining the Loan. The Substitute Basis may include alternative interest periods, alternative currencies or alternative rates of interest but must include a margin above the cost of funds to the Bank equivalent to the Margin. Each Substitute Basis certified to the Borrowers or agreed shall take effect in accordance with its terms from the date specified in the Determination Notice until such time as the Bank notifies the Borrowers that none of the circumstances specified in clause 3.6.1 continues to exist whereupon the normal interest rate fixing provisions of this Agreement shall again apply. If the Borrower does not agree with any Substitute Basis certified by the Bank if there is no agreement between the parties, then the Borrower may prepay the Loan or the relevant part thereof, and the terms of Clause 4.5 and 4.6 shall apply to any such prepayment

4 **REPAYMENT AND PREPAYMENT**

4.1 **Repayment**

Subject as otherwise provided in this Agreement, the Borrowers must repay the Loan by:

- (a) twenty (20) equal consecutive quarterly instalments (each called, a “**Repayment Instalment**”) each in the amount of \$350,000 the first such Repayment Instalment falling due for payment three (3) months following the Drawdown Date and subsequent Repayment Instalments falling due at consecutive intervals of three (3) calendar months thereafter; and

- (b) the balloon instalment in the amount of \$7,000,000 (the “**Balloon Instalment**”) to be repaid on the final Repayment Date together with the last (the 20th) Repayment Instalment.

If the Commitment is not drawn in full the amount of each Repayment Instalment and the Balloon Instalment shall be reduced pro rata.

4.2 **Voluntary prepayment**

The Borrowers may prepay the Loan in whole or part (being USD350,000 or any larger sum which is a whole multiple of USD350,000) on any Interest Payment Date relating to the part of the Loan to be repaid without premium or penalty.

4.3 **Mandatory Prepayment on Total Loss**

On the date falling ninety (90) days after that on which a Mortgaged Vessel became a Total Loss or, if earlier, on the date upon which the relevant insurance proceeds are, or Requisition Compensation (as defined in the Mortgage for such Vessel) is, received by the relevant Borrower (or the Bank pursuant to the Security Documents), the Borrowers must prepay the Loan in an amount equal to the higher of (a) the amount required so that the Asset Cover Ratio immediately following such prepayment is equal to the Asset Cover Ratio before such Total Loss and (b) such amount which will ensure that the Security Value, immediately following such prepayment, is no less than the Required Security Amount.

4.4 **Interpretation**

For the purpose of this Agreement, a Total Loss shall be deemed to have occurred:

- (a) in the case of an actual total loss of a Vessel, on the actual date and at the time such Vessel was lost or, if such date is not known, on the date on which such Vessel was last reported;
- (b) in the case of a constructive total loss of a Vessel, upon the date and at the time notice of abandonment of the ship is given to the then insurers of such Vessel (provided a claim for total loss is admitted by such insurers) or, if such insurers do not immediately admit such a claim, at the date and at the time at which either a total loss is subsequently admitted by such insurers or a total loss is subsequently adjudged by a competent court of law or arbitration tribunal to have occurred;
- (c) in the case of a compromised or arranged total loss of a Vessel, on the date upon which a binding agreement as to such compromised or arranged total loss has been entered into by the then insurers of such Vessel;
- (d) in the case of Compulsory Acquisition, on the date upon which the relevant requisition of title or other compulsory acquisition occurs; and

- (e) in the case of hijacking, theft, condemnation, capture, seizure, arrest, detention or confiscation of a Vessel (other than within the definition of Compulsory Acquisition) by any Government Entity, or by persons allegedly acting or purporting to act on behalf of any Government Entity, which deprives a Borrower of the use of such Vessel for more than ninety (90) days, upon the expiry of the Relevant Period where “Relevant Period” means, for the purposes of this clause 4.3.1(e), either (i) the period of ninety (90) days after the date upon which the relevant incident occurred or, (ii) if relevant underwriters confirm in writing (in customary terms) prior to the end of such ninety (90) day period that such capture, seizure, detention or confiscation will be covered by the relevant Borrower’s war risks insurance if continuing for a further period exceeding ten (10) calendar months, the shorter of twelve (12) months and such period at the end of which cover is confirmed to attach.

4.5 **Mandatory prepayment on sale of Mortgaged Vessel**

On the date of completion of the sale of any Mortgaged Vessel (which sale shall be subject to the Bank’s prior written consent, such consent not to be unreasonably withheld) the Borrowers must apply the sale proceeds in prepayment of the Loan and must prepay the Loan in an amount equal to the higher of (a) the amount required so that the Asset Cover Ratio immediately following such prepayment is equal to the Asset Cover Ratio before such sale and (b) such amount which will ensure that the Security Value, immediately following such prepayment, is no less than the Required Security Amount.

4.6 **Amounts payable on prepayment**

Any prepayment of all or part of the Loan under this Agreement shall be made together with:

- 4.6.1 accrued interest on the amount of the Loan to the date of such prepayment;
- 4.6.2 any additional amount payable under clauses 6.6 or 11.2; and
- 4.6.3 all other sums payable by the Borrowers to the Bank under this Agreement or any of the other Security Documents including, without limitation, any accrued commitment commission payable under clause 5.1 and any Break Costs.

4.7 **Notice of prepayment; reduction of repayment instalments**

- 4.7.1 No prepayment may be effected under clause 4.2 unless the Borrowers shall have given the Bank at least three (3) Banking Days’ prior written notice of their intention to make such prepayment. Every notice of prepayment shall be effective only on actual receipt by the Bank, shall be irrevocable, shall specify the amount to be prepaid and shall oblige the Borrowers to make such prepayment on the date specified.
- 4.7.2 Any amounts prepaid pursuant to clause 4.2 shall be applied against the Loan in reducing the repayment instalments pro rata, excluding the Balloon Instalment.
- 4.7.3 Any amounts prepaid pursuant to clauses 4.3 and 4.5 shall be applied in accordance with those clauses.
- 4.7.4 The Borrowers may not prepay any part of the Loan except as expressly provided in this Agreement.
- 4.7.5 No amount prepaid may be reborrowed.

5 **FEES AND EXPENSES**

5.1 **Fees**

The Borrowers agree to pay to the Bank on the day of this Agreement a non-refundable arrangement fee in the amount of \$70,000.

5.2 **Expenses**

The Borrowers agree to reimburse the Bank on a full indemnity basis on demand for all expenses and/or disbursements whatsoever certified by the Bank as having been incurred by it from time to time and at any time:

5.2.1 in connection howsoever with the negotiation, preparation, execution and, where relevant, registration of the Security Documents and of any contemplated or actual amendment, indulgence or the granting of any waiver or consent howsoever in connection with any of the Security Documents; and

5.2.2 in contemplation or furtherance of, or otherwise howsoever in connection with, the exercise or enforcement of, or preservation of any rights, powers, remedies or discretion under any of the Security Documents or any amendment thereto or consideration of the Bank's rights thereunder or any action proposed or taken with interest at the rate referred to in clause 3.4 from the date on which such expenses and/or disbursements were incurred to the date of payment (as well after as before judgment).

5.3 **Value Added Tax**

All fees and expenses payable under to this clause 6 must be paid with value added tax or any similar tax (if any) properly chargeable thereon. Any value added tax chargeable in respect of any services supplied by the Bank under this Agreement must, on delivery of the value added tax invoice, be paid in addition to any sum agreed to be paid hereunder.

5.4 **Stamp and other duties**

The Borrowers must pay all stamp, documentary, registration or other like duties or taxes (including any duties or taxes payable by the Bank) imposed on or in connection with any of the MOA, the Bareboat Charters, the Management Agreements, the Security Documents or the Loan and agree to indemnify the Bank against any liability arising by reason of any delay or omission by either Borrower to pay such duties or taxes.

6 **PAYMENTS AND TAXES; ACCOUNTS AND CALCULATIONS**

6.1 **No set-off or counterclaim**

All payments to be made by the Borrowers under any of the Security Documents must be made in full, without any set-off or counterclaim whatsoever and, subject to clause 6.6, free and clear of any deductions or withholdings, in USD not later than 11 a.m. London time on the due date to the account of the Bank with CITIBANK N.A., New York, USA (account number 36251442; SWIFT address: CITIUS33XXX) or to such other account at such other bank in such place as the Bank may from time to time notify to the Borrowers.

6.2 **Payment by the Bank**

The proceeds of the Loan to be advanced by the Bank to the Borrowers under this Agreement must be remitted in USD on the Drawdown Date to the account or accounts specified in the Drawdown Notice.

6.3 **Non-Banking Days**

When any payment under any of the Security Documents would otherwise be due on a day which is not a Banking Day, the due date for payment shall be extended to the next following Banking Day unless such Banking Day falls in the next calendar month in which case payment shall be made on the immediately preceding Banking Day.

6.4 **Calculations**

All interest and other payments of an annual nature under any of the Security Documents shall accrue from day to day and be calculated on the basis of actual days elapsed and a 360 day year.

6.5 **Currency of account**

If any sum due from the Borrowers under any of the Security Documents, or under any order or judgment given or made in relation thereto or for any other reason whatsoever, must be converted from the currency (“the first currency”) in which the same is payable thereunder into another currency (“the second currency”) for the purpose of (i) making or filing a claim or proof against the Borrowers, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation thereto, the Borrowers undertake to indemnify and hold harmless the Bank from and against any loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (b) the rate or rates of exchange at which the Bank may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. Any amount due from the Borrowers under this clause 6.5 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of any of the Security Documents and the term “rate of exchange” includes any premium and costs of exchange payable in connection with the purchase of the first currency with the second currency.

6.6 **Grossing-up for Taxes**

If at any time the Borrowers must make any deduction or withholding in respect of Taxes from any payment due under any of the Security Documents, the sum due from the Borrowers in respect of such payment must then be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Bank receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding), a net sum equal to the sum which it would have received had no such deduction or withholding been made and the Borrowers agree to indemnify the Bank on demand against any losses or costs certified by the Bank to have been incurred by it by reason of any failure of the Borrowers to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. The Borrowers must promptly deliver to the Bank any receipts, certificates or other proof evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid.

6.7 **Loan account**

The Bank agrees to maintain a control account showing the Loan and other sums owing by the Borrowers under the Security Documents and all payments in respect thereof being made from time to time. The control account shall, in the absence of manifest error, be conclusive as to the amount from time to time owing by the Borrowers under the Security Documents.

