

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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-33831

EAGLE BULK SHIPPING INC.
(Exact name of Registrant as specified in its charter)

Republic of the Marshall Islands
(State or other jurisdiction of incorporation or organization)

98-0453513
(I.R.S. Employer Identification No.)

300 First Stamford Place, 5th Floor
Stamford, Connecticut
(Address of principal executive offices)

06902
(Zip Code)

Registrant's telephone number, including area code: (203) 276-8100

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.01 per share | EGLE | The Nasdaq Stock Market LLC |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

| | | | | | |
|---------------------------|-------------------------------------|-------------------------|-------------------------------------|-----------------------|--------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input checked="" type="checkbox"/> | Non-Accelerated filer | <input type="checkbox"/> |
| Smaller reporting company | <input checked="" type="checkbox"/> | Emerging growth company | <input type="checkbox"/> | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provide pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant’s common stock held by non-affiliates of the registrant on June 30, 2021, the last business day of the registrant’s most recently completed second quarter, was approximately \$269,420,584 based on the closing price of \$47.32 per share on The Nasdaq Global Select Market on that date. (For this purpose, all outstanding shares of common stock have been considered held by non-affiliates, other than the shares beneficially owned by directors, officers and certain shareholders of the registrant holding above 10% of the outstanding shares of common stock; without conceding that any of the excluded parties are "affiliates" of the registrant for purposes of the federal securities laws.)

As of March 9, 2022, 13,633,263 shares of the registrant’s common stock were outstanding.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement for its 2022 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission within 120 days of December 31, 2021, are incorporated by reference into Part III of this Annual Report on Form 10-K for the registrant’s fiscal year ended December 31, 2021.

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References in this Annual Report on Form 10-K (this “Form 10-K” or “Annual Report”) to “we,” “us,” “our,” “Eagle Bulk,” “Eagle,” the “Company” and similar terms all refer to Eagle Bulk Shipping Inc. and its subsidiaries, unless otherwise stated or the context otherwise requires.

A glossary of shipping terms (the “Glossary”) that should be used as a reference when reading this Annual Report can be found immediately prior to Item 1A. Capitalized terms that are used in this Annual Report are either defined when they are first used or in the Glossary.

All dollar amounts are stated in United States (“U.S.”) dollars unless otherwise stated.

Reverse Stock Split

Effective as of September 15, 2020, the Company completed a 1-for-7 reverse stock split (the “Reverse Stock Split”) of the Company’s issued and outstanding shares of common stock, par value \$0.01 per share. Proportional adjustments were made to the Company’s issued and outstanding common stock and to the exercise price and the number of shares issuable upon exercise of all of the Company’s outstanding warrants, the exercise price and number of shares issuable upon exercise of the options outstanding under the Company’s equity incentive plans, and the number of shares subject to restricted stock awards under the Company’s equity incentive plans. Furthermore, the conversion rate set forth in the indenture governing the Company’s Convertible Bond Debt was adjusted to reflect the Reverse Stock Split. No fractional shares of common stock were issued in connection with the Reverse Stock Split. Furthermore, if a shareholder held less than seven shares prior to the Reverse Stock Split, then such shareholder received cash in lieu of the fractional share. All references to common stock and all per share data contained in this Annual Report have been retrospectively adjusted to reflect the Reverse Stock Split unless explicitly stated otherwise.

Forward-Looking Statements and Risk Factor Summary

This Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995, and are intended to be covered by the safe harbor provided for under these sections. These statements may include words such as “believe,” “estimate,” “project,” “intend,” “expect,” “plan,” “anticipate,” and similar expressions in connection with any discussion of the timing or nature of future operating or financial performance or other events. Forward-looking statements reflect management’s current expectations and observations with respect to future events and financial performance.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements. The principal factors that affect our financial position, results of operations and cash flows include charter market rates, which fluctuate based on various economic and market conditions, periods of charter hire, vessel operating expenses and voyage costs, which are incurred primarily in U.S. dollars, depreciation expenses, which are a function of the purchase price of our vessels and our vessels’ estimated useful lives and scrap value, general and administrative expenses, and financing costs related to our indebtedness. The accuracy of the Company’s assumptions, expectations, beliefs and projections depends on events or conditions that change over time and are thus susceptible to change based on actual experience, new developments and known and unknown risks. The Company gives no assurance that the forward-looking statements will prove to be correct and does not undertake any duty to update them. Our business is subject to a number of risks that could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. These risks are discussed more fully under “Item 1A. Risk Factors” and include, but are not limited to the following:

- changes in demand in the drybulk market, including, without limitation, changes in production of, or demand for, commodities and bulk cargoes, generally or in particular regions;

- greater than anticipated levels of drybulk vessel newbuilding orders or lower than anticipated rates of drybulk vessel scrapping;
- significant decrease in spot charter rates that could impact our profitability;
- failure of our charterers or other counterparties to meet their obligations under our charter agreements;
- changes in rules and regulations applicable to the drybulk industry, including, without limitation, legislation adopted by international bodies or organizations such as the International Maritime Organization and the European Union (the “EU”) or by individual countries;
- actions taken by regulatory authorities, including, without limitation, the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”);
- the global economic environment;
- changes in trading patterns significantly impacting overall drybulk tonnage requirements;
- increased fuel costs or bunker prices;
- changes in the typical seasonal variations in drybulk charter rates and other seasonal fluctuations;
- changes in the cost of other modes of bulk commodity transportation;
- an over-supply of drybulk carrier capacity across the industry may depress charter rates;
- changes in general domestic and international political conditions, including China;
- a decrease in the level of China’s export of goods or an increase in trade protectionism globally or by certain countries;
- changes in the condition of the Company’s vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated dry docking costs);
- increased costs due to compliance with safety and other vessel requirements imposed by classification societies and complex laws and regulations, including environmental regulations;
- significant deterioration in charter hire rates from current levels or the inability of the Company to achieve its cost-cutting measures;
- the duration and impact of the novel coronavirus (“COVID-19”) pandemic;
- the relative cost and availability of low and high sulfur fuel oil;
- any legal proceedings which we may be involved from time to time; and other factors listed from time to time in our filings with the Securities and Exchange Commission (the “SEC”);
- the state of the global financial markets may adversely impact our ability to obtain additional financing;
- the market value of our vessels are volatile and may decline;
- world events, such as terrorist attacks and international conflicts or instability;
- the conflict between Russia and Ukraine may impact our ability to retain and source crew, and in turn, could adversely affect our revenue, expenses, and profitability;
- acts of piracy on ocean going vessels;
- the imposition of sanctions by the United Nations, U.S., EU, UK and/or other relevant authorities;
- our noncompliance with international safety regulations could result in increased liability or adversely affect our insurance coverage;
- increased costs due to increased inspection procedures and tighter import and export controls;
- arrests of our vessels by maritime claimants;
- risks associated with operating ocean-going vessels;
- inherent risks of our business that might not be adequately covered by insurance;
- requisitions of our vessels by governments during a period of war;
- costs due to our failure to comply with the U.S. Foreign Corrupt Practices Act (the “FCPA”);
- costs and reputational harm due to cyber-attacks or other security breaches;
- risks of default under our loan agreements;
- our failure to manage our planned growth properly or integrate newly acquired vessels;
- risks associated with purchasing and operating secondhand vessels;
- the loss of one or more of our significant customers;
- our failure to employ our vessels profitably due to the competitive international shipping industry;
- our failure to attract and retain key management personnel;
- costs due to the aging of our fleet;
- technological innovations could reduce our charter hire income and the value of our vessels;
- if we are required to pay tax on U.S. source income;
- if we are treated as a “passive foreign investment company”;

