

Securities Note

Diana Shipping Inc.



Diana Shipping Inc. 8.375% senior unsecured USD 125,000,000 bonds 2021/2026
ISIN NO0011021974

Arrangers:



Nordea

As Joint Lead Managers

Athens, Greece 28 January 2022

This Security Note does not constitute an offer to buy, subscribe or sell the securities described herein.

This Securities Note combined with the Registration Document and Summary serves as a listing Prospectus as required by applicable laws and no securities are being offered or sold pursuant to this Prospectus.

IMPORTANT INFORMATION

This securities note dated 28 January 2022 (the "Securities Note") has been prepared by Diana Shipping Inc. ("Diana", "the Company" or the "Issuer", and together with its subsidiaries the "Group") for use in connection with the listing of the Company's 8.375% senior unsecured USD 125,000,000 bonds 2021/2026 with ISIN NO0011021974 (the "Bonds") at Oslo Stock Exchange (the "Listing"). This Securities Note has been prepared in the English language only.

This Securities Note combined with the registration document and summary dated 28 January 2022 (the "Registration Document" and "Summary" respectively) constitutes a Prospectus (the "Prospectus") in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "EU Prospectus Regulation").

This Securities Note has been prepared to comply with chapter 7 of the Norwegian Securities Trading Act of 29 June 2007 No. 75 (*Nw: Verdipapirhandelloven*) (the "Norwegian Securities Trading Act") and related secondary legislation including the EU Prospectus Regulation. The Financial Supervisory Authority of Norway (*Nw: Finanstilsynet*) (the "NFSA") has reviewed and approved the Prospectus, including this Securities Note, as competent authority under the EU Prospectus Regulation. The NFSA only approves the Prospectus, including this Securities Note, as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Securities Note and Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

This Securities Note was approved by the NFSA on 28 January 2022.

The information contained herein is current as of the date of this Securities Note and subject to change, completion or amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Securities Note, which may affect the assessment of the Listing of the Bonds contemplated hereby and emerges between the time of the approval of this Securities Note by the NFSA and the Listing, will be included in a supplement to the Securities Note. Neither the approval nor distribution or use of this Securities Note shall under any circumstances create any implication that the information herein is correct as of any date subsequent to the date of this Securities Note.

All inquiries relating to this Securities Note should be directed to the Issuer or the Joint Lead Managers. Only the Issuer and the Joint Lead Managers are entitled to procure information about conditions described in this Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply with Oslo District Court (*Nw: Oslo Tingrett*) as legal venue.

This Securities Note does not constitute an offer to buy, subscribe or sell any of the securities described herein, and no securities are being offered or sold pursuant to it. The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Contact the Issuer to receive copies of this Securities Note.

Factors which are material for the purpose of assessing the market risks associated with Bond:

An investment in the Bonds involves inherent risks. Prospective investors in Bonds issued by the Issuer should carefully consider the risks associated with the investment when reading the information contained in this Securities Note, and be aware of the risk of losing such investment in its entirety, before deciding to invest. Prospective investors should read the entirety of the information contained in this Securities Note in connection with the Summary and the Registration Document, especially section 1 "Risk Factors" of the Registration Document and the summary of risk factors set out in Section 1 "Risk Factors" below before deciding to invest in the Bonds. The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behavior of the financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest

rate and other factors that may affect its investment and its ability to bear the applicable risks.

Offering restrictions

The distribution of this Securities Note may in certain jurisdictions be restricted by law (including, but not limited to, the United States, Canada, Australia, Japan and South Africa). Persons in possession of this Securities Note are required to inform themselves about and to observe any such restrictions. This Securities Note does not constitute an offer of, or an invitation to subscribe or purchase, any bonds or other securities.

The securities described in this Securities Note have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold absent registration or an applicable exemption from registration under the U.S. Securities Act.

Furthermore, the Bonds may not be offered or sold in or into Canada, Japan, the Republic of South Africa or Australia.

In relation to the United Kingdom, this Securities Note is only directed at, and may only be distributed to, investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who are persons to whom the document may otherwise be lawfully distributed. This Securities Note may only be distributed in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of Public Offers of Securities Regulations 1995 (as amended). The distribution (which term shall include any form of communication) of this Securities Note may be restricted pursuant to Section 21 (Restrictions on Financial Promotion) of the Financial Services and Markets Act 2000 (as amended).

Except for the approval by NFSA as described above, no action has been taken or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would permit a public offering of Bonds issued by the Issuer, or the possession or distribution of any documents relating to the Listing, or any amendment or supplement thereto, hereunder but not limited to this Securities Note, in any country or jurisdiction where specific action for that purpose is required. Any person receiving this Securities Note is required by the Issuer and the Joint Lead Managers to inform themselves about and to observe such restrictions.

The restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations that are not known or identified by the Issuer or the Joint Lead Managers at the date of this Securities Note may apply in various jurisdictions as they relate to the Listing and this Securities Note.

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1 RISK FACTORS

Investing in the Bonds and other securities issued by the Issuer involves inherent risks. As the Issuer is the parent company of the Group, the risk factors for the Issuer and the Group are deemed to be equal for the purpose of this Securities Note. Prior to any decision to invest in the Bonds, potential investors should carefully read and assess the following specific risks and the other information contained in this Securities Note, in addition to the information in the Registration Document and related documents, including the risks described in section 1 "Risk Factors" of the Registration Document. An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. The risks and uncertainties described in this section "Risk Factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Issuer believes are the material risks associated with this type of investment.

If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Bonds, resulting in loss of all or part of an investment in the Bonds.

The primary risk factors in connection with an investment in the Bonds are described below. The risk factors included in this Section 1 "Risk Factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material, taking into account their potential negative effects, and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision.

A prospective investor should carefully consider the factors set out below and elsewhere in this Securities Note.

The below described risk factors are supplemented by the risks described under the heading "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2020 that summarize the risks that may materially affect the Issuer's business.