6.8 **Bank may assume receipt**

Where any sum is to be paid under the Security Documents to the Bank, the Bank may assume that the payment will be made when due and the Bank may (but shall not be obliged to) make such sum available to the person so entitled. If it proves to be the case that such payment was not made to the Bank, then the person to whom such sum was so made available must on request refund such sum to the Bank together with interest thereon sufficient to compensate the Bank for the cost of making available such sum up to the date of such repayment and the person by whom such sum was payable must indemnify the Bank for any and all loss or expense which the Bank may sustain or incur as a consequence of such sum not having been paid on its due date.

6.9 **Partial payments**

If, on any date on which a payment is due to be made by the Borrowers under any of the Security Documents, the amount received by the Bank from the Borrowers falls short of the total amount of the payment due to be made by the Borrowers on such date then, without prejudice to any rights or remedies available to the Bank under any of the Security Documents, the Bank must apply the amount actually received from the Borrowers in or towards discharge of the obligations of the Borrowers under the Security Documents in the following order, notwithstanding any appropriation made, or purported to be made, by the Borrowers:

- 6.9.1 first, in or towards payment, on a pro-rata basis, of any unpaid costs and expenses of the Bank under any of the Security Documents;
- 6.9.2 secondly, in or towards payment of any fees payable to the Bank under, or in relation to, the Security Documents which remain unpaid;
- 6.9.3 thirdly, in or towards payment to the Bank of any accrued interest owing in respect of the Loan which shall have become due under any of the Security Documents but remains unpaid;
- 6.9.4 fourthly, in or towards payment to the Bank of any principal in respect of the Loan which shall have become due but remains unpaid;
- 6.9.5 fifthly, in or towards payment to the Bank for any loss suffered by reason of any such payment in respect of principal not being effected on an Interest Payment Date relating to the part of the Loan repaid and which amounts are so payable under this Agreement; and
- 6.9.6 sixthly in or towards payment to the relevant person of any other sum which shall have become due under any of the Security Documents but remains unpaid (and, if more than one such sum so remains unpaid, on a pro rata basis).

The order of application set out in clauses 6.9.1 to 6.9.6 may be varied by the Bank without any reference to, or consent or approval from, the Borrowers.

6.10 **FATCA**

- 6.10.1 Subject to Clause 6.10.3 below, each party shall, within ten (10) Banking Days of a reasonable request by another party:
- (a) confirm to that other party whether it is:
 - (i) a FATCA Exempt Party; or
 - (ii) not a FATCA Exempt Party; and
 - (b) supply to that other party such forms, documentation and other information relating to its status under FATCA (including its applicable passthru percentage or other information required under the Treasury Regulations or other official guidance including intergovernmental agreements) as that other party reasonably requests for the purposes of that other party's compliance with FATCA.
- 6.10.2 If a party confirms to another party pursuant to Clause 6.10.1(a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.
- 6.10.3 Clause 6.10.1(a) above shall not oblige the Bank to do anything which would or might in its reasonable opinion constitute a breach of:
- (a) any law or regulation;
 - (b) any policy of the Bank;
 - (c) any fiduciary duty; or
 - (d) any duty of confidentiality.
- 6.10.4 If a party fails to confirm its status or to supply forms, documentation or other information requested in accordance with Clause 6.10.1(a) above (including, for the avoidance of doubt, where Clause 6.10.3 above applies), then:
- (a) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of the Security Documents as if it is not a FATCA Exempt Party; and
 - (b) if that party failed to confirm its applicable passthru percentage then such party shall be treated for the purposes of the Security Documents (and payments made thereunder) as if its applicable passthru percentage is 100%,
- until (in each case) such time as the party in question provides the requested confirmation, forms, documentation or other information.
- 6.11 **Gross-up in the event of a FATCA Deduction – Borrowers**
- 6.11.1 If a Borrower is required to make a FATCA Deduction, that Borrower shall make that FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA;

- 6.11.2 If a FATCA Deduction is required to be made by a Borrower, the amount of the payment due from that Borrower shall be increased to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required;
- 6.11.3 Each Borrower shall promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of a FATCA Deduction) notify the Bank accordingly; and
- 6.11.4 Within thirty days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the relevant Borrower shall deliver to the Bank evidence satisfactory to the Bank that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

7 REPRESENTATIONS AND WARRANTIES

7.1 Continuing representations and warranties

The Borrowers represent and warrant to the Bank that:

7.1.1 Due incorporation

each of the Security Parties is duly incorporated and validly existing in good standing, under the laws of its respective country of incorporation, in each case, as a corporation and has power to carry on its respective businesses as it is now being conducted and to own their respective property and other assets to which it has unencumbered legal and beneficial title except as disclosed to the Bank in writing;

7.1.2 Corporate power

each of the Security Parties has power to execute, deliver and perform its obligations and, as the case may be, to exercise its rights under the Underlying Documents and the Security Documents to which it is a party; all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and on the execution of the Security Documents performance of the same and no limitation on the powers of the Borrowers to borrow or any other Security Party to howsoever incur liability and/or to provide or grant security will be exceeded as a result of borrowing any part of the Loan;

7.1.3 Binding obligations

the Underlying Documents and the Security Documents, when executed, will constitute valid and legally binding obligations of the relevant Security Parties enforceable in accordance with their respective terms;

7.1.4 No conflict with other obligations

the execution and delivery of, the performance of their obligations under, and compliance with the provisions of, the Underlying Documents and the Security Documents by the relevant Security Parties will not (i) contravene any existing applicable law, statute, rule or regulation or any judgment, decree or permit to which any Security Party is subject, (ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which any Security Party is a party or is subject or by which it or any of its property is bound, (iii) contravene or conflict with any provision of the constitutional documents of any Security Party or (iv) result in the creation or imposition of, or oblige any of the Security Parties to create, any Encumbrance (other than a Permitted Encumbrance) on any of the undertakings, assets, rights or revenues of any of the Security Parties;

- 7.1.5 No default
no Default has occurred;
- 7.1.6 No litigation or judgments
no Proceedings are current, pending or, to the knowledge of the officers of either Borrower, threatened against any of the Security Parties or their assets which could have a Material Adverse Effect and there exist no judgments, orders, injunctions which would materially affect the obligations of the Security Parties under the Security Documents, except as notified in the Corporate Guarantor's public filings;
- 7.1.7 No filings required
except for the registration of the Mortgages in the relevant register under the laws of the relevant Flag State through the relevant Registry, it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of any of the Underlying Documents or any of the Security Documents that they or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in any Pertinent Jurisdiction or that any stamp, registration or similar tax or charge be paid in any Pertinent Jurisdiction on or in relation to any of the Underlying Documents or the Security Documents and each of the Underlying Documents and the Security Documents is in proper form for its enforcement in the courts of each Pertinent Jurisdiction;
- 7.1.8 Required Authorisations and legal compliance
all Required Authorisations have been obtained or effected and are in full force and effect and no Security Party has in any way contravened any applicable law, statute, rule or regulation (including all such as relate to money laundering);
- 7.1.9 Choice of law
the choice of English law to govern the Underlying Documents and the Security Documents (other than the Mortgages and the Earnings Account Pledges), the choice of the law of the Flag State to govern the Mortgages, the choice of Greek law to govern the Earnings Account Pledges and the submissions by the Security Parties to the jurisdiction of the English courts and the obligations of such Security Parties associated therewith, are valid and binding;
- 7.1.10 No immunity
no Security Party nor any of their assets is entitled to immunity on the grounds of sovereignty or otherwise from any Proceedings whatsoever;
- 7.1.11 Financial statements correct and complete
the latest balance sheets and profit and loss accounts of the Corporate Guarantor in respect of the relevant financial year as delivered to the Bank present or will present fairly and accurately the financial position of the Corporate Guarantor for the financial year, ended on such date and, as at such date, the Corporate Guarantor had no significant liabilities (contingent or otherwise) or any unrealised or anticipated losses which are not disclosed by, or reserved against or provided for in, such financial statements;

7.1.12 Pari passu

the obligations of the Borrowers under this Agreement are direct, general and unconditional obligations of the Borrowers and rank at least pari passu with all other present and future unsecured and unsubordinated Indebtedness of the Borrowers except for obligations which are mandatorily preferred by operation of law and not by contract;

7.1.13 Information/ Material Adverse Effect

all information, whatsoever provided by any Security Party to the Bank in connection with the negotiation and preparation of the Security Documents or otherwise provided hereafter in relation to, or pursuant to this Agreement is, or will be, true and accurate in all material respects and not misleading, does or will not omit material facts and all reasonable enquiries have been, or shall have been, made to verify the facts and statements contained therein and there has not occurred any event which could have a Material Adverse Effect on any Security Party since such information was provided to the Bank; there are, or will be, no other facts the omission of which would make any fact or statement therein misleading;

7.1.14 No withholding Taxes

no Taxes anywhere are imposed whatsoever by withholding or otherwise on any payment to be made by any Security Party under the Underlying Documents or the Security Documents to which such Security Party is or is to be a party or are imposed on or by virtue of the execution or delivery by the Security Parties of the Underlying Documents or the Security Documents or any other document or instrument to be executed or delivered under any of the Security Documents;

7.1.15 Use of proceeds

the Borrowers shall apply the Loan only for the purposes specified in clause 2.1;

7.1.16 The Mortgaged Vessels

throughout the Facility Period, each Mortgaged Vessel will, following its Delivery Date, be :

- (a) in the absolute sole, legal and beneficial ownership of the relevant Borrower;
- (b) registered through the offices of the relevant Registry as a ship under the laws and flag of the relevant Flag State;
- (c) in compliance with the ISM Code and the ISPS Code and operationally seaworthy and in every way fit for service;
- (d) in good and sea-worthy and cargo-worthy condition; and
- (e) classed with the relevant Classification free of all outstanding requirements and recommendations of the relevant Classification Society which have not been complied with in accordance with their terms.