- the inability of our subsidiaries to declare or pay dividends;
- costs associated with expanding our business;
- losses from derivative instruments;
- interest rate risks under our debt facilities;
- the phase out of LIBOR on our interest rates and interest rate swaps;
- our common stock might be affected by the under-developed corporate laws of the Marshall Islands;
- the fluctuation of the price of our common stock;
- the inactivity of the public market for our common stock;
- certain shareholders own large portions of our outstanding common stock, which may limit stockholders' ability to influence our actions;
- our shareholders are limited in their ability to elect or remove directors;
- our shareholders are subject to advance notice requirements for shareholder proposals and director nominations;
- our organizational documents contain super majority provisions;
- our organizational documents provide that disputes between us and our shareholders shall be subject to the jurisdiction of the U.S. federal courts located in the Southern District of New York; and
- changes in global, regional, and local regulatory requirements concerning decarbonization which could impact fuel cost, vessel speeds, or trading areas and could attach cost to certain air emissions.

We have based these statements on assumptions and analyses formed by applying our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. The Company's future results may be impacted by adverse economic conditions, such as inflation, deflation, or lack of liquidity in the capital markets, that may negatively affect it or parties with whom it does business. Should one or more of the foregoing risks or uncertainties materialize in a way that negatively impacts the Company, or should the Company's underlying assumptions prove incorrect, the Company's actual results may vary materially from those anticipated in its forward-looking statements, and its business, financial condition and results of operations could be materially and adversely affected.

Other unknown or unpredictable factors also could harm our results. We disclaim any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

PART I

ITEM 1. BUSINESS

Overview and Recent Developments

Eagle Bulk Shipping Inc. ("Eagle" or the "Company") is a U.S.-based, fully integrated, shipowner-operator, providing global transportation solutions to a diverse group of customers including miners, producers, traders, and end users. Headquartered in Stamford, Connecticut, with offices in Singapore and Copenhagen, Eagle focuses exclusively on the versatile mid-size drybulk vessel segment and owns one of the largest fleets of Supramax/Ultramax vessels in the world. The Company performs all management services in-house (strategic, commercial, operational, technical, and administrative services) and employs an active management approach to fleet trading with the objective of optimizing revenue performance and maximizing earnings on a risk-managed basis.

As of December 31, 2021, our owned fleet totaled 53 vessels, or 3.19 million deadweight ton ("dwt"), with an average age of 9.3 years.

Vessel acquisitions and sales

For the year ended December 31, 2021, the Company took delivery of nine vessels and sold one vessel:

- During the fourth quarter of 2020, the Company entered into a series of memorandum of agreements to purchase three high specification scrubber-fitted Ultramax bulk carriers for a total purchase price of \$51.5 million including direct expenses of acquisition, of which \$3.3 million was paid as a deposit as of December 31, 2020. The Company took delivery of the vessels during the first quarter of 2021.
- During the first quarter of 2021, the Company entered into another series of memorandum of agreements to purchase four vessels. The first vessel is a high-specification scrubber-fitted Ultramax bulk carrier for a total purchase price of \$15.3 million and a warrant convertible into 212,315 common shares of the Company. The remaining three vessels are 2011-built Crown-58 Supramax bulk carriers that were purchased for a total purchase price of \$20.5 million and a warrant convertible into 329,583 common shares of the Company. The above mentioned prices include direct expenses of acquisition. Common shares were issuable upon exercise of warrants on a pro-rata basis in connection with each vessel delivery. The warrants were measured at fair value on the date of the memorandum of agreement and recorded as Vessels and vessel improvements on the Consolidated Balance Sheets when the Company took delivery of the vessels. The fair value of the warrants for the total of 541,898 common shares was approximately \$10.7 million as of the date of the memorandum of agreements for each vessel. The Company took delivery of the four vessels during the second and third quarters of 2021 and issued 541,898 shares of common stock upon conversion of outstanding warrants.
- During the second quarter of 2021, the Company entered into memorandum of agreements to acquire two high-specification 2015-built scrubber-fitted Ultramax bulk carriers. This acquisition was partially financed with cash on hand, which included proceeds raised from equity issued under the Company's ATM Offering (as defined below). The total cost of the vessels acquired including direct costs of acquisition was \$42.2 million. The Company took delivery of the two vessels in each of the third and fourth quarters of 2021.
- During the second quarter of 2021, the Company signed a memorandum of agreement to sell the vessel Tern for a total net consideration of \$9.2 million after commissions and associated selling expenses. The vessel was delivered to the buyer during the third quarter of 2021. The Company recorded a gain of \$4.0 million in its Consolidated Statements of Operations for the year ended December 31, 2021. Additionally, the Company wrote off \$0.3 million of unamortized drydock costs upon the sale of the vessel.