Bond Specific Risk Factors

The ability to make payments on the Bonds relies on the Company's financial conditions

The Company's ability to make payments on and to refinance its indebtedness, including the Bonds, and to fund planned capital expenditures and other general corporate purposes will depend, among other things, on its ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. The Company cannot assure that it will be able to refinance any of its indebtedness, including the Bonds, on commercially reasonable terms or at all or that the terms of such indebtedness will allow any of the above alternative measures or that these measures would satisfy its debt service obligations. If the Company is unable to generate sufficient cash flow or refinance its indebtedness on favourable terms, it would significantly adversely affect the Company's financial condition, the value of its outstanding indebtedness and its ability to make any required cash payments under its indebtedness.

The Bond Terms contains significant restrictions on the Issuer

The Bonds will, and the Company's potential future loan facilities might, impose, operating and financial restrictions on the Company. These restrictions may inter alia limit the Company's ability to pay dividends, incur additional indebtedness, create liens on its assets, and additional actions which may otherwise be beneficial for the Company. The Bond Terms will contain, inter alia, significant restrictions, including dividend restrictions, financial covenants and various covenants as to the operations of the business.

The right to enforce remedies and recover under the Bonds may be significantly impaired if insolvency or similar enforcement proceedings are initiated against the Issuer

The rights of the Bond Trustee (as defined in the bond terms dated 18 June 2021, the "Bond Terms", and the term sheet dated 8 June 2021, the "Term Sheet"), on behalf of the bondholders to enforce remedies and recover under the Bonds may be significantly impaired by applicable bankruptcy, insolvency and other restructuring legislation in the event that the Company becomes insolvent, bankrupt or receivership or other restructuring or corporate arrangement proceedings are commenced pursuant to which enforcement proceedings are initiated against the Company.

The Bonds are subject to certain optional redemption clauses

The Bond Terms will provide that the Bonds shall be subject to optional redemption by the Company at their outstanding

principal amount, plus accrued and unpaid interest to the date of redemption, plus in some events a premium calculated in accordance with the Bond Terms. This is likely to limit the market value of the Bonds. It may not be possible for bondholders to reinvest proceeds at an effective interest rate as high as the interest rate on the Bonds.

Risks related to certain change of control clauses

If a Change of Control Event (as defined in the Bond Terms) occurs, holders of the Bonds will have the right to require the Company to repurchase the Bonds, in whole or in part, at a purchase price equal to 101% of the principal amount of the Bonds, plus accrued and unpaid interest, if any, to the date of repurchase. The Company's ability to repurchase the Bonds upon a Change of Control would be limited by its access to funds at the time of the repurchase and the terms of agreements governing the Company's other indebtedness.

Volatility in price and illiquidity in the market for the Notes

The Bonds are a new issue of securities, and there are currently no active public trading markets for the Bonds. Even though the Company shall apply for listing of the Bonds on the Oslo Stock Exchange, the Company has not entered into any market-making scheme to ensure liquidity of the Bonds. There can be no assurance as to: (i) the liquidity of any market that may develop; (ii) the bondholders' ability to sell the Bonds; or (iii) the price at which bondholders would be able to sell the Bonds.

The Issuer is permitted to incur debt with senior priority under the Bond Terms

Under the terms of the Bond issue the Issuer is permitted to incur liabilities that will rank senior in priority to the Bonds, including, inter alia, senior secured bank debt.

The Bonds are subject to certain transfer restrictions

The Bonds have not been, and will not be, registered under the U.S. Securities Act or any United States state securities laws. The Company has not undertaken to register the Bonds, and although the Bonds are to be listed on the Oslo Stock Exchange, the holders of bonds may not be able to resell the Bonds for a period of time. Furthermore, the Company has not registered the Bonds under any other country's securities laws. It is holders of bonds' obligation to ensure that any offers and sales of the Bonds by the holders of bonds comply with applicable securities laws.

As the Company relied upon exemptions from registration under applicable securities laws in the placement of the Bonds, in the future the Bonds may be transferred or resold only in a transaction registered under or exempt from the registration requirements of such legislation. Therefore, bondholders may not be able to sell their Bonds at their preferred time or price. The Company cannot assure bondholders as to the future liquidity of the Bonds and as a result, bondholders bear the financial risk of their investment in the Bonds.

2 RESPONSIBILITY STATEMENT

This Prospectus has been prepared by Diana Shipping Inc. in connection with the Bond Issue and an investment therein. Diana Shipping Inc. confirms that it has taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of Diana Shipping Inc.'s knowledge, in accordance with the facts and make no omission likely to affect its import.

Athens, Greece 28 January 2022

 Semiramis Paliou <hr/> <i>Director and Chief Executive Officer</i>	 Ioannis Zafirakis <hr/> <i>Director, Chief Financial Officer, Chief Strategy Officer, Treasurer and Secretary</i>
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Diana Shipping Inc.
c/o Diana Shipping Services S.A.
Pendelis 16
175 64 Palaio Faliro
Athens, Greece

3 THIRD PARTY INFORMATION

The Issuer confirms that no third party information has been reproduced in this Securities Note.

4 INFORMATION CONCERNING THE SECURITIES

The summary below describes the principal terms of the Bonds. Certain of the terms and conditions described below may be subject to important limitations and exceptions. The Bond Terms dated 18 June 2021 attached to this Securities Note (as Appendix 1) contains the complete terms and conditions of the Bonds. All defined terms used in this section 4 are as defined in the Bond Terms.