7.1.17 Sharing Earnings

except with the prior written consent of the Bank and subject to clause 4.8, there will not be any agreement or arrangement whereby the Earnings (as defined in the relevant Ship Security Documents) of either Mortgaged Vessel may be shared or pooled howsoever with any other person;

7.1.18 Freedom from Encumbrances

neither Mortgaged Vessel nor its Earnings, Insurances or Requisition Compensation (each as defined in the relevant Ship Security Documents) nor the Earnings Accounts nor any Extended Employment Contract in respect of the Mortgaged Vessel nor any other properties or rights which are, or are to be, the subject of any of the Security Documents nor any part thereof will be subject to any Encumbrance except Permitted Encumbrances;

7.1.19 Environmental Matters

except as may already have been disclosed by the Borrowers in writing to, and acknowledged and accepted in writing by, the Bank:

- (a) the Borrowers and, to the best of the Borrowers' knowledge and belief (having made due enquiry), their respective Environmental Affiliates, have complied with the provisions of all Environmental Laws;
- (b) the Borrowers and, to the best of the Borrowers' knowledge and belief (having made due enquiry), their respective Environmental Affiliates have obtained all Environmental Approvals and are in compliance with all such Environmental Approvals;
- (c) no Environmental Claim has been made or threatened or pending against either Borrower, or, to the best of the Borrowers' knowledge and belief (having made due enquiry), any of their respective Environmental Affiliates; and
- (d) there has been no Environmental Incident;

7.1.20 ISM and ISPS Code

each of the Borrowers has complied with and continues to comply with and has procured that the Manager has complied with and continues to comply with the ISM Code, the ISPS Code and all other statutory and other requirements relative to its business and in particular each Borrower or the Manager has obtained and maintains a valid DOC and SMC for each Mortgaged Vessel and that it and the Manager has implemented and continues to implement an ISM SMS;

7.1.21 Copies true and complete

The Certified Copies of the constitutional documents of the Security parties and the Certified Copies or originals of the Underlying Documents delivered or to be delivered to the Bank pursuant to clause 8.1 are, or will when delivered be, true and complete copies or, as the case may be, originals of such documents; and such documents constitute valid and binding obligations of the parties thereto enforceable in accordance with their respective terms and there have been no amendments or variations thereof or defaults thereunder;

- 7.1.22 Beneficiary of Loan
the Borrowers are the ultimate beneficiaries of the Loan;
- 7.1.23 Indebtedness
no Security Party has incurred any Indebtedness save under this Agreement and the Indenture or as otherwise disclosed to the Bank in writing or as disclosed in the Group's public filings;
- 7.1.24 Filings
each Borrower has filed all tax and other fiscal returns required to be filed by any tax authority to which it is subject;
- 7.1.25 Office
neither Borrower has an office in England;
- 7.1.26 Prohibited Persons, unlawful activity
- (a) to the best of their knowledge, none of the shares in either Borrower no in either Vessel are or will be at any time during the Facility Period legally and beneficially owned and controlled by a Prohibited Person;
 - (b) to the best of their knowledge, no Prohibited Person has or will have at any time during the Facility Period any legal or beneficial interest of any nature whatsoever in any of the shares of any of the Security Parties; and
 - (c) to the best of their knowledge, no title in any property or other assets subject to an Encumbrance created by a Security Document has been obtained in breach of any existing applicable law, statute, rule or regulation;
- 7.1.27 Insolvency
neither Borrower is unable or has admitted inability to pay its debts as they fall due, has suspended making payments on any of its debts or has announced an intention to do so, is or has become insolvent; or, save as disclosed to the Bank prior to the Execution Date, or has suffered the declaration of a moratorium in respect of any of its Indebtedness;
- 7.1.28 No business
neither Borrower has undertaken any business or employed any person or incurred any obligations in respect of any pension scheme, save in respect of the Master, officers and crew of the Vessel owned by it;
- 7.1.29 FATCA
none of the Security Parties is a FATCA FFI or a US Tax Obligor;
- 7.1.30 Manager
the Manager is fit and proper commercial and technical manager of the Vessels with the sufficient and fully trained personnel, experience and ability to perform its obligations in accordance with all applicable laws and regulations and in accordance with first class international ship management practice.

7.1.31 Indentures

The entry by the Borrowers into this Agreement, and their borrowing of the Loan hereunder, and the execution by the Corporate Guarantor of the Corporate Guarantee do not breach any provision of the Indenture.

7.1.32 Ownership of Borrowers

All the shares in the Borrowers are indirectly owned and controlled by the Corporate Guarantor.

7.2 Repetition of representations and warranties

At the end of each Interest Period throughout the Facility Period the Borrowers shall be deemed to repeat the representations and warranties in clause 7 updated mutatis mutandis as if made with reference to the facts and circumstances existing on such day.

8 UNDERTAKINGS

8.1 General

The Borrowers undertake with the Bank that, from the Execution Date until the end of the Facility Period, they will:

8.1.1 Notice of Default and Proceedings

promptly inform the Bank of (a) any Default and of any other circumstances or occurrence which might adversely affect the ability of any Security Party to perform its obligations under any of the Security Documents and (b) as soon as the same is instituted or threatened, details of any Proceedings involving any Security Party which could have a Material Adverse Effect on that Security Party and/or the operation of either of the Vessels (including, but not limited to any Total Loss of a Vessel or the occurrence of any Environmental Incident) and will from time to time, if so requested by the Bank, confirm to the Bank in writing that, save as otherwise stated in such confirmation, no Default has occurred and is continuing and no such Proceedings have been instituted;

8.1.2 Authorisation

obtain or cause to be obtained, maintain in full force and effect and comply fully with all Required Authorisations, provide the Bank with Certified Copies of the same and do, or cause to be done, all other acts and things which may from time to time be necessary or desirable under any applicable law (whether or not in the Pertinent Jurisdiction) for the continued due performance of all the obligations of the Security Parties under each of the Security Documents;

8.1.3 Corporate Existence/Ownership

ensure that each Security Party maintains its corporate existence as a body corporate duly organised and validly existing and in good standing under the laws of the Pertinent Jurisdiction and ensure that the owner of all shares, and control, of the Borrowers, directly or through other companies, is the Corporate Guarantor;

8.1.4 Use of proceeds

use the Loan exclusively for the purposes specified in clauses 1.1 and 2.1;

- 8.1.5 **Pari passu**
ensure that their obligations under this Agreement shall at all times rank at least pari passu with all their other present and future unsecured and unsubordinated Indebtedness with the exception of any obligations which are mandatorily preferred by law and not by contract;
- 8.1.6 **Financial statements**
provide to the Bank (or procure that is sent) as soon as possible, but in no event later than 180 days after the end of each of its financial year, annual audited (prepared in accordance with US GAAP by a firm of accountants acceptable to the Bank) consolidated balance sheet and profit and loss accounts of the Corporate Guarantor (commencing with the financial year ending 31 December 2016) certified as to their correctness by the Chief Financial Officer of the Corporate Guarantor;
- 8.1.7 **Reimbursement of MII & MAP Policy premiums**
whether or not any amount is borrowed under this Agreement, reimburse the Bank on the Bank's written demand the amount of the premium payable by the Bank for the inception or, as the case may be, extension and/or continuance of the MII & MAP Policy (including any insurance tax thereon);
- 8.1.8 **Provision of further information**
provide the Bank with, or procure that the Bank is provided with, such financial or other information concerning the Borrowers, the Corporate Guarantor and the Manager and their respective affairs and activities including, without limitation, their financial standing, commitments and operations as the Bank may reasonably request from time to time;
- 8.1.9 **Obligations under Security Documents**
duly and punctually perform each of the obligations expressed to be imposed or assumed by them under the Security Documents and Underlying Documents and will procure that each of the other Security Parties will, duly and punctually perform each of the obligations expressed to be assumed by it under the Security Documents and the Underlying Documents to which it is a party;
- 8.1.10 **Compliance with ISM Code**
comply with, and will procure that any Operator will comply with, and ensure that the Mortgaged Vessels and any Operator comply with the requirements of the ISM Code, including (but not limited to) the maintenance and renewal of valid certificates pursuant thereto throughout the Security Period (as defined in the Mortgages);
- 8.1.11 **Withdrawal of DOC and SMC**
immediately inform the Bank if there is any actual withdrawal of their or any Operator's DOC or the SMC of either Mortgaged Vessel;

- 8.1.12 Issuance of DOC and SMC
and will procure that any Operator will, promptly inform the Bank of the receipt by either Borrower or any Operator of notification that its application for a DOC or any application for an SMC for any Mortgaged Vessel has been refused;
- 8.1.13 ISPS Code Compliance
and will procure that the Manager or any Operator will:
- (a) maintain at all times a valid and current ISSC in respect of each Mortgaged Vessel;
 - (b) immediately notify the Bank in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC in respect of a Mortgaged Vessel; and
 - (c) procure that each Mortgaged Vessel will comply at all times with the ISPS Code;
- 8.1.14 Compliance with laws and payment of taxes
and will comply with all relevant Environmental Laws, laws, statutes and regulations (including, but not limited to, laws relating to any trading prohibition imposed by the Flag State, the country of incorporation of the Borrowers or the country of nationality of any crew member of either Vessel by which such Borrower is bound) and pay all taxes for which it is liable as they fall due;
- 8.1.15 Charters etc.
(i) deliver to the Bank a Certified Copy of each Extended Employment Contract upon its execution, (ii) forthwith on the Bank's request execute (a) a Charter Assignment in respect thereof and (b) any notice of assignment required in connection therewith and use reasonable efforts to procure the acknowledgement of any such notice of assignment by the relevant charterer (provided that any failure to procure the same shall not constitute an Event of Default) and (iii) pay all legal and other costs incurred by the Bank in connection with any such Charter Assignments, forthwith following the Bank's demand;
- 8.1.16 Indebtedness
not incur any Indebtedness other than (i) in the ordinary course of trading the Vessel of which it is the owner or (ii) with the prior written consent of the Bank;
- 8.1.17 Trading
not permit either Vessel to trade in any area prohibited by the government of the Flag State;
- 8.1.18 Delivery
pay to each Seller all amounts payable on delivery of each Vessel in accordance with the MOA and take, or as the case may be, ensure that the relevant Borrower, takes delivery of the relevant Vessel;
- 8.1.19 Subordination
ensure that all Indebtedness of either Borrower to its shareholders is fully subordinated, all in a form acceptable to the Bank;
and

8.1.20 Sanctions

ensure that neither Vessel will be employed, and will not suffer either Vessel to be employed, and will not and will ensure that no Group Member does, conduct or undertake any business:

- (a) in breach of any embargo or sanction or prohibited order (or any similar order or directive) of:
 - (i) the United Nations Security Council;
 - (ii) the European Union;
 - (iii) the United Kingdom;
 - (iv) the United States of America;
 - (v) the Flag State;
 - (vi) the Marshall Islands; or
 - (vii) any state of which any officer or crew member of a Vessel is a national as they apply to their members or nationals; or
- (b) in any trade, carriage of goods or business which is forbidden by the laws of the United Kingdom or the United States of America as they apply to their members or nationals, or any law applicable to a Borrower, any Operator of a Vessel, any charterer of a Vessel or any country which a Vessel may visit; or
- (c) in carrying illicit or prohibited goods; or
- (d) in a way which may make it liable to be condemned by a prize court or destroyed, seized or confiscated; or
- (e) to the knowledge of the Borrowers, by or for the benefit of a Prohibited Person.