Vessel upgrades - ballast water systems

During the third quarter of 2018, the Company entered into a contract for the purchase of ballast water treatment systems (“BWTS”) on 39 of our owned vessels. The projected costs, including installation, are approximately \$0.5 million per BWTS. The Company intends to complete the majority of the installations during scheduled drydockings. The Company completed installation of BWTS on 23 vessels and recorded \$11.5 million in Vessels and vessel improvements in the Consolidated Balance Sheet as of December 31, 2021. Additionally, the Company recorded \$4.4 million as advances paid towards installation of BWTS on the remaining vessels as a noncurrent asset in its Consolidated Balance Sheet as of December 31, 2021.

Business Strategy

Our vision is to be the leading integrated drybulk shipowner-operator through consistent outperformance and sustainable growth. We plan to achieve our vision by:

- Focusing on the most versatile drybulk vessel segment

We focus on owning-operating vessels within the mid-size Supramax/Ultramax segment. We consider this vessel segment to be the most versatile amongst the various drybulk asset classes due to the optimal size and specifications of Supramax/Ultramax ships, which allows us to carry the most diversified cargo mix when compared to other sizes of drybulk carriers. With a size ranging from 50,000 to 65,000 dwt and a length of approximately 200 meters, Supramax/Ultramax vessels are able to accommodate large cargo quantities and call on the majority of ports around the globe. In addition, these vessels are equipped with onboard cranes and grabs, giving them the ability to load and discharge cargoes without the need for shore-based port equipment/infrastructure. We believe the versatility and flexibility of Supramax/Ultramax vessels provide for improved risk-adjusted returns.

- Employing an active management strategy for fleet trading

We employ an active management strategy for fleet employment with the objective of optimizing revenue performance and maximizing earnings on a risk-managed basis. Through the execution of various commercial strategies employed across our global trading desks in the United States, Europe, and Asia, the Company has been able to achieve optimal time charter equivalent results and outperform the relevant market index on a consistent basis.

- Executing on fleet renewal and growth

Since 2016, we have executed on a comprehensive fleet renewal program totaling 49 vessel transactions. We have acquired 29 modern vessels and sold 20 of our oldest and least efficient vessels. We believe these transactions have vastly improved our fleet makeup. The average size of our ships has increased, the average age of our fleet has remained fairly static (over the period), and our fleet emissions profile has significantly improved (as measured by fuel consumption per dwt).

- Performing technical management in-house

We perform all technical management services relating to vessel maintenance, vessel repairs and crewing. We believe maintaining technical management in-house allows us to better optimize operating costs and vessel performance.

- Implementing a prudent approach to balance sheet management

We believe the long-term success of our Company is contingent on maintaining a prudent approach to balance sheet management, including working capital optimization, diversifying capital sources, lowering cost of capital, limiting interest rate exposure, and optimizing the debt profile.

- Emphasis on Environmental, Social and Governance (“ESG”) factors

We have developed, maintained and expanded on various initiatives relating to ESG matters. To better inform our shareholders and other stakeholders about these matters of strategic importance, we started publishing an annual ESG Sustainability Report in 2020, prepared in accordance with the Marine Transportation Framework, established by the Sustainability Accounting Standards Board. The reports are available for download on our company website. Initiatives we have undertaken include:

Environmental

- Executing on a comprehensive fleet renewal program, acquiring modern efficient vessels and selling older, less efficient ones, which has resulted in an improved fleet makeup and reduced greenhouse gas (“GHG”) emissions on a ton-mile basis.
- Creating a performance department and implementing performance optimization software, which has resulted in improved vessel performance and reduced fuel consumption.
- Applying high specification hull coatings and installing various energy saving devices around the propeller aperture to improve vessel performance and reduce fuel consumption.
- Reducing sulfur emissions by approximately 85% by following strategies to comply with the International Maritime Organization’s (“IMO”) fuel sulfur content regulations, which went into effect in January 2020.
- Joining the Getting to Zero Coalition, a global alliance of more than 1,540 companies committed to the decarbonization of deep-sea shipping in line with the IMO GHG emissions reduction strategy and, ultimately, the alignment of shipping emissions with the United Nations Framework Convention on Climate Change Paris Agreement.
- Providing relevant data on fuel consumption and sailing distances for each of our owned vessels to our lenders that are signatories to the Poseidon Principles. The Poseidon Principles establish a framework for assessing and disclosing the climate alignment of ship finance portfolios and are consistent with the policies and ambitions of the IMO to reduce shipping’s total annual GHG emissions by at least 50% by 2050.
- Becoming a signatory to the Sea Cargo Charter, a global framework for aligning chartering activities with responsible environmental behavior in order to promote international shipping’s decarbonization. The Charter is consistent with the IMO’s ambition for GHG emissions from international shipping to peak as soon as possible and to reduce by at least 50% by 2050 compared to 2008 levels.
- Joining the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping as Mission Ambassador, which is a not-for-profit, independent research and development center. It works across the shipping sector with industry, academia, and authorities to create an overview of viable decarbonization pathways, facilitate the development and implementation of new energy technologies, build confidence in new concepts, and their supply chains and accelerate the energy transition by defining and maturing viable strategic pathways.
- Investigating existing and emerging technologies to reduce GHG emissions including completing our first 100% sustainable biofuel voyage on the M/V Sydney Eagle.
- Joining other industry leaders in calling on policy makers to prioritize the implementation of a carbon pricing mechanism and dedicated shipping industry decarbonized research and development fund during COP26 held in Glasgow, Scotland.

Social

- Abiding by equal opportunity employer guidelines and promoting diversity in the workforce.
- Recognizing and complying with the Maritime Labor Convention, which was adopted by the International Labor Organization (“ILO”). All of our crew labor contracts are International Transport Workers’ Federation compliant agreements.
- Becoming a signatory to The Neptune Declaration, a global "call to action" initiative to help end the unprecedented crew change crisis affecting the maritime industry as a result of the outbreak of COVID-19 and its impact to worldwide travel.
- Implementing a robust safety management system.
- Volunteering with, and donating to, various local charities and causes.
- Providing paid internship opportunities to university students.

Governance

- Setting up a best-in-class corporate governance structure.
- Combating corruption through strict internal procedures and training, as well as taking part in collective action through our membership in the Maritime Anti-Corruption Network.
- Adopting a comprehensive code of ethics program within the organization that provides ongoing training and robust controls.
- Focusing on highly transparent reporting of sustainability, operating, and financial performance.