Issuer	Diana Shipping Inc. (a Marshall Islands corporation with registration number 13671) with LEI number 549300XD7FHNJ0THIV12.
ISIN:	ISIN NO0011021974.
Yield:	Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). If the price has increased, the yield for the purchaser in the secondary market will be lower than the Interest Rate of the Bonds and vice versa. If the Bonds are bought and sold at par value the yield will be the same as the Interest Rate (8.375% per annum).
Group:	Means the Issuer and its Subsidiaries from time to time. A “Group Company” means the Issuer or any of its Subsidiaries.
Currency:	USD
Issue Amount:	USD 125,000,000
Interest Rate:	8.375% p.a., semi-annual interest payments
Issue Date:	22 June 2021
Maturity Date:	22 June 2026
Interest Payment Date:	The last day of each Interest Period, the first Interest Payment Date being 22 December 2021 and the last Interest Payment Date being the Maturity Date.
Interest Periods:	Means, subject to adjustment in accordance with the Business Day Convention (as described below), the period between June and December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Business Day:	Means a day on which both the relevant CSD settlement system is open, and the relevant currency of the Bonds settlement system is open and banks are generally open for business in Oslo, London and New York.
Business Day Convention:	Means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.
Issue Price:	100% of nominal value.
Amortization:	The Bonds shall be repaid in full at the Maturity Date at 100% of nominal value (plus accrued interest on redeemed Bonds).
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period

	Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Nominal value:	The Bonds have a nominal value of USD 50,000 each.
Governing law:	Norwegian law.
Registration of the Bonds:	The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.
Status of the Bonds:	The Bonds will constitute senior debt obligations of the Issuer. The Bonds shall rank at least <i>pari passu</i> with each other and with all other senior unsecured obligations of the Issuer other than obligations which are mandatorily preferred by law. The Bonds shall rank ahead of subordinated capital.
Transaction Security:	The Bonds are unsecured.
Use of proceeds:	The reason for the Bond Issue is and the net proceeds from the Bond Issue shall be used for (i) prepayment in full of the Existing Bonds (as defined below) and/or prepayment, in full or in part, or refinancing of other debt of the Group, and (ii) general corporate purposes.
Existing Bonds:	The USD 100 million senior unsecured bonds 2018/ 2023 with ISIN NO0010832868 issued by the Issuer.
Call Options (American):	<p>The Issuer may redeem the Bonds (in whole or in parts) as follows:</p> <ul style="list-style-type: none"> (i) at any time from and including the Interest Payment Date falling 3 years after the Issue Date to, but not including, the Interest Payment Date falling 4 years after the Issue Date at a price of 103.350 (plus accrued interests on the redeemed Bonds); (ii) at any time from and including the Interest Payment Date falling 4 years after the Issue Date to, but not including, the Interest Payment Date falling 4 years and 6 months after Issue Date at a price of 101.675 (plus accrued interests on the redeemed Bonds); (iii) at any time from and including the Interest Payment Date falling 4 years and 6 months after the Issue Date to, but not including, the Final Maturity Date at a price equal to 100.00% of nominal value (plus accrued interests on the redeemed Bonds).
General Undertakings:	<p>During the term of the Bonds, the Issuer shall (unless the Bond Trustee or the Bondholders' Meeting (as the case may be) in writing have agreed otherwise) comply with the following general undertakings at any time:</p> <ul style="list-style-type: none"> a) Authorisations: The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time. b) Merger: The Issuer shall not, and shall ensure that no other Group Company shall, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer or any other Group Company with any other companies or entities if such transaction would have a Material Adverse Effect.

- c) **De-mergers:** The Issuer shall not, and shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganization involving a split of the Issuer or any other Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.
- d) **Continuation of business:** The Issuer shall procure that no material change is made to the general nature of the business of the Group and/or the Issuer from that carried on at the date of the Bond Terms.
- e) **Corporate status:** The Issuer shall not change its type of organization or jurisdiction of organization.
- f) **Disposal of business:** The Issuer shall not, and shall procure that the other Group Companies shall not, sell or otherwise dispose of all or substantially all of the Group's assets or operations to any person not being a member of the Group, unless such sale, transfer or disposal is carried out in the ordinary course of business and would not have a Material Adverse Effect.
- g) **Arm's length transactions:** The Issuer shall not, and the Issuer shall ensure that no other Group Company shall, enter into any transaction with any person except on arm's length terms and for fair market value.
- h) **Compliance with laws:** The Issuer shall, and shall ensure that all other Group Companies shall, carry on its business in accordance with acknowledged, careful and sound practices in all aspects and comply in all respects with all laws and regulations it or they may be subject to from time to time. Breach of these obligations shall be regarded as non-compliance only if such breach would have a Material Adverse Effect.
- i) **Litigations:** The Issuer shall, promptly upon becoming aware of them, send the Bond Trustee such relevant details of any:
 - (i) litigations, arbitrations or administrative proceedings which have been or might be started by or against any Group Company and which, if decided adversely is likely to have a Material Adverse Effect; and
 - (ii) other events which have occurred or might occur and which is likely to have a Material Adverse Effect.
- j) **Reporting:** The Issuer shall of its own accord make its Annual Financial Statements available on its web pages (alternatively on another relevant information platform) for public distribution not later than 120 days after the end of each financial year and Interim Accounts not later than 60 days after the end of each 3 months interim period (each such date a "**Reporting Date**"). Such reports shall be prepared in accordance with GAAP, and include a profit and loss account, balance sheet, cash flow statement and management commentary or report from the Board of Directors in the form in which the Issuer is required to file them with the SEC pursuant to Section 13 or 15(d) of the Exchange Act. The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports, a compliance certificate with a copy of the relevant Financial Report attached thereto. The compliance certificate shall be duly signed by the chief executive officer or the chief financial officer of

the Issuer, certifying that the relevant Financial Report are fairly representing its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with the Financial Covenants (as set out below) as at such date.

Special Undertakings:

During the term of the Bonds, the Issuer shall (unless the Bond Trustee or the Bondholders' Meeting (as the case may be) in writing have agreed otherwise) comply with the following special covenants at any time:

- a) **Distribution Restrictions:** If (i) an Event of Default or an event or circumstance which, with the giving of any notice or the lapse of time, would constitute an Event of Default (a "Default") has occurred and is continuing, (ii) an Event of Default or a Default would result therefrom, (iii) the Issuer is not in compliance with the Financial Covenants, (iv) the making of any Distribution by the Issuer or a Subsidiary would result in the Issuer not being in compliance with the Financial Covenants or (v) if, as a result of a Distribution by the Issuer or a Subsidiary, except a Preferred Share Distribution, the Remaining Cash Position is less than the Remaining Cash Requirement, the Issuer shall not declare or make any Distribution.
- b) **Subsidiary distribution:** Save for obligations under any Financial Indebtedness, the Issuer shall not permit any Subsidiary to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Subsidiary to:

- (i) pay dividends or make other Distributions to its shareholders;
- (ii) service any Financial Indebtedness to the Issuer;
- (iii) make any loans to the Issuer; or
- (iv) transfer any of its assets and properties to the Issuer

if the creation of such contractual obligation is reasonably likely to prevent the Issuer from complying with its payment obligations under the Bond Terms.