8.1.21 Dividends

(i) The Borrowers may and (ii) the Corporate Guarantor may, in accordance with the terms of the Indenture, each declare or pay dividends or distribute any of their present or future assets, undertakings, rights or revenues so long as no Event of Default shall have occurred, or shall occur as a result of such declaration and/or payment and/or distribution.

8.1.22 Delivery of reports

deliver to the Bank upon request as many Certified Copies as the Bank may reasonably require of every report, circular, notice or like document issued by any Security Party to its shareholders or creditors generally;

8.1.23 Vessel information

provide the Bank promptly on request with all such information as it may from time to time require in relation to each Vessel, her Insurances (as defined in, and in accordance with the requirements of, the Ship Security Documents), her employment, position and engagements, particulars of all towages and salvages, and copies of all charters and other contracts for her employment, or otherwise howsoever concerning her, as well as copies of all original class records held by the Classification Society in relation to each Vessel, all reports of port state control inspections of each Vessel and information on the financial and operating performance of each Vessel in such form as the Bank may approve or require and all such information as it may from time to time require to determine the Valuation Amount of each Vessel in accordance with clause 8.2.2;

8.1.24 Segregation and separate identity

the Borrowers will keep separate corporate books and records, maintain separate bank accounts, conduct business in its own name, at all times observe all corporate and other formalities required by its constitutional documents, hold itself out as a separate entity and correct any known misunderstanding regarding its separate identity;

8.1.25 Indenture

comply with all of the obligations undertaken by the Corporate Guarantor under the Indenture and shall procure that the Corporate Guarantor also complies with all of its obligations under the Indenture including, without limitation, with any limitations on indebtedness, restricted payments, dividends, related party transactions and liens, and the Borrowers further agree and shall procure that the Corporate Guarantor also agree that:

- (a) any terms defined in the Indenture shall have those meanings when used in the Indenture Excerpt;
- (b) no waiver or variation of any term of the Indenture by any person shall waive or vary the Borrowers' and the Corporate Guarantor's obligations hereunder to comply with the obligations in the Indenture, except with the consent of the Bank; and
- (c) the Borrowers will not, and will procure that the Corporate Guarantor will not, vary any material term of the Indenture (including, without limitation those referred to above) without the prior written consent of the Bank, which shall not be unreasonably withheld, however this will not affect its right of partial or full prepayment of the Indenture.

Notwithstanding anything in this Agreement any terms, transactions or events permitted by the Indenture Excerpt and save as otherwise expressly provided in this Agreement, any other terms or transactions or events permitted by the Indenture, shall be deemed to be permitted by this Agreement;

8.1.26 Corporate Guarantor's restrictions

procure that in the event that the Corporate Guarantor is required, in relation to its existing or new indebtedness, to comply with any covenants which impose new or higher restrictions, then such covenants shall also be provided in the Bank's favour; and

8.1.27 Minimum liquidity

retain the Minimum Liquidity Amount pledged in the Earnings Accounts.

8.2 **Security value maintenance**

8.2.1 Security shortfall

If, at any time the Security Value shall be less than the Required Security Amount, the Bank shall give notice to the Borrowers requiring that such deficiency be remedied and then the Borrowers must either:

- (a) prepay within a period of thirty (30) days of the date of receipt by the Borrowers of the Bank's said notice such part of the Loan as will result in the Security Value after such prepayment (taking into account any other repayment of the Loan made between the date of the notice and the date of such prepayment) being equal to or higher than the Required Security Amount; or
- (b) within thirty (30) days of the date of receipt by the Borrowers of the Bank's said notice either constitute to the satisfaction of the Bank such further security for the Loan as shall be acceptable to the Bank in its discretion having a value for security purposes at the date upon which such further security shall be constituted which, when added to the Security Value, shall not be less than the Required Security Amount as at such date.

The provisions of clauses 4.6 (*Amounts payable on prepayment*) and 4.7 (*Notice of prepayment; reduction of repayment instalments*) shall apply to prepayments under clause 8.2.1(a) provided that the Bank shall apply such prepayments in reduction of the repayment instalments under clause 4.1 (*Repayment*) pro rata and the amounts of the Loan prepaid hereunder shall not be available to be re-borrowed.

8.2.2 Valuation of Mortgaged Vessels

Each Vessel shall, for the purposes of this Agreement, be valued in USD by taking the valuation prepared by an Approved Broker appointed by the Borrowers, such valuation to be made without physical inspection, and on the basis of a sale for prompt delivery for cash at arms' length, on normal commercial terms, as between a willing buyer and a willing seller without taking into account the benefit or burden of any charterparty or other engagement concerning the relevant Vessel and shall be no older than 30 days as at any relevant date. Valuations shall be obtained:

- (a) annually; and
- (b) (in addition to (a) above) at any other time as the Bank shall require (in its reasonable discretion).

The Approved Broker's valuations for each Vessel on each such occasion shall constitute the Valuation Amount of that Vessel for the purposes of this Agreement until superceded by the next such valuation.

8.2.3 Information

The Borrowers undertake with the Bank to supply to the Bank and to the Approved Broker such information concerning the relevant Mortgaged Vessel and its condition as such shipbrokers may require for the purpose of determining any Valuation Amount.

8.2.4 Costs

All costs in connection with the obtaining and any determining of any Valuation Amount pursuant to Clause 8.2.2 must be paid by the Borrowers.

8.3 **Negative undertakings**

The Borrowers jointly and severally undertake with the Bank that, from the Execution Date until the end of the Facility Period, they will not, without the prior written consent of the Bank:

8.3.1 Negative pledge

permit any Encumbrance (other than a Permitted Encumbrance) to subsist, arise or be created or extended over all or any part of their respective present or future undertakings, assets, rights or revenues to secure or prefer any present or future Indebtedness or other liability or obligation of any Group Member or any other person;

8.3.2 No merger or transfer

merge or consolidate with any other person or permit any change to the legal or beneficial ownership of their shares from that existing at the Execution Date;

8.3.3 Disposals

sell, transfer, assign, create security or option over, pledge, pool, abandon, lend or otherwise dispose of or cease to exercise direct control over any part of their present or future undertaking, assets, rights or revenues (otherwise than by transfers, sales or disposals for full consideration in the ordinary course of trading) whether by one or a series of transactions related or not;

8.3.4 Other business or Manager

undertake any business other than the ownership and operation of the Vessels or employ anyone other than the Manager as commercial and technical manager of the Vessels and further undertakes to procure that upon expiration of a Bareboat Charter, a new Manager becomes the commercial and technical manager of the relevant Vessel upon such terms and conditions acceptable to the Bank and subject to such documentation required by the Bank pursuant to Schedule 2 Part C;

8.3.5 Acquisitions

acquire any further assets other than the Vessels and rights arising under contracts entered into by or on behalf of the Borrowers in the ordinary course of their businesses of owning, operating and chartering the Vessels;

8.3.6 Other obligations

incur any obligations (to any Group Member or otherwise) except for obligations arising under the Underlying Documents or the Security Documents or contracts entered into (or in the case of any obligation to any Group Member, reasonably entered into) in the ordinary course of its business of owning, operating and chartering the Vessels (and for the purposes of this Agreement any obligations incurred under the Management Agreements and the Bareboat Charters are deemed to have been reasonably incurred in the ordinary course of business);

- 8.3.7 No borrowing
incur any Borrowed Money except for Borrowed Money pursuant to the Security Documents or as otherwise disclosed in writing by the Borrower to the Bank on or prior to the date of this Agreement;
- 8.3.8 Repayment of borrowings
repay or prepay the principal of, or pay interest on or any other sum in connection with any of its Borrowed Money except for Borrowed Money pursuant to the Security Documents or as otherwise disclosed in writing by the Borrower to the Bank on or prior to the date of this Agreement;
- 8.3.9 Guarantees
issue any guarantees or otherwise become directly or contingently liable, or give security or quasi security for the obligations of any person, firm, or corporation except pursuant to the Security Documents and except for (i) guarantees from time to time required in the ordinary course of business and/or by any protection and indemnity or war risks association with which a Vessel is entered, guarantees required to procure the release of a Vessel from any arrest, detention, attachment or levy or guarantees required for the salvage of a Vessel, (ii) any guarantees issued under the Indenture and (iii) such other guarantees to which the Bank shall have consented in writing;
- 8.3.10 Loans
make any loans or grant any credit (save for normal trade credit in the ordinary course of business) to any person or agree to do so;
- 8.3.11 Sureties
permit any Indebtedness of either Borrower to any person (other than the Bank pursuant to the Security Documents) to be guaranteed by any person (except for guarantees from time to time required in the ordinary course of business and in the ordinary course by any protection and indemnity or war risks association with which a Vessel is entered, guarantees required to procure the release of such Vessel from any arrest, detention, attachment or levy or guarantees or undertakings required for the salvage of a Vessel); or
- 8.3.12 Subsidiaries
form or acquire any Subsidiaries
- 8.3.13 Change of name, Manager, flag or class
change the name, Manager, flag, Classification or Classification Society of either Vessel;
- 8.3.14 Charters
without the prior written consent of the Bank (which consent may not, in respect of (ii) below, be unreasonably withheld) and then, if such consent is given, only subject to such conditions as the Bank may impose, let or agree to let either Vessel:
- (i) on demise charter for any period; or

- (ii) by any time or consecutive voyage charter for a term which exceeds or which by virtue of any optional extensions therein contained may exceed twelve (12) months' duration; or
- (iii) on terms whereby more than two (2) months' hire (or the equivalent) is payable in advance; or
- (iv) below a fair and reasonable arms-length rate obtainable at the time when the relevant Vessel is fixed;

8.3.15 Nuclear waste

permit either Vessel to carry nuclear waste or radioactive material;

8.3.16 MOA

make any material change to the MOA;

8.3.17 Prohibited Persons

and shall use reasonable endeavours to procure that no Group Member will, have any course of dealings, directly or indirectly, with any Prohibited Person;

8.3.18 Change in constitutional documents

amend or vary its constitutional documents;

8.3.19 Employees

employ any person except the Master, officers and crew of the Vessel owned by it;

8.3.20 FATCA:

become a FATCA FFI or a US Tax Obligor and shall procure that no Security Party shall do so.