Our Fleet

The 53 vessels in our owned fleet as of December 31, 2021 included the following vessels:

| Vessel | Class | Dwt (in thousands) | Year Built |
|------------------|----------|-----------------------|------------|
| Antwerp Eagle | Ultramax | 63.5 | 2015 |
| Bittern | Supramax | 57.8 | 2009 |
| Canary | Supramax | 57.8 | 2009 |
| Cape Town Eagle | Ultramax | 63.7 | 2015 |
| Cardinal | Supramax | 55.4 | 2004 |
| Copenhagen Eagle | Ultramax | 63.5 | 2015 |
| Crane | Supramax | 57.8 | 2010 |
| Crested Eagle | Supramax | 56.0 | 2009 |
| Crowned Eagle | Supramax | 55.9 | 2008 |
| Dublin Eagle | Ultramax | 63.5 | 2015 |
| Egret Bulker | Supramax | 57.8 | 2010 |
| Fairfield Eagle | Ultramax | 63.3 | 2013 |
| Gannet Bulker | Supramax | 57.8 | 2010 |
| Golden Eagle | Supramax | 56.0 | 2010 |

| | | | |
|-------------------|----------|------|------|
| Grebe Bulker | Supramax | 57.8 | 2010 |
| Greenwich Eagle | Ultramax | 63.3 | 2013 |
| Groton Eagle | Ultramax | 63.3 | 2013 |
| Hamburg Eagle | Ultramax | 63.3 | 2014 |
| Helsinki Eagle | Ultramax | 63.6 | 2015 |
| Hong Kong Eagle | Ultramax | 63.5 | 2016 |
| Ibis Bulker | Supramax | 57.8 | 2010 |
| Imperial Eagle | Supramax | 56.0 | 2010 |
| Jaeger | Supramax | 52.5 | 2004 |
| Jay | Supramax | 57.8 | 2010 |
| Kingfisher | Supramax | 57.8 | 2010 |
| Madison Eagle | Ultramax | 63.3 | 2013 |
| Martin | Supramax | 57.8 | 2010 |
| Montauk Eagle | Supramax | 58.0 | 2011 |
| Mystic Eagle | Ultramax | 63.3 | 2013 |
| New London Eagle | Ultramax | 63.1 | 2015 |
| Newport Eagle | Supramax | 58.0 | 2011 |
| Nighthawk | Supramax | 57.8 | 2011 |
| Oriole | Supramax | 57.8 | 2011 |
| Oslo Eagle | Ultramax | 63.7 | 2015 |
| Owl | Supramax | 57.8 | 2011 |
| Petrel Bulker | Supramax | 57.8 | 2011 |
| Puffin Bulker | Supramax | 57.8 | 2011 |
| Roadrunner Bulker | Supramax | 57.8 | 2011 |
| Rotterdam Eagle | Ultramax | 63.6 | 2017 |
| Rowayton Eagle | Ultramax | 63.3 | 2013 |
| Sandpiper Bulker | Supramax | 57.8 | 2011 |
| Sankaty Eagle | Supramax | 58.0 | 2011 |
| Santos Eagle | Ultramax | 63.5 | 2015 |
| Shanghai Eagle | Ultramax | 63.4 | 2016 |
| Singapore Eagle | Ultramax | 63.4 | 2017 |
| Southport Eagle | Ultramax | 63.3 | 2013 |
| Stamford Eagle | Ultramax | 61.5 | 2016 |
| Stellar Eagle | Supramax | 56.0 | 2009 |
| Stockholm Eagle | Ultramax | 63.3 | 2016 |
| Stonington Eagle | Ultramax | 63.3 | 2012 |
| Sydney Eagle | Ultramax | 63.5 | 2015 |
| Valencia Eagle | Ultramax | 63.6 | 2015 |
| Westport Eagle | Ultramax | 63.3 | 2015 |

Nature of Business

The following is a brief description of the commercial strategies we use to employ our vessels:

1) Time Charter-Out

Time charter-out describes a contract for the use of a ship for an agreed period of time, at an agreed hire rate per day. Commercial control of the vessel becomes the responsibility of the time charterer who performs the voyage(s). The time charterer is responsible to pay the agreed hire and also purchase the fuel and pay port expenses. Time charters can range from as short as one voyage (approximately 20-40 days) to multiple years.

2) Voyage Chartering

Voyage chartering involves the employment of a vessel between designated ports for the duration of the voyage only. Freight is earned on the volume of cargo carried. In contrast to the Time charter-out method, in a voyage charter, we maintain control of the commercial operation and are responsible for managing the voyage, including vessel scheduling and routing, as well as any related costs, such as fuel, port expenses and other expenses. Having the ability to control and manage the voyage, we are able to generate increased margin through operational efficiencies, business intelligence and scale. Additionally, contracting to carry cargoes on voyage terms often gives us the ability to utilize a wide range of vessels to perform the contract (as long as the vessel meets the contractual parameters), thereby giving significant operational flexibility to the fleet. Such vessels include not only ships we own, but also third-party ships, which can be chartered-in on an opportunistic basis (the inverse of a Time charter-out strategy).

3) Vessel + Cargo Arbitrage

With this strategy, we contract to carry a cargo on voyage terms (as described above under the caption “Voyage Chartering”) with a specific ship earmarked to cover the commitment. As the date of cargo loading approaches, the market may have moved in such a way whereby we elect to substitute a different vessel to perform the voyage, while assigning a different piece of business to the original earmarked ship. Taken as a whole, this strategy can generate increased revenues, on a risk-managed basis, as compared to the original cargo-vessel pairing.

4) Time Charter-In

This strategy involves us leasing a vessel from a third-party shipowner at a set U.S. dollar per day rate. As referenced above, vessels can be time-chartered in order to cover existing cargo commitments, resulting in a Vessel+Cargo arbitrage. These ships may be chartered-in for periods longer than required for the initial cargo or arbitrage, and can also be chartered-in opportunistically in order to benefit from rate dislocations and to obtain risk-managed exposure to the market overall.

5) Hedging (FFAs)

Forward Freight Agreements (“FFAs”) are cleared financial instruments, which we can use to hedge market rate exposure by locking in a fixed rate against the eventual forward market. FFAs are an important tool to manage market risk associated with chartering-in of third-party vessels. FFAs can also be used to lock in revenue streams on owned vessels or against forward cargo commitments the Company may enter into.