- c) **Negative pledge:** The Issuer shall not, and shall ensure that no Group Company shall, create, permit to subsist or allow to exist any mortgage, pledge, lien or any other encumbrance over any of its present or future respective assets (including shares in Subsidiaries) or its revenues, other than the encumbrances granted to secure any of the following:
- (i) the Permitted Security;
 - (ii) any netting or set-off arrangement entered into by the Issuer or any other Group Company (as the case may be) in the ordinary course of its banking arrangements for the purpose of netting debt and credit balances of the Issuer (if applicable); and
 - (iii) any lien arising by operation of law.
- d) **Financial Indebtedness restrictions:** The Issuer shall not, and shall ensure that no Group Company shall, incur, create or permit to subsist

any Financial Indebtedness (including guarantees) other than the Permitted Financial Indebtedness (as defined below).

- e) **Financial support restrictions:** The Issuer shall not and shall ensure that no other Group Company shall, grant any loans, guarantees or other financial assistance (including, but not limited to granting of security) ("**Financial Support**") to or for the benefit of any third party or other Group Company, other than any Financial Support granted:
 - (i) in connection with Permitted Financial Indebtedness; and
 - (ii) in the ordinary course of business.
- f) **Insurances:** The Issuer shall, and the Issuer shall procure that each Group Company will, maintain with reputable insurance companies, funds or underwriters adequate insurance or captive arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdiction.
- g) **Listing:** The Issuer shall ensure that its ordinary shares remain listed on the New York Stock Exchange or another recognized stock exchange.
- h) **Sustainability Reporting:** The Issuer currently reports, and shall continue to report, on an annual basis, its environmental, social and governance performance in line with the SASB Marine Transportation Industry Standard, which includes greenhouse gas emissions, marine ecological impacts, safety, business ethics and activity metrics on an annual basis. The reporting format may be changed at the Issuers sole discretion in accordance with the applicable market standards of ESG reporting. The Issuer shall make such reports available on its website <https://www.dianashippinginc.com/> (alternatively on another relevant public information platform) as soon as they become available, after the end of the relevant calendar year.
- i) **Sustainable Vessel Dismantling:** The Issuer will ensure that any ship controlled by the Issuer or sold to an intermediary with the intention of being scrapped, is recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner, in accordance with the provisions of The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 and/or EU Ship Recycling Regulation.

The Issuer undertakes to comply with the following Financial Covenants during the term of the Bond Issue:

- a) **Minimum Liquidity** shall not be less than USD 10,000,000.
- b) **Tangible Net Worth** of the Group shall exceed 25% of Total Assets; and
- c) **Net Borrowings to Total Assets** shall not exceed 65%.

The Issuer undertakes to comply with the above Financial Covenants at all times, such compliance to be measured on each Quarter Date. The Financial Covenants shall be calculated on a consolidated basis for the Group during the lifetime of the Bonds.

Material Adverse Effect: Means a material adverse effect on: (a) the Issuer's ability to perform and comply with its obligations under any of the Finance Documents; or (b) the

validity or enforceability of any of the Finance Documents.

Change of Control Event: Means if any person or group of persons acting in concert, gains Decisive Influence over the Issuer.

Put Option: Upon the occurrence of a Change of Control Event, each Bondholder will have a right (a **"Put Option"**) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101% of the nominal value during a period of 15 Business Days following the notice of a Change of Control Event. The Put Option repayment date will be the fifth Business Day after the end of the 15 Business Days exercise period. The settlement of the Put Option will be based on each Bondholders holding of Bonds at that day.

Clean-up Call: If Bonds representing more than 90% of the outstanding Bonds have been repurchased in relation to a Change of Control Event (Put Option), the Issuer is entitled to repurchase all the remaining outstanding Bonds at a price of 101% of nominal value (plus accrued interest) by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date.

Issuer's ownership of Bonds: The Issuer has the right to acquire and own the Bonds. Such Bonds may at the Issuer's discretion be retained or sold (but not cancelled).

Event of Default: The Bond Terms shall include standard event of default provisions for the Issuer and the Group Companies related to, inter alia, non-payment, breach of other obligations, misrepresentation, cross default, insolvency and insolvency proceedings, creditor's process, impossibility or illegality, unlawfulness and Material Adverse Effect, with applicable remedy provisions and exceptions, including that insolvency, insolvency proceedings and creditor's process with respect to the other Group Companies than the Issuer shall be subject to Material Adverse Effect qualifications. The cross default provisions shall only apply to any single Financial Indebtedness in excess of USD 20,000,000 (or equivalent thereof in any other currency), and cross default events to include items (i)-(iv) in the standard Nordic Trustee Bond Terms for any Group Company (including the threshold amounts referred to above).

Joint Lead Managers: Arctic Securities AS, Haakon VII's gate 5, 0161 Oslo, Norway and Nordea Bank Abp, Filial i Norge, P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway.

Bond Trustee: Nordic Trustee AS, Postboks 1470 Vika, NO-0116 Oslo, Norway. Website: <https://nordictrustee.com>.

The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of the Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

The Bond Trustee shall represent the Bondholders in accordance with the finance documents. The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other obligor unless to the extent expressly set out in the Bond Terms, or to take any steps to ascertain whether any event of default has occurred. The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the finance documents.