9 CONDITIONS

9.1 Documents and evidence

The Bank's obligation to make available the Loan is subject to the following conditions precedent:

- 9.1.1 that, on or before the service of the Drawdown Notice hereunder, the Bank has received the documents described in Part A of Schedule 2 in form and substance satisfactory to the Bank and its lawyers;
- 9.1.2 that, on or before the Drawdown Date the Bank has received the documents described in Part B of Schedule 2 in form and substance satisfactory to the Bank and its lawyers; and
- 9.1.3 the representations and warranties contained in clause 4 of the Corporate Guarantee being then true and correct as if each was made with respect to the facts and circumstances existing at such time

9.1.4 no Default having occurred and being continuing and there being no Default which would result from the making of the Loan.

9.2 **Waiver of conditions precedent**

The conditions specified in this clause 9 are inserted solely for the benefit of the Bank and may be waived by the Bank in whole or in part and with or without conditions.

9.3 **Further conditions precedent**

Not later than five (5) Banking Days prior to a Drawdown Date and not later than five (5) Banking Days prior to each Interest Payment Date, the Bank may reasonably request and the Borrowers must, not later than two (2) Banking Days prior to such date, deliver to the Bank (at the Borrowers' expense) on such request further favourable certificates and/or opinions as to any or all of the matters which are the subject of clauses 7, 8, 9 and 10 of this Agreement and clauses 4 and 5 of the Corporate Guarantee.

9.4 **English language**

All documents required to be delivered under and/or supplied in connection with any of the Security Documents must either be in the English language or accompanied by an English translation certified by a notary, lawyer or consulate acceptable to the Bank.

10 **EVENTS OF DEFAULT**

10.1 **Events**

Each of the following events shall constitute an Event of Default (whether such event shall occur voluntarily or involuntarily or by operation of law or regulation or in connection with any judgment, decree or order of any court or other authority or otherwise, howsoever):

- 10.1.1 **Non-payment:** any Security Party fails to pay any sum payable by it under any of the Security Documents at the time, in the currency and in the manner stipulated in the Security Documents or the Underlying Documents (and so that, for this purpose, sums payable (i) under clauses 3.1 and 4.1 shall be treated as having been paid at the stipulated time if (aa) received by the Bank within two (2) days of the dates therein referred to and (bb) such delay in receipt is caused by administrative or other delays or errors within the banking system and (ii) on demand shall be treated as having been paid at the stipulated time if paid within five (5) Banking Days of demand); or
- 10.1.2 **Breach of Insurance and certain other obligations:** a Borrower or, as the context may require, the Manager or any other person fails to obtain and/or maintain the Insurances (as defined in, and in accordance with the requirements of, the Ship Security Documents) for any of the Mortgaged Vessels or if any insurer in respect of such Insurances cancels the Insurances or disclaims liability by reason, in either case, of mis-statement in any proposal for the Insurances or for any other failure or default on the part of the Borrower or any other person or the Borrower commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by them under clause 8; or
- 10.1.3 **Breach of other obligations:** any Security Party commits any breach of or omits to observe any of its obligations or undertakings expressed to be assumed by it under any of the Security Documents (other than those referred to in clauses 10.1.1 and 10.1.2 above) unless such breach or omission, in the reasonable opinion of the Bank is capable of remedy, in which case the same shall constitute an Event of Default if it has not been remedied within fifteen (15) days of the occurrence thereof; or

- 10.1.4 **Misrepresentation:** any representation or warranty made or deemed to be made or repeated by or in respect of any Security Party in or pursuant to any of the Security Documents or in any notice, certificate or statement referred to in or delivered under any of the Security Documents is or proves to have been incorrect or misleading in any material respect unless such misrepresentation is remedied within five (5) days of the Bank giving written notice to the Borrowers or the Borrowers becoming aware of the occurrence thereof; or
- 10.1.5 **Cross-default:** any Indebtedness of any Security Party in an amount exceeding USD3,000,000 or USD15,000,000 in case of the Corporate Guarantor is not paid when due (subject to applicable grace periods and provided that if the Security Party has made a formal bona fide written request for a waiver in respect of a due amount to any commercial bank and has notified the Bank accordingly, then no Event of Default under this clause shall be deemed to have occurred until the earlier of (i) the date on which the relevant commercial bank informs the Security Party it will no longer grant a waiver or that it reserves its rights and (ii) the date falling fifteen (15) days after that due date for payment if no waiver has been granted by the relevant commercial bank) or any Indebtedness of any Security Party becomes (whether by declaration or automatically in accordance with the relevant agreement or instrument constituting the same) due and payable prior to the date when it would otherwise have become due (unless as a result of the exercise by the relevant Security Party of a voluntary right of prepayment), or any creditor of any Security Party becomes entitled to declare any such Indebtedness due and payable or any facility or commitment available to any Security Party relating to Indebtedness is withdrawn, suspended or cancelled by reason of any default (however described) of the person concerned (unless the relevant creditor has granted to the Security Party a waiver in respect thereof and the Security Party has notified the Bank accordingly); or
- 10.1.6 **Execution:** any uninsured judgment or order made against any Security Party is not stayed, appealed against or complied with within fifteen (15) days or a creditor attaches or takes possession of, or a distress, execution, sequestration or other process is levied or enforced upon or sued out against, any of the undertakings, assets, rights or revenues of any Security Party and is not discharged within thirty (30) days; or
- 10.1.7 **Insolvency:** any Security Party is unable or admits inability to pay its debts as they fall due; suspends making payments on any of its debts or announces an intention to do so other than in respect of any debt withheld in accordance with the terms of any agreement governing such debt; becomes insolvent; or suffers the declaration of a moratorium in respect of any of its Indebtedness, Provided that in all cases, if the relevant Security Party has made a formal bona fide written request to a creditor to suspend payment of a debt or requested a creditor to write off a debt and has notified the Bank accordingly, no Event of Default under this clause shall be deemed to have occurred until the earlier of (i) the date on which the relevant creditor informs the relevant Security Party it will not agree to suspend payment of the debt or write it off (as applicable) and (ii) the date falling fifteen (15) days after the relevant due date and no Event of Default under this clause shall be deemed to have occurred at all if (i) a relevant creditor informs the relevant Security Party it will agree to suspend payment of the debt or write it off (as applicable) or (ii) the relevant Security Party makes payment of the relevant debt, in each case before the date falling fifteen (15) days after the relevant due date; or
- 10.1.8 **Reduction or loss of capital:** a meeting is convened by any Security Party (other than the Corporate Guarantor or the Manager) without the Bank's prior written consent, for the purpose of passing any resolution to purchase, reduce or redeem any of its share capital without the Bank's prior written consent; or

- 10.1.9 **Dissolution:** any corporate action, Proceedings or other steps are taken to dissolve or wind-up any Security Party or an order is made or resolution passed for the dissolution or winding up of any Security Party; or
- 10.1.10 **Administration:** any petition is presented, notice given or other steps are taken anywhere to appoint an administrator of any Security Party or an administration order is made in relation to any Security Party; or
- 10.1.11 **Appointment of receivers and managers:** any administrative or other receiver is appointed anywhere of any Security Party or any part of its assets and/or undertaking or any other steps are taken to enforce any Encumbrance over all or any part of the assets of any Security Party; or
- 10.1.12 **Compositions:** any corporate action, legal proceedings or other procedures or steps are taken, by any Security Party or by any of its creditors with a view to the general readjustment or rescheduling of all or substantially all of its Indebtedness or to proposing any kind of composition, compromise or arrangement involving such company and any of its creditors; or
- 10.1.13 **Analogous proceedings:** there occurs, in relation to any Security Party, in any country or territory in which any of them carries on business or to the jurisdiction of whose courts any part of their assets is subject, any event which, in the reasonable opinion of the Bank, appears in that country or territory to correspond with, or have an effect equivalent or similar to, any of those mentioned in clauses 10.1.6 to 10.1.12 (inclusive) or any Security Party otherwise becomes subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation; or
- 10.1.14 **Cessation of business:** any Security Party suspends or ceases or threatens to suspend or cease to carry on its business without the prior written consent of the Bank, such consent not to be unreasonably withheld; or
- 10.1.15 **Seizure:** all or a material part of the undertaking, assets, rights or revenues of, or shares or other ownership interests in, any Security Party are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any Government Entity; or
- 10.1.16 **Invalidity:** any of the Security Documents, other than as a result of any act or omission by the Bank, and the Underlying Documents shall at any time and for any reason become invalid or unenforceable or otherwise cease to remain in full force and effect, or if the validity or enforceability of any of the Security Documents and the Underlying Documents shall at any time and for any reason be contested by any Security Party which is a party thereto, or if any such Security Party shall deny that it has any, or any further, liability thereunder; or
- 10.1.17 **Unlawfulness:** any Unlawfulness occurs or it becomes impossible or unlawful at any time for any Security Party, to fulfil any of the covenants and obligations expressed to be assumed by it in any of the Security Documents or for the Bank to exercise the rights or any of them vested in it under any of the Security Documents or otherwise; or
- 10.1.18 **Repudiation:** any Security Party repudiates any of the Security Documents or does or causes or permits to be done any act or thing evidencing an intention to repudiate any of the Security Documents; or