6) Asymmetric Optionality

This is a blended strategy approach whereby we utilize time charters, cargo commitments and FFAs together to hedge away market exposure while maintaining upside optionality to positive market volatility. As a simplified example, a ship may be time chartered-in for one year with a further optional year. In such a scenario, and dependent on market conditions, we could sell an FFA for the firm 1-year period commitment, essentially eliminating exposure to the market, while maintaining full upside on rate developments for the optional year.

| Charter Characteristics | Voyage Charter | Time Charter | Index Charter |
|--|------------------------|-------------------------|-----------------------|
| Typical contract length | Single voyage | One or multiple voyages | Six months or more |
| Hire rate basis ⁽¹⁾ | Per MT of cargo loaded | Daily | Linked to BSI |
| Voyage expenses ⁽²⁾ | We pay | Customer pays | Customer pays |
| Vessel operating expenses for owned vessels ⁽³⁾ | We pay | We pay | We pay |
| Charter hire expense for vessels chartered-in | We pay | We pay | We pay |
| Off-hire ⁽⁴⁾ | Customer does not pay | Customer does not pay | Customer does not pay |

⁽¹⁾ “Hire rate” refers to a sum of money paid to the vessel owner by a charterer under a time charter party for the use of a vessel. “Freight rate basis” means the sum of money paid to the vessel owner under a voyage charter or contract of affreightment based on the unit measurement of cargo loaded. “BSI” refers to the “Baltic Supramax Index” and the daily hire rate varies based on the Index. Please refer to the Glossary for further detail on how the BSI is calculated.

⁽²⁾ “Voyage expenses” include fuel, port charges, canal tolls, and brokerage commissions.

⁽³⁾ “Vessel operating expenses” include crewing, repairs and maintenance, insurance, stores, lubes and communication expenses.

⁽⁴⁾ “Off-hire” refers to the time a vessel is unavailable to perform the service either due to scheduled or unscheduled repairs.

The Company employs its fleet opportunistically in an effort to maximize earnings. The Company enters into charters and is continuously developing contractual relationships directly with cargo interests. These relationships and the related cargo contracts have the dual benefit of providing greater operational efficiencies and act as a balance to the Company’s naturally long position to the market. Notwithstanding the focus on short term chartering, the Company consistently monitors the drybulk shipping market and, based on market conditions, will consider entering into long-term time charters on our owned fleet when appropriate.

The following summary represents the charter characteristics of our vessels as of December 31, 2021, 2020, and 2019:

| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
|-------------------------|-------------------|-------------------|-------------------|
| Time Charter | 28 | 18 | 28 |
| Voyage Charter | 22 | 25 | 17 |
| Shipyard ⁽¹⁾ | 3 | 2 | 5 |
| Total | 53 | 45 | 50 |

⁽¹⁾ The vessels are in shipyard as of the year end undergoing statutory drydock, BWTS or scrubber installation and repairs.

In connection with the charters of each of our vessels, unaffiliated third-party ship brokers earn commissions ranging from 1.25% to 5.00% of the total daily charter hire rate of each charter with the commission rate depending on the number of brokers involved with arranging the relevant charter.

Our vessels operate worldwide in compliance with trading limits imposed by governmental economic sanctions regimes and insurance terms and do not operate in or conduct business with countries or territories that are subject to United States, European Union (“EU”), United Kingdom or United Nations (“UN”) comprehensive country-wide or territory-wide sanctions.

Our Customers

Our customers include some of the world's leading agricultural, mining, manufacturing and trading companies, as well as smaller, privately owned companies. Our assessment of customers' financial condition and reliability is an important factor in negotiating employment for our vessels. We evaluate the counterparty risk of potential customers based on our management's experience in the shipping industry combined with the additional input of an independent credit risk consultant. In 2021, 2020 and 2019, we did not have a customer who accounted for more than 10% of our revenue.

Operations

There are two central aspects to the operation of our fleet:

- Commercial operations, which involve chartering and operating a vessel; and
- Technical operations, which involve maintaining, crewing and repairing a vessel.

We carry out the commercial, technical and strategic management of our fleet through our wholly-owned subsidiary, Eagle Bulk Management LLC, a Marshall Islands limited liability company which maintains its principal executive offices in Stamford, Connecticut. We also maintain offices in Copenhagen, Denmark and Singapore. Our staff in the three offices worldwide provide the following services:

- Commercial operations and technical supervision;
- Vessel maintenance and repair;
- Vessel acquisition and sale;
- Legal, compliance and insurance services and
- Finance, accounting, treasury and information technology services.

Each of the Company's vessels serve the same type of customer, have similar operation and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, the Company has determined that it operates in one reportable segment which is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk vessels.

Commercial and Strategic Management

We perform the commercial and strategic management of our fleet including obtaining employment for our vessels and maintaining relationships with the charterers of our vessels. We have three offices across the globe located in Copenhagen, Singapore and Stamford, Connecticut which allows for 24 hour global market coverage. We believe that due to our management team's experience in operating drybulk vessels, we have access to a broad range of charterers and can employ our fleet efficiently in diverse market conditions and achieve high utilization rates.

Being an active owner-operator means effectively seeking to operate our own vessels when possible, as compared with time chartering them to other operators, all with a view toward achieving higher-than-market net charter hire income. In doing so, we believe we can take advantage of rapidly changing market conditions and obtain better operational efficiencies from our fleet.

Technical Management

We have established in-house technical management capabilities, through which we provide technical management services to all vessels in our fleet. Technical management includes managing day-to-day operation of the vessel and

machinery, performing general maintenance, ensuring regulatory and classification society compliance, supervising the general efficiency of vessels, arranging the hire of qualified officers and crew, planning, arranging and supervising drydocking and repairs, purchasing supplies, spare parts, lubes, and new equipment for vessels, and appointing supervisors and technical consultants.

Human Capital Management

As of December 31, 2021, we have an aggregate of 94 shore-based personnel employed in our three office locations. We value a diverse workforce and our shore-based personnel comprises of 25 different nationalities across three worldwide offices. We are an Equal Opportunity Employer in our hiring and promoting practices, benefits and wages.