Securities Depository:	The Norwegian Central Securities Depository (the “ CSD ”), Verdipapirsentralen ASA, Fred. Olsens gate 1, 0152 Oslo, Norway. Principal and interest accrued will be credited the bondholders through the CSD.
Paying Agent:	Nordea Bank Abp, Filial i Norge.
Listing of the Bonds:	The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 12 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.
Exchange:	<p>a) Oslo Stock Exchange; or</p> <p>b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).</p>
Listing Failure Event:	<p>Means:</p> <p>a) that the Bonds have not been admitted to listing on an Exchange within 12 months following the Issue Date; or</p> <p>b) in the case of a successful admission to listing, that a period of 6 month has elapsed since the Bonds ceased to be admitted to listing on an Exchange.</p> <p>Upon a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under the Bonds Terms will accrue at the Interest Rate plus 1 percentage point p.a.</p>
Market making:	No market-maker agreement has been made for this Bond Issue.
Tax gross up:	<p>If the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents the amount of the payment due will be grossed-up to such net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required.</p> <p>Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p>
Governing law:	The Bond Terms shall be governed by Norwegian law, venue to be Oslo district court (<i>No.: Oslo tingrett</i>). Process Agent to be appointed if the Issuer is from a non-Lugano Convention jurisdiction and/or only to the extent required by the Bond Trustee (in its discretion).
Transfer Restrictions:	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <p>(i) Bondholders will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the U.S. Securities Act, (b) to a person that the bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, in a transaction meeting the requirements of Rule 144A, (c) in an offshore transaction, including a transaction on the Oslo Stock Exchange, meeting the requirements of Regulation S under the U.S. Securities Act, , and (d) pursuant to any other</p>

exemption from registration under the U.S. Securities Act, including Rule 144 thereunder (if available).

- (ii) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.

Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

5 ADDITIONAL INFORMATION

5.1 Certain material interests

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

The Issuer has mandated Arctic Securities AS and Nordea Bank Abp, filial i Norge as joint Lead Managers for the issuance of the Bonds. The Joint Lead Managers have acted as advisors to the Issuer in relation to the pricing of the Bonds.

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

The Prospectus will be published in Norway and will consist of the Summary and Registration Document dated 28 January 2022 together with this Securities Note. An application will be made for the listing of the Bonds on Oslo Stock Exchange.

5.2 Resolution to issue the Bonds

The decision to issue the Bonds was authorised by a resolution of the Board of Directors of the Issuer on 25 May 2021.

5.3 Tax warnings

The respective tax legislation of prospective investor's home state or country of residence for tax purposes and of the Issuer's country of incorporation may have an impact on the income received from the securities.

6 DEFINITIONS AND GLOSSARY

Bonds	The Company's 8.375% senior unsecured USD 125,000,000 bonds 2021/2026 with ISIN NO0011021974.
Company	Diana Shipping Inc.
Diana	Diana Shipping Inc.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act.
Group	Diana Shipping Inc. and its subsidiaries.
Issuer	Diana Shipping Inc.
Listing	The listing of the Bonds on Oslo Stock Exchange.
NFSA	The Financial Supervisory Authority of Norway (<i>Nw: Finanstilsynet</i>).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 No. 75 (<i>Nw: Verdipapirhandelloven</i>).
Prospectus	This Securities Note together with the Registration Document and the Summary.
Registration Document	The registration document dated 28 January 2022.
Securities Note	This securities note dated 28 January 2022.
Summary	The summary dated 28 January 2022.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.

APPENDIX 1: BOND AGREEMENT

BOND TERMS

FOR

**Diana Shipping Inc. 8.375% senior unsecured USD 125,000,000 bonds
2021/2026**

ISIN NO0011021974

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ATTACHMENT I COMPLIANCE CERTIFICATE

BOND TERMS between	
ISSUER:	Diana Shipping Inc. (a Marshall Islands corporation with registration number 13671) with LEI code 549300XD7PHNJ0THIV12
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	18 June 2021
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Acceptable Bank**” means, in relation to Cash and Cash Equivalents, a commercial bank, savings bank or trust company which has a rating of BBB or higher from Standard & Poor's Ratings Service or Baa2 or higher from Moody's Investor Service Limited or a comparable rating from a nationally recognized credit rating agency for its long term debt obligations.

“**Accounting Standard**” means GAAP.

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

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

“**Annual Financial Statements**” means the audited consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement, managements summary and report of the board of directors in the form in which the Issuer is required to file them with the SEC pursuant to Section 13 or 15(d) of the Exchange Act.

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

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

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

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

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

"Bondholders' Meeting" means a meeting of Bondholders as set out in Clause 15 (*Bondholders' Decisions*).

"Bonds" means the debt instruments issued by the Issuer pursuant to these Bond Terms.

"Business Day" means a day on which both the relevant CSD settlement system is open, and the relevant currency of the Bonds settlement system is open and banks are generally open for business in Oslo, London and New York.

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

"Cash and Cash Equivalents" means on any date, the aggregate equivalent in USD on such date of the then current market value of:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with an Acceptable Bank; and
- (b) time deposits with Acceptable Banks and certificates of deposit issued, and bills of exchange accepted, by an Acceptable Bank;

in each case to which any Group Company is beneficially entitled at the time and to which any Group Company has free and unrestricted access and which is not subject to any Security.

"Call Option" has the meaning given to it in Clause 10.2 (*Voluntary early redemption – Call Option*).

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

"Change of Control Event" means a person or group of persons acting in concert gaining Decisive Influence over the Issuer.

"Compliance Certificate" means a statement substantially in the form as set out in Attachment I hereto.

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

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

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

"Default" shall have the meaning ascribed to such term in Clause 13.10 (*Distribution restrictions*).

"Default Notice" means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

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

"Distribution" means:

- (a) dividend payments or distributions, whether in cash or kind;
- (b) repurchasing of shares or undertaking other similar transactions (including, but not limited to total return swaps related to shares in the Issuer or transactions with a similar effect); or
- (c) repayment of any loans to its (or the Issuer's) shareholders that are subordinated in right of payment to the Bonds.

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

"Exchange" means:

- (a) Oslo Børs (the Oslo Stock Exchange); or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Existing Bonds" means the senior unsecured bonds due 27 September 2023 with ISIN NO0010832868 with a total outstanding amount of USD 100 million and issued by the Issuer.

"Finance Documents" means these Bond Terms, the Bond Trustee Fee Agreement, and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

"Financial Indebtedness" means any indebtedness for or in respect of:

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

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

"Financial Reports" means the Annual Financial Statements and the Interim Accounts.

"Financial Support" shall have the meaning ascribed to such term in Clause 13.14 (*Financial support restrictions*).