- 10.1.19 **Encumbrances enforceable:** any Encumbrance (other than Permitted Liens) in respect of any of the property (or part thereof) which is the subject of any of the Security Documents becomes enforceable; or
- 10.1.20 **Arrest:** a Mortgaged Vessel is arrested, confiscated, seized, taken in execution, impounded, forfeited, detained in exercise or purported exercise of any possessory lien or other claim or otherwise taken from the possession of the relevant Borrower and that relevant Borrower shall fail to procure the release of such Mortgaged Vessel within a period of fifteen (15) days thereafter (this clause does not include capture of a Vessel by pirates for up to 12 months (but does apply if such capture exceeds 12 months) if relevant underwriters confirm in writing (in customary terms) within ninety (90) day of capture, that such capture will be covered by the relevant Borrower's war risks insurance); or
- 10.1.21 **Registration:** the registration of a Mortgaged Vessel under the laws and flag of the relevant Flag State is cancelled or terminated without the prior written consent of the Bank; or
- 10.1.22 **Unrest:** the Flag State of a Vessel or the country in which any Security Party is incorporated or domiciled becomes involved in hostilities or civil war or there is a seizure of power in the Flag State by unconstitutional means unless the relevant Borrower, as owner of the relevant Vessel registered in such Flag State shall have transferred its Vessel onto a new flag acceptable to the Banks within sixty (60) days of the start of such hostilities or civil war or seizure of power; or
- 10.1.23 **Environmental Incidents:** an Environmental Incident occurs which gives rise, or may give rise, to an Environmental Claim which could, in the reasonable opinion of the Bank be expected to have a Material Adverse Effect; or
- 10.1.24 **P&I:** a Borrower or the Manager or any other person fails or omits to comply with any requirements of the protection and indemnity association or other insurer with which a Mortgaged Vessel is entered for insurance or insured against protection and indemnity risks (including oil pollution risks) to the effect that any cover (including, without limitation, any cover in respect of liability for Environmental Claims arising in jurisdictions where such Mortgaged Vessel operates or trades) is liable to cancellation, qualification or exclusion at any time; or
- 10.1.25 **Material events:** any other event occurs or circumstance arises which, in the reasonable opinion of the Bank, is reasonable likely to give rise to a Materially Adverse Effect; or
- 10.1.26 **Required Authorisations:** any Required Authorisation is revoked or withheld or modified or is otherwise not granted or fails to remain in full force and effect or if any exchange control or other law or regulation shall exist which would make any transaction under the Security Documents or the continuation thereof, unlawful or would prevent the performance by any Security Party of any term of any of the Security Documents;
- 10.1.27 **Ownership/management:** there is any change in the direct or indirect ownership or beneficial ownership of either Borrower or either Vessel (from that disclosed pursuant to paragraph (g) of Schedule 2, Part A) or change of Manager of either Vessel without the prior written consent of the Bank;
- 10.1.28 **Money Laundering:** any Security Party is in breach of or fails to observe any law, requirement, measure or procedure implemented to combat "money laundering" as defined in Article 1 of the Directive (91/308 EEC) of the Council of the European Communities; or

10.2 **Acceleration**

The Bank may, without prejudice to any other rights of the Bank, at any time after the happening of an Event of Default so long as the same is continuing by notice to the Borrowers declare that:

- 10.2.1 the obligation of the Bank to make the Commitment available shall be terminated, whereupon the Commitment shall immediately be cancelled; and/or
- 10.2.2 the Loan and all interest and commitment commission accrued and all other sums payable whensoever under the Security Documents have become due and payable, whereupon the same shall, immediately or in otherwise accordance with the terms of such notice, become due and payable.

10.3 **Demand basis**

If, under clause 10.2.2, the Bank has declared the Loan to be due and payable on demand, at any time thereafter the Bank may by further notice to the Borrowers demand repayment of the Loan on such date as may be specified whereupon the Loan shall become due and payable accordingly with all interest and commitment commission accrued and all other sums payable under this Agreement.

11 **INDEMNITIES**

11.1 **General indemnity**

Each Borrower agrees to indemnify the Bank on demand, without prejudice to any of the Bank's other rights under any of the Security Documents, against any loss (including loss of Margin) or expense (including, without limitation, any Break Costs) which the Bank shall certify as sustained at any time by it in connection with this Agreement.

11.2 **Environmental indemnity**

The Borrowers shall indemnify the Bank on demand and hold it harmless from and against all costs, claims, expenses, payments, charges, losses, demands, liabilities, actions, Proceedings, penalties, fines, damages, judgements, orders, sanctions or other outgoings of whatever nature which may be incurred or made or asserted whensoever against the Bank at any time, whether before or after the repayment in full of principal and interest under this Agreement, arising howsoever out of an Environmental Claim made or asserted against the Bank which would not have been, or been capable of being, made or asserted against the Bank had it not entered into any of the Security Documents or been involved in any of the resulting or associated transactions.

11.3 **Capital adequacy and reserve requirements indemnity**

The Borrowers shall promptly indemnify the Bank on demand against any cost incurred or loss suffered by the Bank as a result of its complying with (i) the minimum reserve requirements from time to time of the European Central Bank (ii) any capital adequacy directive of the European Union and/or (iii) any revised framework for international convergence of capital measurements and capital standards and/or any regulation imposed by any Government Entity in connection therewith, and/or in connection with maintaining required reserves with a relevant national central bank to the extent that such compliance or maintenance relates to the Commitment or deposits obtained by it to fund the whole or part thereof and to the extent such cost or loss is not recoverable by the Bank under clause 11.2..

12 UNLAWFULNESS AND INCREASED COSTS MITIGATION

12.1 Unlawfulness

Regardless of any other provision of this Agreement, in the event that the Bank notifies the Borrowers that by reason of:

- (a) the introduction of or any change in any applicable law or regulation or any change in the interpretation or application thereof; or
- (b) compliance by the Bank with any directive, request or requirement (whether or not having the force of law) of any central bank or Government Entity

it becomes unlawful or it is prohibited by or contrary to such directive request or requirement for the Bank to maintain or give effect to any of its obligations in connection howsoever with this Agreement then (i) the Commitment shall be reduced to zero and (ii) the Borrowers shall be obliged to prepay the Loan either immediately or on a future date (specified in the Bank's notice) not being earlier than the latest date permitted by the relevant law, regulation, directive, request or requirement with interest and commitment commission accrued to the date of prepayment and all other sums payable whensoever by the Borrowers under this Agreement.

12.2 Increased costs

If the Bank certifies to the Borrowers that at any time the effect of any applicable law, regulation or regulatory requirements or the interpretation or application thereof or any change therein (including the imposition upon whomsoever of Taxes on payments hereunder or otherwise howsoever in connection with this Agreement other than taxes on the overall net income of the Bank) or the effect of complying with any applicable directive, request or requirement (whether or not having the force of law) of any central bank or Government Entity (including, but not limited to, the "International Convergence of Capital Standards, a Revised Framework" published by the Basle Committee on Banking Supervision in June 2004 as implemented in the EU by the Capital Requirements Directive (2006/48/EC and 2006/49/EC) and including any kind of liquidity, stock or capital adequacy controls or other banking or monetary controls or requirements which affect the manner in which the Bank or its holding company allocates capital resources to the Bank's obligations hereunder) is to:

- 12.2.1 subject the Bank to Taxes or change the basis of Taxation of the Bank relating to any payment under any of the Security Documents (other than Taxes or Taxation on the overall net income of the Bank imposed in the jurisdiction in which its principal or lending office under this Agreement is located); and/or
- 12.2.2 increase the cost to, or impose an additional cost on, the Bank or its holding company in making or keeping the Commitment available or maintaining or funding all or part of the Loan; and/or
- 12.2.3 reduce the amount payable or the effective return to the Bank under any of the Security Documents; and/or

- 12.2.4 reduce the Bank's or its holding company's rate of return on its overall capital by reason of a change in the manner in which it is required to allocate capital resources to the Bank's obligations under any of the Security Documents; and/or
- 12.2.5 require the Bank or its holding company to make a payment or forgo a return on or calculated by reference to any amount received or receivable by the Bank under any of the Security Documents; and/or
- 12.2.6 require the Bank or its holding company to incur or sustain a loss (including a loss of future potential profits) by reason of being obliged to deduct all or part of the Commitment or the Loan from its capital for regulatory purposes, then and in each such case (subject to clause 12.3) the Borrowers must on demand either:
 - (a) pay to the Bank the amount which the Bank certifies (in a certificate setting forth the basis of the computation of such amount but not including any matters which the Bank or its holding company regards as confidential) is required to compensate the Bank and/or (as the case may be) its holding company for such liability to Taxes, cost, reduction, payment, forgone return or loss; or
 - (b) prepay the Loan, in respect of which prepayment the terms of clause 4.5 shall apply.

For the purposes of this clause 12.2 and clause 12.4 "**holding company**" means the company or entity (if any) within the consolidated supervision of which the Bank is included.

12.3 **Exception**

Nothing in clause 12.2 shall entitle the Bank to receive any amount relating to compensation for any such liability to Taxes, increased or additional cost, reduction, payment, foregone return or loss to the extent that the same is the subject of an additional payment under clause 6.6.

13 **SECURITY, SET-OFF AND MISCELLANEOUS**

13.1 **Application of moneys**

All moneys received by the Bank under or pursuant to any of the Security Documents and expressed to be applicable in accordance with the provisions of this clause 13.1 shall be applied by the Bank as follows:

- 13.1.1 first in or toward payment of all unpaid fees, commissions, sums which have been demanded by way of indemnity and expenses which may be owing to the Bank under any of the Security Documents;
- 13.1.2 secondly in or towards payment of any arrears of interest owing in respect of the Loan or any part thereof;
- 13.1.3 thirdly in or towards repayment of the Loan (whether the same is due and payable or not);
- 13.1.4 fourthly in or towards payment to the Bank for any loss which the Bank certifies it has suffered by reason of any such payment in respect of principal not being effected on an Interest Payment Date relating to the part of the Loan repaid;

- 13.1.5 fifthly in or towards payment to the Bank of any other sums which the Bank certifies are owing to it under any of the Security Documents; and
- 13.1.6 sixthly the surplus (if any) shall be paid to the Borrowers or to whomsoever else may appear to the Bank to be entitled to receive such surplus.