Our values

- **PASSION** for excellence drives us
- **EMPOWERMENT** of our people leads to better results
- **INTEGRITY** defines our culture
- **RESPONSIBILITY** to safety underpins every decision
- **FORWARD THINKING** takes us to a more successful tomorrow

Talent management and leadership

We take a systemic approach to hiring, training and developing our employees based on our code of ethics. This includes creating individual goals based on company priorities and providing employees periodic feedback in order to assess individual performance. We have developed internal promoting practices based on objective annual performance evaluations, encouraging employees to develop within their chosen career path and providing necessary professional trainings as needed. We also employ a succession planning process that identifies suitable candidates, and their development needs, for key positions in the company.

In addition to our shore-based personnel, we currently crew our vessels with officers and crew members from Ukraine, Russia, Georgia, Bulgaria and the Philippines who are hired through third-party crew managers. Historically, the majority of our crew have been hired through two crew manning agents, one Russian and the other Ukrainian. The officers and crew are primarily Russian and Ukrainian. The evolving situation in Ukraine and the sanctions being imposed may adversely affect our ability to hire and/or pay for our crew for our vessels. As of December 31, 2021, we employed approximately 1,000 officers and crew members on our owned fleet. The third-party crew managers recruit crew members with training, licenses and experience appropriate for our vessels. On board, our crews perform most operational and maintenance work and assist in supervising work during cargo operations and at drydock facilities. We often man our vessels with more crew members than are required by the vessel's Flag State safe manning requirement in order to allow for the performance of routine maintenance duties. All of our crew members are subject to and are paid commensurate with international collective bargaining agreements and, therefore, we do not anticipate any labor disruptions. The international collective bargaining agreements, to which we are a party, are typically renewed for a two-year term.

Human rights, health and safety

We continuously strive to provide a secure working environment for both our shore-based personnel as well as our crew members on our ships. During COVID-19, we have taken extraordinary measures to protect the health of our shore based employees by allowing our employees to work from home during the peak of the pandemic. We took measures to adapt all of our offices to the new safety precautions to include social distancing guidelines as well as ensuring mask wearing compliance.

For our crew members on our ships, we maintain security measures to ensure well-being and safety on our ships. We developed and implemented a safety management system in compliance with the International Safety Management Code. All necessary certificates required by the IMO were obtained by our in-house technical managers. We comply

with the Maritime Labor Convention adopted by the ILO in 2006. The Convention outlines the minimum requirements for seafarers to work, conditions of employment, facilities while on board, and health and welfare protection. The Convention obliges all ships above 500 gross tons in international trade to have a Maritime Labor Certificate and a Declaration of Maritime Labor Compliance. All our vessels and crew are compliant with the Convention, and we intend to maintain them accordingly. We also publish our ESG report on an annual basis where we report key metrics such as marine casualties, lost time incident rate and port state control.

During the pandemic, government-imposed travel restrictions, which were put in place in order to curtail the spread of the virus, created substantial challenges with respect to being able to effect crew changes and repatriation, and our seafarers sometimes had to work past their contractual employment periods. At Eagle, it has been a strategic priority to relieve our seafarers as close to their contractual due dates as possible, and we have successfully managed crew changeovers even in light of evolving travel restrictions in many countries. In order to achieve this result, we had to divert some of our ships and/or incur additional off-hire costs in addition to higher crew change expenses. During the year ended December 31, 2021, we incurred approximately 115 days of additional off-hire related to crew changes. These costs notwithstanding, we believe it is our obligation to Eagle's seafarers to ensure their overall health and safety.

Permits, Authorizations and Regulations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our vessels. The kinds of permits, licenses and certificates required depend upon several factors, including the commodity transported, the waters in which the vessel operates, the nationality of the vessel's crew and the age of a vessel. We expect to be able to obtain all permits, licenses and certificates currently required to permit our vessels to operate. Additional laws and regulations, environmental or otherwise, may be adopted which increase the cost of us doing business.

Our vessels operate worldwide in compliance with trading limits imposed by our insurance terms and do not operate in or conduct business with countries or territories that are subject to U.S., EU, UK or UN comprehensive country-wide or territory-wide sanctions.

Environmental and Other Regulations

Government regulation significantly affects the trading locations and operation of our vessels. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries in which our vessels may transit or operate relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including required vessel modifications and implementation of certain operating procedures.

A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (including national Coast Guards, harbor masters and port state control authorities), classification societies, flag state administrations (country of vessel registry), as well as our charterers and terminal operators. Certain of these entities require us to obtain permits, licenses and certificates for the operation of our vessels. Failure to maintain the necessary permits or approvals could result in substantial costs in fines and penalties or result in the temporary suspension of the operation of one or more of our vessels.

We believe that the heightening levels of environmental and quality concerns among regulators, charterers and the insurance industry is leading to greater inspection and safety requirements on all vessels, which may accelerate the recycling of older vessels throughout the shipping industry. Increasingly stringent environmental regulations have created a demand for vessels that conform to the most up-to-date environmental standards, whether through retrofitting or new design. We strive to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and adherence to applicable international regulations. We believe that our vessels are in substantial compliance with environmental laws and regulations and

that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations are subject to change and may impose stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels.

International Maritime Organization

The UN's IMO has adopted several international conventions, including the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto ("MARPOL"). MARPOL has been in effect since October 2, 1983 and has been adopted by over 150 nations, including many of the jurisdictions in which our vessels operate. MARPOL sets forth pollution-prevention requirements applicable to different types of vessels and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk, in liquid or packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997.

In 2013, the Marine Environmental Protection Committee ("MEPC") was adopted by resolution amendments to MARPOL Annex I Conditional Assessment Scheme ("CAS"). The amendments, which became effective on October 1, 2014, pertain to the inspections of bulk carriers and tankers and require compliance with the 2011 Enhanced Survey Programme Code, which enhances the programs of inspections. We made the necessary financial expenditures to comply with these amendments.

Air Emissions

Annex VI to MARPOL, which was designed to address air pollution from vessels and which became effective on May 19, 2005, sets limits on sulfur oxide and nitrogen oxide emissions from ships and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also regulates shipboard incineration and the emission of volatile organic compounds from tankers. In addition, Annex VI includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls of sulfur emissions known as "Emission Control Areas" ("ECAs"), as explained below.