"First Call Date" means the Interest Payment Date falling in June 2024.

"GAAP" means generally accepted accounting practices and principles in the United States.

"Group" means the Issuer and its Subsidiaries from time to time.

"Group Company" means any person which is a member of the Group.

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

"Insolvent" means that a person:

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

"Interest Payment Date" means the last day of each Interest Period, the first Interest Payment Date being 22 December 2021 and the last Interest Payment Date being the Maturity Date.

"Interest Period" means, subject to adjustment in accordance with the Business Day Convention, the period between 22 June and 22 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

"Interest Rate" means 8.375 percentage points per annum.

"Interim Accounts" means the unaudited consolidated quarterly financial statements of the Issuer for any quarter ending on 31 March, 30 June or 30 September, prepared in accordance with the Accounting Standard and including a profit and loss account, balance sheet, cash flow statement and management commentary or report from the board of directors in the form in

which the Issuer is required to file them with the SEC pursuant to Section 13 or 15(d) of the Exchange Act.

"ISIN" means International Securities Identification Number.

"Issue Date" means 22 June 2021.

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

"Issuer's Bonds" means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

"Liquidity" means, at any date, the aggregate amount of Cash and Cash Equivalents of the Group in each case reported in accordance with the Accounting Standard.

"Listing Failure Event" means:

- (a) that the Bonds have not been admitted to listing on an Exchange within 12 months following the Issue Date, or
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

"Manager" means Arctic Securities AS and Nordea Bank Abp, filial i Norge.

"Material Adverse Effect" means a material adverse effect on:

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

"Maturity Date" means 22 June 2026, adjusted according to the Business Day Convention.

"Net Borrowings" means Total Financial Indebtedness less Cash and Cash Equivalents.

"Nominal Amount" means nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2.

"Outstanding Bonds" means any Bonds not redeemed or otherwise discharged.

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

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

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

"Payment Date" means any Interest Payment Date or any Repayment Date.

"Permitted Financial Indebtedness" means:

- (a) this Bond Issue;
- (b) the Existing Bonds;
- (c) any unsecured bonds issued by the Issuer with (i) no amortization and with maturity after the Maturity Date, (ii) terms not materially more favourable than the Bonds, and (iii) without any Financial Support from any other Group Company;
- (d) the Senior Bank Facilities;
- (e) future senior secured or unsecured Financial Indebtedness provided by commercial banks, Export Credit Agencies or other financial institutions of similar nature incurred by the Issuer or any Group Company on marketable terms and conditions with the purpose of financing the acquisition of new vessels or assets (including newbuildings and/or second-hand vessels) (or acquisition of shares in entities owning one or more newbuildings or second-hand vessels or assets);
- (f) future senior secured bonds, notes or similar debt instruments issued by the Issuer or any Group Company on marketable terms and conditions with the purpose of financing the acquisition of new vessels (newbuildings and/or second-hand vessels) with first priority security in such vessels;
- (g) any Financial Indebtedness incurred by any Group Company in the ordinary course of business for working capital purposes and as part of the daily operations of such Group Company;
- (h) existing and future bid-, payment- and performance bonds, guarantees and letters of credit incurred by any Group Company in the ordinary course of business;
- (i) obligations incurred by any Group Company under any interest rate and currency hedging agreements relating to any Permitted Financial Indebtedness;
- (j) any unsecured intra-group loans granted by any Group Company to another Group Company provided that intra-group loans to the Issuer shall be subordinated to the Bonds;
- (k) any unsecured Subordinated Loans to the Issuer;
- (l) any intra-group accounting balances relating to the provision of services between the Issuer and other Group Companies;

- (m) any Financial Indebtedness incurred in the ordinary course of business for an amount of up to USD 20 million; and
- (n) any refinancing, extension, amendment or replacement of any of (b)-(m) above from time to time.

"Permitted Security" means any Security in respect of Permitted Financial Indebtedness referred to in paragraph (d), (e), (f), (g), (h), (i), and (m) above and any refinancing, extension, amendment or replacement thereof from time to time.

"Preferred Share Distribution" means a distribution under a class of preferred share capital issued by the Issuer, provided that the conditions in Clause 13.10 (*Distribution Restrictions*) sub-paragraphs (i) to (iv) are met.

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

"Put Option Event" means a Change of Control Event.

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

"Quarter Date" means each 31 March, 30 June, 30 September and 31 December.

"Relevant Jurisdiction" means the country in which the Bonds are issued, being Norway.

"Relevant Record Date" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

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

"Remaining Cash Position" means the sum of restricted cash and Cash and Cash Equivalents.

"Remaining Cash Requirement" means USD 500,000 per vessel plus USD 45 million.

"Repayment Date" means any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

"Securities Trading Act" means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

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

"Senior Bank Facilities" means the following existing Financial Indebtedness:

- (a) the loan agreement dated 18 December 2014 as amended and supplemented by a supplemental letter agreement dated 13 July 2018 and a first supplemental agreement dated 29 June 2020 in respect of "G. P. Zafirakis" and "P. S. Palios";
- (b) the loan agreement dated 7 January 2016 in respect of "San Francisco" and "Newport News";
- (c) the loan agreement dated 13 July 2018 with BNP Paribas;
- (d) the loan agreement dated June 27, 2019 in respect of "Myrto", "Maia", "New York", "Selina", "Ismene", "Houston"
- (e) the first amendment and restatement agreement re the loan agreement dated 27 June 2019,
- (f) the Loan Agreement dated March 05, 2019 in respect of "Crystallia" and "Atalandi"
- (g) the loan agreement dated 7 May 2020 in respect of Amphitrite, Polymnia, Leto, Melia, Alike, Baltimore, Myrsini, and
- (h) the loan agreement dated May 14, 2021 in respect of "Santa Barbara", "Medusa", "Los Angeles", "Philadelphia", "Artemis" and "New Orleans".