The order of application set out in clauses 13.1.1 to 13.1.6 may be varied by the Bank without any reference to, or consent or approval from, the Borrowers upon the occurrence of an Event of Default.

13.2 **Set-off**

- 13.2.1 Each Borrower authorises the Bank (without prejudice to any of the Bank's rights at law, in equity or otherwise), at any time and without notice to the Borrowers, to apply any credit balance to which either Borrower is then entitled standing upon any account of the Borrowers or either of them with any branch of the Bank in or towards satisfaction of any sum due and payable from the Borrowers to the Bank under any of the Security Documents. For this purpose, the Bank is authorised to purchase with the moneys standing to the credit of such account such other currencies as may be necessary to effect such application.
- 13.2.2 The Bank shall not be obliged to exercise any right given to it by this clause 13.2. The Bank shall notify the Borrowers prior to or upon the exercise or purported exercise of any right of set-off.
- 13.2.3 Nothing in this clause 13.2 shall be effective to create a charge or other security interest.

13.3 **Further assurance**

The Borrowers undertake with the Bank to ensure that, throughout the Facility Period, the Security Documents shall be valid and binding obligations of the respective parties thereto and rights of the Bank enforceable in accordance with their respective terms and that they will, at their expense, execute, sign, perfect and do, and will procure the execution, signing, perfecting and doing by each of the other Security Parties of, any and every such further assurance, document, act or thing as in the reasonable opinion of the Bank may be necessary or desirable for perfecting the security contemplated or constituted by the Security Documents.

13.4 **Conflicts**

In the event of any conflict between this Agreement and any of the other Security Documents, the provisions of this Agreement shall prevail.

13.5 **No implied waivers, remedies cumulative**

No failure or delay on the part of the Bank to exercise any power, right or remedy under any of the Security Documents shall operate as a waiver thereof, nor shall any single or partial exercise by the Bank of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in the Security Documents are cumulative and are not exclusive of any remedies provided by law. No waiver by the Bank shall be effective unless it is in writing.

13.6 **Severability**

If any provision of this Agreement is prohibited, invalid, illegal or unenforceable in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect or impair howsoever the remaining provisions thereof or affect the validity, legality or enforceability of such provision in any other jurisdiction.

13.7 **Force Majeure**

Regardless of any other provision of this Agreement the Bank shall not be liable for any failure to perform the whole or any part of this Agreement resulting directly or indirectly from (i) the action or inaction or purported action of any governmental or local authority (ii) any strike, lockout, boycott or blockade (including any strike, lockout, boycott or blockade effected by or upon the Bank or any of its representatives or employees) (iii) any act of God (iv) any act of war (whether declared or not) or terrorism (v) any failure of any information technology or other operational systems or equipment affecting the Bank or (vi) any other circumstances whatsoever outside the Bank's control.

13.8 **Amendments**

This Agreement may be amended or varied only by an instrument in writing executed by both parties hereto who irrevocably agree that the provisions of this clause 13.8 may not be waived or modified except by an instrument in writing to that effect signed by both of them.

13.9 **Counterparts**

This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same agreement which may be sufficiently evidenced by one counterpart.

13.10 **English language**

All documents required to be delivered under and/or supplied whensoever in connection howsoever with any of the Security Documents and all notices, communications, information and other written material whatsoever given or provided in connection howsoever therewith must either be in the English language or accompanied by an English translation certified by a notary, lawyer or consulate acceptable to the Bank.

14 **EARNINGS ACCOUNTS**

14.1 **General**

Each Borrower undertakes with the Bank that it will ensure that:

- 14.1.1 it will on or before the Delivery Date in respect of its Vessel, open an Earnings Account in its name; and
- 14.1.2 all moneys payable to either Borrower in respect of the Earnings (as defined in the relevant Mortgage) of its Mortgaged Vessel shall, unless and until the Bank directs to the contrary pursuant to the provisions of the relevant Mortgage, be paid to its Earnings Account, Provided however that if any of the moneys paid to either Earnings Account are payable in a currency other than USD, they shall be paid to a sub-account of that Earnings Account denominated in such currency (except that if the Borrowers fail to open such a sub-account, the Bank shall then convert such moneys into USD at the Bank's spot rate of exchange at the relevant time for the purchase of USD with such currency and the term "spot rate of exchange" shall include any premium and costs of exchange payable in connection with the purchase of USD with such currency).

14.2 **Earnings Accounts: withdrawals and minimum liquidity**

Any sums standing to the credit of the Earnings Accounts may be applied from time to time (i) firstly to make the payments required under this Agreement, (ii) secondly, subject to no Event of Default having occurred, in the operation of the Vessels and (iii) subject to there being at any time sufficient funds to pay amounts due under (i) and (ii) above as they fall due, thirdly for the Borrowers' general corporate purposes PROVIDED THAT on or before the drawdown of the Loan the Borrowers must credit to their Earnings Accounts an aggregate of no less than USD200,000 (the "**Minimum Liquidity Amount**").

14.3 **Application of accounts**

At any time after the occurrence of an Event of Default, the Bank may, without notice to the Borrowers, apply all moneys then standing to the credit of the Earnings Accounts (together with interest from time to time accruing or accrued thereon) in or towards satisfaction of any sums due to the Bank under the Security Documents in the manner specified in clause 13.1 (*Application of moneys*).

14.4 **Charging of Earnings Accounts**

The Earnings Accounts and all amounts from time to time respectively standing to the credit thereof shall be subject to the security constituted and the rights conferred by, respectively, the Earnings Account Pledges.

15 **ASSIGNMENT, TRANSFER AND LENDING OFFICE**

15.1 **Benefit and burden**

This Agreement shall be binding upon, and ensure for the benefit of, the Bank and the Borrowers and their respective successors.

15.2 **No assignment by Borrowers**

The Borrowers may not assign or transfer any of their respective rights or obligations under this Agreement.

15.3 **Assignment by Bank**

The Bank may, without the consent of the Borrowers, assign all or any part of its rights under any of the Security Documents to any other bank or financial institution (an "**Assignee**").

15.4 **Transfer by Bank**

The Bank may transfer all or any part of its rights, benefits and/or obligations under this Agreement and/or any of the other Security Documents to any one or more banks or other financial institutions (a "**Transferee**") without the consent of the Borrowers provided always that any such Transferee, by delivery of such undertaking as the Bank may approve, becomes bound by the terms of this Agreement and agrees to perform all or, as the case may be, relevant part of the Bank's obligations under this Agreement.

15.5 **Documentation**

If the Bank assigns all or any part of its rights or transfers all or any part of its rights, benefits and/or obligations as provided in clause 15.3 or 15.4 the Borrowers undertake, immediately on being requested to do so by the Bank, to enter into, and procure that the other Security Parties shall enter into, such documents as may be necessary or desirable to transfer to the Assignee or Transferee all or the relevant part of the Bank's interest in the Security Documents. Thereafter, all relevant references in this Agreement to the Bank shall be construed as a reference to the Bank and/or its Assignee or Transferee (as the case may be) to the extent of their respective interests.

15.6 **Lending office**

The Bank shall lend through its office at the address specified above or through any other office of the Bank selected from time to time by it through which the Bank wishes to lend for the purposes of this Agreement.

15.7 **Disclosure of information**

The Bank may disclose to a prospective Assignee, Transferee or to any other person who may propose entering into contractual relations with the Bank in relation to this Agreement such information about or in connection with any of the Security Parties and the Security Documents as the Bank considers appropriate.

Any non-disclosure undertaking contained herein shall not prevent the Corporate Guarantor from disclosing any information required to be disclosed by law, regulation or any governmental or competent regulatory authority (including without limitation, any securities exchange), provided that, to the extent reasonably practicable, the Corporate Guarantor shall inform the Bank on the proposed form, timing, nature and purpose of the disclosure.

15.8 **No additional costs**

If at the time of, or immediately after, any assignment and/or transfer by the Bank of all or any part of its rights and/or benefits and/or obligations under this Agreement, or any change in the office through which the Bank lends for the purposes of this Agreement, the Borrowers would be obliged to pay to the Assignee or Transferee or (in the case of a change of lending office) the Bank under clause 6.6 or 12.2 any sum exceeding the sum (if any) which it would have been obliged to pay to the Bank under the relevant clause had no such assignment, transfer or change taken place, the Borrowers shall not be obliged to pay such excess.

16 **NOTICES**

16.1 **General**

16.1.1 unless otherwise specifically provided herein, every notice under or in connection with this Agreement shall be given in English by letter delivered personally and/or sent by post and/or transmitted by fax;

16.1.2 in this clause "notice" includes any demand, consent, authorisation, approval, instruction, certificate, request, waiver or other communication.

16.2 **Addresses for communications, effective date of notices**

16.2.1 subject to clause 16.2.2 and clause 16.2.4 notices to the Borrowers shall be deemed to have been given and shall take effect when received in full legible form by the Borrowers at the address and/or the fax number appearing below (or at such other address or fax number as the Borrowers may hereafter specify for such purpose to the Bank by notice in writing);

Address c/o Navios Shipmanagement Inc.

85 Akti Miaouli

185 38 Piraeus

Greece

Fax no: + 30 210 4171984

16.2.2 notwithstanding the provisions of clause 16.2.1 or clause 16.2.4, a notice of Default and/or a notice given pursuant to clause 10.2 or clause 10.3 shall be deemed to have been given and shall take effect when delivered, sent or transmitted by the Bank to the Borrowers to the address or fax number referred to in clause 16.2.1;

16.2.3 subject to clause 16.2.4, notices to the Bank shall be deemed to be given, and shall take effect, when received in full legible form by the Bank at the address and/or the fax number appearing below (or at any such other address or fax number as the Bank may hereafter specify for such purpose to the Borrowers by notice in writing);

Address: Alpha Bank A.E.

93 Akti Miaouli

185 38 Piraeus

Greece

Fax no: +30 210 4290268

16.2.4 if under clause 16.2.1 or clause 16.2.3 a notice would be deemed to have been given and effective on a day which is not a working day in the place of receipt or is outside the normal business hours in the place of receipt, the notice shall be deemed to have been given and to have taken effect at the opening of business on the next working day in such place.