MEPC adopted amendments to Annex VI on October 10, 2008, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. As of January 1, 2020, sulfur content could not exceed 0.50% unless an approved exhaust gas cleaning system ("scrubber") is in use. Additionally, in October 2018, MEPC amended Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships on or after March 1, 2020, with the exception of vessels fitted with scrubbers which can carry fuel of higher sulfur content.

We have implemented a comprehensive approach to compliance with IMO sulfur regulations. We believe that fitting scrubbers is the most cost-effective approach to achieve compliance for the majority of the ships in our fleet. As of December 31, 2021, 47 of our 53 vessels were fitted with scrubbers, making us the largest owner of scrubber fitted Supramax/Ultramax vessels in the world. The balance of our fleet complies with the MARPOL Annex VI sulfur limit through consumption of compliant fuels.

Sulfur content standards are stricter within certain ECAs. As of January 1, 2015, ships operating within an ECA may not use fuel with sulfur content in excess of 0.1%. Annex VI establishes procedures for designating new ECAs. Currently, the Baltic Sea, the North Sea, certain coastal areas of North America and United States Caribbean area have been designated as ECAs. Ocean-going vessels in these areas will be subject to stringent emissions controls, which may cause us to incur additional costs to procure compliant fuel and/or install scrubbers. If additional ECAs are approved by the IMO or other new or more stringent requirements relating to emissions from marine engines or port operations by vessels are adopted by the states where our vessels operate, compliance with these regulations could entail additional expenses relating to operation of scrubbers, purchase of compliant fuel or otherwise increase the costs of our operations.

Annex VI also establishes progressive reductions in nitrogen oxide emissions from marine diesel engines installed on ships, with a "Tier II" emission limit for engines installed on a ship constructed on or after January 1, 2011; and a more stringent "Tier III" emission limit for engines installed on a ship constructed on or after January 1, 2016 operating in ECAs.

We believe we are in substantial compliance with all current requirements of Annex VI, but we may incur additional costs to comply with more stringent standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Safety Management System Requirements

The International Convention for the Safety of Life at Sea ("SOLAS") and the International Convention on Load Lines (the "LL Convention") impose a variety of standards that regulate the design and operational features of ships. The IMO periodically revises the SOLAS and LL Convention standards. In addition, the Convention of Limitation of Liability for Maritime Claims establishes limits of liability for loss of life or personal injury claim and property claims against shipowners.

The operation of our ships is also affected by Chapter IX of SOLAS, which sets forth the IMO's International Management Code for the Safe Operation of Ships and Pollution Prevention (the "ISM Code"). The ISM Code requires shipowners and bareboat charterers to develop and maintain an extensive Safety Management System ("SMS") that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for emergency response. We rely upon the SMS that we have developed for compliance with the ISM Code. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. As of the date of this filing, all of the vessels in our owned fleet are ISM code-certified.

The ISM Code requires that vessel operators obtain a safety management certificate ("SMC") for each vessel they operate. This certificate evidences compliance by a vessel's operators with the ISM Code requirements for a SMS. No vessel can obtain a SMC under the ISM Code unless its manager has been awarded a document of compliance ("DoC") issued by the vessel's flag state or by an approved organization on behalf of the flag state. Our in-house technical managers have obtained DoC for all offices and safety management certificates for all of our vessels for which the certificates are required by the IMO, which certificates are renewed as needed.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the International Convention for the Control and Management of Ships' Ballast Water and Sediments ("BWM Convention") is designed to protect the marine environment from the introduction of non-native (alien) species as a result of the carrying of ships' ballast water from one place to another. The BWM Convention was adopted in 2004 and became effective on September 8, 2017. The BWM Convention is applicable to new and existing vessels that are designed to carry ballast water. It defines a discharge standard consisting of maximum allowable levels of critical invasive species. This standard is met by installing ballast water treatment systems ("BWTS") that render the invasive species non-viable. In addition, each vessel is required to have on board a valid International Ballast Water Management Certificate, a Ballast Water Management Plan, and a Ballast Water Record Book.

Under relevant U.S. federal laws, USCG approved BWTS are required to be installed in all vessels at the first out of water drydocking after January 1, 2016 if these vessels are to discharge ballast water inside 12 nautical miles of the coast of the United States. An Alternative Management System ("AMS") may be installed in lieu of a USCG approved BWTS. An AMS is valid for five years from the date of required compliance with ballast water discharge standards, by which time it must be replaced by an approved system unless the AMS itself achieves approval.

On August 14, 2018, the Company entered into a contract for the purchase of BWTS on all of our owned vessels. The projected costs, including installation, is approximately \$0.5 million per BWTS. The Company intends to complete the majority of the installations during scheduled drydockings. The Company completed installation of BWTS on 23 vessels and recorded \$11.5 million in Vessels and vessel improvements in the Consolidated Balance Sheet as of December 31, 2021. Additionally, the Company recorded \$4.4 million as advances paid towards installation of BWTS on the remaining vessels as a noncurrent asset in its Consolidated Balance Sheet as of December 31, 2021.

The IMO adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the “Bunker Convention”) to impose strict liability on shipowners for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims of 1976, as amended). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ships’ bunkers typically is determined by national or other domestic laws in the jurisdiction where the events or damages occur. Our ships carry insurance in excess of the statutory requirements.

In March 2006, the IMO amended Annex I to MARPOL, including a regulation relating to oil fuel tank protection, which became effective August 1, 2007. The regulation applies to various ships delivered on or after August 1, 2010. The requirements it contains address issues such as fuel tanks, protected location accidental oil fuel outflow performance standards, a tank capacity limit and certain other maintenance, inspection and engineering standards.

IMO regulations also require owners and operators of certain vessels to adopt Ship Oil Pollution Emergency Plans. Periodic training and drills for response personnel and for vessels and their crews are required.

In March 2021, the U.S. government began investigating an allegation that one of the Company’s vessels may have improperly disposed of ballast water that entered the engine room bilges during a repair. The investigation of this alleged violation of environmental laws is ongoing, and although at this time we do not believe that this matter will have a material impact on the Company, our financial condition or results of operations, we cannot determine what penalties, if any, will be imposed. We have posted a surety bond as security for any fines, penalties or associated costs that may be issued, and the Company is cooperating fully with the U.S. government in its investigation of this matter. For the year ended December 31, 2021, the Company incurred and recorded \$2.8 million as Other operating expense in our Consolidated Statement of Operations, relating to this incident, which includes legal fees, surety bond expenses, vessel off-hire, crew changes and travel costs.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-Fouling Systems on Ships (the “Anti-Fouling Convention”). The Anti-Fouling Convention prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages are required to undergo an initial survey before the vessel is put into service or before an International Anti-Fouling System Certificate is issued for the first time and subsequent surveys when the anti-fouling systems are altered or replaced. We have obtained Anti-Fouling System Certificates for all of our vessels that are subject to the Anti-Fouling Convention.