"Subordinated Loans" means debt financing provided to the Issuer that is:

- (a) subordinated in right of payment to the Bonds;
- (b) does not mature or require any amortisation prior to the date on which all amounts under the Bond Terms and any other Finance Documents have been paid in full; and
- (c) does not provide for its acceleration or confer any right to declare any event of default prior to the date on which all amounts under the Bond Terms and any other Finance Documents have been paid in full. For the avoidance of doubt, payment of cash interest of any such loans is permitted only as long as no Event of Default has occurred and is continuing and subject to the Distribution Restrictions set out above.

"Subsidiary" means a company over which another company has Decisive Influence.

"Summons" means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

“**Tangible Net Worth**” means the consolidated total shareholders’ equity (including retained earnings) of the Group, less goodwill and other intangible items (other than favorable charter agreements recorded in connection with purchase accounting under the Accounting Standard and, for the avoidance of doubt, vessel acquisition or construction agreements).

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“**Total Assets**” means the amount of the total assets of the Issuer determined on a consolidated basis in accordance with the Accounting Standard and as shown in the balance sheet in the Issuer’s latest Financial Report.

“**Total Financial Indebtedness**” means the amount of long-term Financial Indebtedness (including finance leases, bank loans and other long-term debt) and short-term Financial Indebtedness of the Issuer, both determined on a consolidated basis in accordance with the Accounting Standard and as shown in the balance sheet in the Issuer’s latest Financial Report.

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

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

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

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

- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*),
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of USD 125,000,000.
- (b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (c) The Initial Nominal Amount of each Bond is USD 50,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1.

2.2 Tenor of the Bonds

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

2.3 Use of proceeds

The Issuer will use the net proceeds from the issuance of the Bonds for (i) prepayment in full of the Existing Bonds and/or prepayment, in full or in part, or refinancing of other debt of the Group, and (ii) general corporate purposes..

2.4 Status of the Bonds

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

2.5 Transaction Security

The Bonds are unsecured.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

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

3.2 Limitation of rights of action

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

3.3 Bondholders' rights

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

4. ADMISSION TO LISTING

The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 12 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

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

5.2 Obligation to ensure correct registration

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

5.3 Country of issuance

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

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the net proceeds (net of legal costs, fees of the Managers and the Bond Trustee and any other agreed costs and expense) from the issuance of the Bonds to the Issuer shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties hereto;
 - (ii) confirmation from the Issuer that no potential or actual Event of Default has occurred or is likely to occur as a result of the issuance of the Bonds;
 - (iii) certified copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iv) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
 - (v) certified copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (vi) copies of the Issuer's latest Financial Reports (if any);

- (vii) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (viii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
 - (ix) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
 - (x) confirmation of acceptance from any process agent;
 - (xi) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
 - (xii) the Bond Trustee Fee Agreement duly executed by the parties thereto; and
 - (xiii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), waive the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Disbursement of the proceeds

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

7. REPRESENTATIONS AND WARRANTIES

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

- (a) at the date of these Bond Terms; and
- (b) at the Issue Date.

7.1 Status

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

7.2 Power and authority

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

7.3 Valid, binding and enforceable obligations

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

7.4 Non-conflict with other obligations

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

7.5 No Event of Default

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

7.6 Authorizations and consents

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

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

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

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse

Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

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

7.9 No Material Adverse Effect

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

7.10 No misleading information

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

7.11 No withholdings

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

7.12 Pari passu ranking

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

7.13 Security

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

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

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

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

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

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee;
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
 - (i) the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*), or
 - (ii) as a result of a resolution according to Clause 15 (*Bondholders' decisions*).

8.4 Taxation

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

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

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

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.

- (b) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
 - (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
 - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of interest

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

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

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

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or parts of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
 - (i) the First Call Date to, but not including, the Interest Payment Date in June 2025 at a price equal to 103.35 per cent. of the Nominal Amount for each redeemed Bond;
 - (ii) Interest Payment Date in June 2025 to, but not including, the Interest Payment Date in December 2025 at a price equal to 101.675 per cent. of the Nominal Amount for each redeemed Bond; and
 - (iii) the Interest Payment Date in December 2025 to, but not including, the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained or sold (but not cancelled) in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 60 days after the end of the relevant interim period.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Reports are fairly representing its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with Clause 13.9 (*Financial covenants*) as at such date.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

12.3 Sustainability Reporting

The Issuer currently reports, and shall continue to report, on an annual basis, its environmental, social and governance performance in line with the SASB Marine Transportation Industry Standard, which includes greenhouse gas emissions, marine ecological impacts, safety, business ethics and activity metrics on an annual basis. The reporting format may be changed at the Issuers sole discretion in accordance with the applicable market standards of ESG reporting. The Issuer shall make such reports

available on its website (alternatively on another relevant public information platform) as soon as they become available, after the end of the relevant calendar year.

12.4 Put Option Event

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

12.5 Listing Failure Event

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

12.6 Information: Miscellaneous

The Issuer shall:

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

13. GENERAL AND FINANCIAL UNDERTAKINGS

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

13.1 Authorisations

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

13.2 Compliance with laws

The Issuer shall, and shall ensure that all other Group Companies shall, carry on its business in accordance with acknowledged, careful and sound practices in all aspects and comply in all respects with all laws and regulations it or they may be subject to from time to time. Breach of these obligations shall be regarded as non-compliance only if such breach would have a Material Adverse Effect.

13.3 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business of the Group and/or the Issuer from that carried on at date of these Bond Terms.

13.4 Corporate status

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

13.5 Merger

The Issuer shall not, and shall ensure that no other Group Company shall, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer or any other Group Company with any other companies or entities if such transaction would have a Material Adverse Effect.

13.6 De-mergers

The Issuer shall not, and shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganization involving a split of the Issuer or any other Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.

13.7 Disposals of business

The Issuer shall not, and shall procure that the other Group Companies shall not, sell or otherwise dispose of all or substantially all of the Group's assets or operations to any person not being a member of the Group, unless such sale, transfer or disposal is carried out in the ordinary course of business and would not have a Material Adverse Effect.

13.8 Arm's length transactions

The Issuer shall not, and the Issuer shall ensure that no other Group Company shall, enter into any transaction with any person except on arm's length terms and for fair market value.