17 **BORROWERS' OBLIGATIONS**

17.1 **Joint and several**

Regardless of any other provision in any of the Security Documents, all obligations and liabilities whatsoever of the Borrowers herein contained are joint and several and shall be construed accordingly. Each of the Borrowers agrees and consents to be bound by the Security Documents to which it becomes a party notwithstanding that the other Borrower may not do so or be effectually bound and notwithstanding that any of the Security Documents may be invalid or unenforceable against the other Borrower, whether or not the deficiency is known to the Bank.

17.2 **Borrowers as principal debtors**

Each Borrower acknowledges that it is a principal and original debtor in respect of all amounts which may become payable by the Borrowers in accordance with the terms of any of the Security Documents and agrees that the Bank may continue to treat it as such, whether or not the Bank is or becomes aware that such Borrower is or has become a surety for the other Borrower.

17.3 **Indemnity**

The Borrowers undertake to keep the Bank fully indemnified on demand against all claims, damages, losses, costs and expenses arising from any failure of either Borrower to perform or discharge any purported obligation or liability of that Borrower which would have been the subject of this Agreement or any other Security Document had it been valid and enforceable and which is not or ceases to be valid and enforceable against the other Borrower on any ground whatsoever, whether or not known to the Bank including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of the other Borrower (or any legal or other limitation, whether under the Limitation Acts or otherwise or any disability or death, bankruptcy, unsoundness of mind, insolvency, liquidation, dissolution, winding up, administration, receivership, amalgamation, reconstruction or any other incapacity of any person whatsoever (including, in the case of a partnership, a termination or change in the composition of the partnership) or any change of name or style or constitution of any Security Party)).

17.4 **Liability unconditional**

None of the obligations or liabilities of the Borrowers under any Security Document shall be discharged or reduced by reason of:

- 17.4.1 the death, bankruptcy, unsoundness of mind, insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of any person whatsoever (including, in the case of a partnership, a termination or change in the composition of the partnership) or any change of name or style or constitution of either Borrower or any other person liable;
- 17.4.2 the Bank granting any time, indulgence or concession to, or compounding with, discharging, releasing or varying the liability of, either Borrower or any other person liable or renewing, determining, varying or increasing any accommodation, facility or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting, varying any compromise, arrangement or settlement or omitting to claim or enforce payment from either Borrower or any other person liable; or
- 17.4.3 anything done or omitted which but for this provision might operate to exonerate the Borrowers or either of them.

17.5 **Recourse to other security**

The Bank shall not be obliged to make any claim or demand or to resort to any security or other means of payment now or hereafter held by or available to them for enforcing any of the Security Documents against either Borrower or any other person liable and no action taken or omitted by the Bank in connection with any such security or other means of payment will discharge, reduce, prejudice or affect the liability of the Borrowers under the Security Documents to which either of them is, or is to be, a party.

17.6 Waiver of Borrowers' rights

Each Borrower agrees with the Bank that, throughout the Facility Period, it will not, without the prior written consent of the Bank:

- 17.6.1 exercise any right of subrogation, reimbursement and indemnity against the other Borrower or any other person liable under the Security Documents;
- 17.6.2 demand or accept repayment in whole or in part of any Indebtedness now or hereafter due to such Borrower from the other Borrower or from any other person liable for such Indebtedness or demand or accept any guarantee against financial loss or any document or instrument created or evidencing an Encumbrance in respect of the same or dispose of the same;
- 17.6.3 take any steps to enforce any right against the other Borrower or any other person liable in respect of any such moneys; or
- 17.6.4 claim any set-off or counterclaim against the other Borrower or any other person liable or claim or prove in competition with the Bank in the liquidation of the other Borrower or any other person liable or have the benefit of, or share in, any payment from or composition with, the other Borrower or any other person liable or any security granted under any Security Document now or hereafter held by the Bank for any moneys owing under this Agreement or for the obligations or liabilities of any other person liable but so that, if so directed by the Bank, it will prove for the whole or any part of its claim in the liquidation of the other Borrower or other person liable on terms that the benefit of such proof and all money received by it in respect thereof shall be held on trust for the Bank and applied in or towards discharge of any moneys owing under this Agreement in such manner as the Bank shall require.

18 GOVERNING LAW

18.1 Law

This Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with English law.

19 JURISDICTION

19.1 Exclusive jurisdiction

For the benefit of the Bank, and subject to clause 19.4 below, the Borrowers hereby irrevocably agree that the courts of England shall have exclusive jurisdiction:

- 19.1.1 to settle any disputes or other matters whatsoever arising under or in connection with this Agreement or any non-contractual obligation arising out of or in connection with this Agreement and any disputes or other such matters arising in connection with the negotiation, validity or enforceability of this Agreement or any part thereof, whether the alleged liability shall arise under the laws of England or under the laws of some other country and regardless of whether a particular cause of action may successfully be brought in the English courts; and
- 19.1.2 to grant interim remedies or other provisional or protective relief.

19.2 **Submission and service of process**

The Borrowers accordingly irrevocably and unconditionally submit to the jurisdiction of the English courts. Without prejudice to any other mode of service each Borrower:

- 19.2.1 irrevocably empowers and appoints HFW Nominees Ltd at present of Friary Court, 65 Crutched Friars, London EC3N 2AE, England as its agent to receive and accept on its behalf any process or other document relating to any proceedings before the English courts in connection with this Agreement;
- 19.2.2 agrees to maintain such an agent for service of process in England from the date hereof until the end of the Facility Period;
- 19.2.3 agrees that failure by a process agent to notify the Borrowers of service of process will not invalidate the proceedings concerned;
- 19.2.4 without prejudice to the effectiveness of service of process on its agent under clause 19.2.1 above but as an alternative method, consents to the service of process relating to any such proceedings by mailing or delivering a copy of the process to its address for the time being applying under clause 16.2;
- 19.2.5 agrees that if the appointment of any person mentioned in clause 19.2.1 ceases to be effective, the Borrowers shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within seven (7) days the Bank shall thereupon be entitled and is hereby irrevocably authorised by the Borrowers in those circumstances to appoint such person by notice to the Borrowers.

19.3 **Forum non conveniens and enforcement abroad**

The Borrowers:

- 19.3.1 waive any right and agree not to apply to the English court or other court in any jurisdiction whatsoever to stay or strike out any proceedings commenced in England on the ground that England is an inappropriate forum and/or that proceedings have been or will be started in any other jurisdiction in connection with any dispute or related matter falling within clause 19.1; and
- 19.3.2 agree that a judgment or order of an English court in a dispute or other matter falling within clause 19.1 shall be conclusive and binding on the Borrowers and may be enforced against it in the courts of any other jurisdiction.

19.4 **Right of Bank, but not Borrowers, to bring proceedings in any other jurisdiction**

- 19.4.1 nothing in this clause 19 limits the right of the Bank to bring proceedings, including third party proceedings, against the Borrowers or either of them, or to apply for interim remedies, in connection with this Agreement in any other court and/or concurrently in more than one jurisdiction;
- 19.4.2 the obtaining by the Bank of judgment in one jurisdiction shall not prevent the Bank from bringing or continuing proceedings in any other jurisdiction, whether or not these shall be founded on the same cause of action.

19.5 Enforceability despite invalidity of Agreement

The jurisdiction agreement contained in this clause 19 shall be severable from the rest of this Agreement and shall remain valid, binding and in full force and shall continue to apply notwithstanding this Agreement or any part thereof being held to be avoided, rescinded, terminated, discharged, frustrated, invalid, unenforceable, illegal and/or otherwise of no effect for any reason.

19.6 Effect in relation to claims by and against non-parties

- 19.6.1 for the purpose of this clause “Foreign Proceedings” shall mean any Proceedings except proceedings brought or pursued in England arising out of or in connection with or in any way related to any of the Security Documents or any assets subject thereto or any action of any kind whatsoever taken by the Bank pursuant thereto or which would, if brought by the Borrowers or either of them against the Bank, have been required to be brought in the English courts;
- 19.6.2 neither Borrower shall bring or pursue any Foreign Proceedings against the Bank and each Borrower shall use its best endeavours to prevent persons not party to this Agreement from bringing or pursuing any Foreign Proceedings against the Bank;
- 19.6.3 If, for any reason whatsoever, any Security Party and/or any third party brings or pursues against the Bank any Foreign Proceedings, the Borrowers shall indemnify the Bank on demand in respect of any and all claims, losses, damages, demands, causes of action, liabilities, costs and expenses (including, but not limited to, legal costs) of whatsoever nature howsoever arising from or in connection with such Foreign Proceedings which the Bank certifies as having been incurred by it;
- 19.6.4 the Bank and the Borrowers hereby agree and declare that the benefit of this clause 19 shall extend to and may be enforced by any officer, employee, agent or business associate of the Bank against whom either Borrowers brings a claim in connection howsoever with (i) any of the Security Documents or any assets subject thereto or (ii) any action of any kind whatsoever taken by, or on behalf of or for the purported benefit of the Bank pursuant thereto, or which, if it were brought against the Bank, would fall within the material scope of clause 19.1. In those circumstances this clause 19 shall be read and construed as if references to the Bank were references to such officer, employee, agent or business associate, as the case may be.

IN WITNESS whereof the parties to this Agreement have caused this Agreement to be duly executed as a deed on the date first above written.

SIGNED and DELIVERED
as a DEED by Francisco G. Tazelaar
attorney-in-fact for and on behalf of
NAVARRA SHIPPING CORPORATION
pursuant to a Power of Attorney
dated 28 April 2017
in the presence of:

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)
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)
)
)
)



Attorney-in-fact



VASILIKI TZOANNOU
Ince & Co.
Akti Miaouli 47 - 49
Piraeus 185 36 Greece

SIGNED and DELIVERED
as a DEED by Francisco G. Tazelaar
attorney-in-fact for and on behalf of
PELAYO SHIPPING CORPORATION
pursuant to a Power of Attorney
dated 28 April 2017
in the presence of:

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Attorney-in-fact



VASILIKI TZOANNOU
Ince & Co.
Akti Miaouli 47 - 49
Piraeus 185 36 Greece

SIGNED and DELIVERED
as a DEED by Aikaterini Damianidou
and by Chrysanthi Papathanasopoulou
for and on behalf of
ALPHA BANK A.E.
in the presence of:

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)




Authorised signatories



VASILIKI TZOANNOU
Ince & Co.
Akti Miaouli 47 - 49
Piraeus 185 36 Greece