13.9 Litigations

The Issuer shall, promptly upon becoming aware of them, send the Bond Trustee such relevant details of any:

- (a) litigations, arbitrations or administrative proceedings which have been or might be started by or against any Group Company and which, if decided adversely is likely to have a Material Adverse Effect; and
- (b) other events which have occurred or might occur and which is likely to have a Material Adverse Effect.

13.10 Distribution restrictions

If (i) an Event of Default or an event or circumstance which, with the giving of any notice or the lapse of time, would constitute an Event of Default (a “Default”) has occurred and is continuing, (ii) an Event of Default or a Default would result therefrom, (iii) the Issuer is not in compliance with the Financial Covenants in Clause 13.18 (*Financial covenants*), (iv) the making of any Distribution by the Issuer or a Subsidiary would result in the Issuer not being in compliance with the Financial Covenants in Clause 13.18 (*Financial covenants*) or (v) if, as a result of a Distribution by the Issuer or a Subsidiary, except a Preferred Share Distribution, the Remaining Cash Position is less than the Remaining Cash Requirement, the Issuer shall not declare or make any Distribution.

13.11 Subsidiary distributions

Save for obligations under any Financial Indebtedness, the Issuer shall not permit any Subsidiary to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Subsidiary to:

- (a) pay dividends or make other Distributions to its shareholders;
- (b) service any Financial Indebtedness to the Issuer;
- (c) make any loans to the Issuer; or
- (d) transfer any of its assets and properties to the Issuer;

if the creation of such contractual obligation is reasonably likely to prevent the Issuer from complying with its payment obligations under these Bond Terms.

13.12 Negative pledge

The Issuer shall not, and shall ensure that no Group Company shall, create, permit to subsist or allow to exist any mortgage, pledge, lien or any other encumbrance over any of its present or future respective assets (including shares in Subsidiaries) or its revenues, other than the encumbrances granted to secure any of the following:

- (a) the Permitted Security;
- (b) any netting or set-off arrangement entered into by the Issuer or any other Group Company (as the case may be) in the ordinary course of its banking arrangements for the purpose of netting debt and credit balances of the Issuer (if applicable); and

(c) any lien arising by operation of law.

13.13 Financial Indebtedness restrictions

The Issuer shall not, and shall ensure that no Group Company shall, incur, create or permit to subsist any Financial Indebtedness (including guarantees) other than the Permitted Financial Indebtedness.

13.14 Financial support restrictions

The Issuer shall not and shall ensure that no other Group Company shall, grant any loans, guarantees or other financial assistance (including, but not limited to granting of security) ("Financial Support") to or for the benefit of any third party or other Group Company, other than any Financial Support granted:

- (a) in connection with Permitted Financial Indebtedness; and
- (b) in the ordinary course of business.

13.15 Insurances

The Issuer shall, and the Issuer shall procure that each Group Company will, maintain with reputable insurance companies, funds or underwriters adequate insurance or captive arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdiction.

13.16 Listing

The Issuer shall ensure that its ordinary shares remain listed on the New York Stock Exchange or another recognized stock exchange.

13.17 Sustainable Vessel Dismantling

The Issuer will ensure that any ship controlled by the Issuer or sold to an intermediary with the intention of being scrapped, is recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner, in accordance with the provisions of The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 and/or EU Ship Recycling Regulation.

13.18 Financial covenants

The Issuer undertakes to comply with the following Financial Covenants during the term of the Bond Issue:

- (a) Minimum Liquidity shall not be less than USD 10,000,000.
- (b) Tangible Net Worth of the Group shall exceed 25% of Total Assets; and
- (c) Net Borrowings to Total Assets shall not exceed 65%.

The Issuer undertakes to comply with the above Financial Covenants at all times, such compliance to be measured on each Quarter Date. The Financial Covenants shall be calculated on a consolidated basis for the Group during the lifetime of the Bonds.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

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

(a) Non-payment

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

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

(b) Breach of other obligations

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

(c) Misrepresentation

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

(d) Cross default

If for a Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or

- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above singly exceeds USD 20,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

The Issuer, and in respect of a Group Company other than the Issuer only if such event results in a Material Adverse Effect:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair the Issuer's ability to perform its obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or
 - (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

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

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer and/or a Group Company, but only with respect to any other Group Company if such event results in a Material Adverse Effect, having an aggregate value exceeding the

threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

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

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

14.2 Acceleration of the Bonds

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

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

14.3 Bondholders' instructions

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

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

14.4 Calculation of claim

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

- (a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and

- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

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

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

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

(iv) the Bond Trustee.

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

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.

- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and

voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.

- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (c) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),

shall not apply to a Written Resolution.

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

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders’ rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

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

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

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

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

16.3 Equality and conflicts of interest

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

16.4 Expenses, liability and indemnity

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

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

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).

17.2 Authority with respect to documentation

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

17.3 Notification of amendments or waivers

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

18. MISCELLANEOUS

18.1 Limitation of claims

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

18.2 Access to information

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

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received;
 - (iii) if by fax, when received; and
 - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph

(c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");

- (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and

the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge, then; the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.6 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*).

- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

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

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

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

19.2 Main jurisdiction

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

19.3 Alternative jurisdiction

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

- (a) to commence proceedings against the Issuer or any of its assets in any court in any jurisdiction; and

- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

19.4 Service of process

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

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

SIGNATURES

<p>The Issuer:</p> <p>Diana Shipping Inc.</p>  <p>By: <i>Thomas Zografis</i></p> <p>Position: <i>Chief Executive Officer</i></p> <p><i>Treasurer and Secretary</i></p>	<p>As Bond Trustee:</p> <p>Nordic Trustee AS</p> <p>By: _____</p> <p>Position: _____</p>
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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

The Issuer: Diana Shipping Inc. By: Position:	As Bond Trustee: Nordic Trustee AS  By: Lars Erik Lærum Position: Authorised signatory
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**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

Diana Shipping Inc. 8.375% bonds 2021/2026 ISIN NO0011021974

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

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

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

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

The financial covenants set out in Clause 13.18 (*Financial covenants*) are met, please see the calculations and figures in respect of the ratios attached hereto.

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

Yours faithfully,

Diana Shipping Inc.

Name of authorised person

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