In November 2020, MEPC 75 approved draft amendments to the Anti-Fouling Convention to prohibit anti-fouling systems containing cybutryne. These amendments were adopted at MEPC 76 in June 2021 and will apply to ships from January 1, 2023.

Compliance Enforcement

The flag state, as defined by the UN Convention on the Law of the Sea, is responsible for implementing and enforcing a broad range of international maritime regulations with respect to all ships granted the right to fly its flag. The “Shipping Industry Guidelines on Flag State Performance” evaluates and reports on flag states based on factors such as sufficiency of infrastructure, ratification, implementation, and enforcement of principal international maritime treaties, supervision of statutory ship surveys, casualty investigations, and participation at IMO and ILO meetings. Our vessels are flagged in the Marshall Islands. Marshall Islands-flagged vessels have historically received a good assessment in the shipping industry. We recognize the importance of a credible flag state and do not intend to use flag states with poor performance indicators.

Noncompliance with the ISM Code or other IMO regulations may subject the shipowner or bareboat charterer to increased liability, lead to decreases in available insurance coverage for affected vessels or result in the denial of access to, or detention in some ports. As of the date of this report, each of our vessels is ISM Code certified and it is our intent to maintain ISM code certification. However, there can be no assurance that such certificates will be maintained in the future.

The IMO continues to introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations may have on our operations.

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990 (“OPA”) established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all “owners and operators” whose vessels trade with the United States, its territories and possessions or whose vessels operate in United States waters, which includes the United States’ territorial sea and its 200 nautical mile exclusive economic zone around the United States. The United States has also enacted the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), which applies to the discharge of hazardous substances other than oil, except in limited circumstances whether on land or at sea. OPA and CERCLA both define “owner or operator,” in the case of a vessel, as “any person owning, operating or chartering by demise,” the vessel. Both OPA and CERCLA impact our operations.

Under OPA, vessel owners and operators are “responsible parties” and are jointly, severally and strictly liable (i.e., no showing of “fault” is required) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, unless the spill results solely from the act or omission of a third party, an act of God or an act of war. OPA defines these other damages broadly to include:

- Injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;
- Injury to, or economic losses resulting from, the destruction of real and personal property;
- Net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;
- Loss of subsistence use of natural resources that are injured, destroyed, or lost;
- Lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and
- Net cost of providing increased or additional public services necessitated by removal activities following a discharge of oil such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective November 19, 2019, the USCG adjusted the limits of OPA liability for non-tank vessels (e.g. drybulk) to the greater of \$1,200 per gross ton or \$997,100 (subject to periodic adjustment for inflation). These limits of liability may not apply if an incident was caused by the violation of an applicable United States federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual

relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly may not apply if the responsible party fails or refuses to (i) report the incident where the responsibility party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for cleanup, removal and remedial costs, as well as damage for, injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third party, an act of God or an act of war. Liability under CERCLA is limited to the greater of \$300 per gross ton or \$5.0 million for vessels carrying a hazardous substance as cargo or residue and the greater of \$300 per gross ton or \$500,000 for any other vessel. These limits do not apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a hazardous substance resulted from willful misconduct or gross negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA both require owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We have complied with the regulations by providing a certificate of responsibility from third party entities that are acceptable to the USCG.

We currently maintain pollution liability coverage insurance in the amount of \$1.0 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverages, it could have an adverse effect on our business and results of operation.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. Also, OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA; some states have enacted legislation providing for unlimited liability for oil spills. In some cases, states which have enacted such legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. We intend to comply with all applicable state regulations in the ports where our vessels call. We believe that we are in substantial compliance with all applicable existing state requirements. In addition, we intend to comply with all future applicable state regulations in the ports where our vessels call.

Other Environmental Initiatives

The United States Clean Water Act (the "CWA") prohibits the discharge of oil, hazardous substances and ballast water in United States navigable waters unless authorized by a duly-issued permit or exemption and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. Furthermore, many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than United States federal law. In 2015, the Environmental Protection Agency ("EPA") and the Army Corps of Engineers ("Corps") expanded the definition of "waters of the United States" ("WOTUS"), thereby expanding federal authority under the CWA. However, in April 2020, the EPA and the Corps published a final rule replacing the 2015 rules, and significantly reducing the waters subject to federal regulation under the CWA. On August 30, 2021, a federal court struck down the replacement rule and, on December 7, 2021, the EPA and the Corps published a proposed rule that would put back into place the pre-2015 definition of "waters of the United States," updated to reflect Supreme Court decisions, while the agencies continue to consult

with stakeholders on future regulatory actions. As a result of such recent developments, substantial uncertainty exists regarding the scope of waters protected under the CWA.

The EPA and the USCG have enacted rules relating to ballast water discharge, which requires the installation of equipment on vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to the Vessel Incidental Discharge Act (“VIDA”), which was signed into law on December 4, 2018 and replaces the 2013 Vessel General Permit (“VGP”) program (which authorizes discharges incidental to operations of commercial vessels and contains numeric ballast water discharge limits for most vessels) and current USCG ballast water management regulations adopted under the U.S. National Invasive Species Act (“NISA”). VIDA establishes a new framework for the regulation of vessel incidental discharges under the CWA, requires the EPA to develop performance standards for those discharges within two years of enactment, and requires the USCG to develop implementation, compliance, and enforcement regulations within two years of EPA’s promulgation of standards. Under VIDA, all provisions of the 2013 VGP and USCG regulations regarding ballast water treatment remain in force and effect until the EPA and USCG regulations are finalized. Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP, including submission of a Notice of Intent (“NOI”) or retention of a PARI form and submission of annual reports. On October 26, 2020, the EPA published a proposed rule establishing national standards for discharges of ballast water under VIDA. Within two years after the EPA publishes its final standards, the USCG must develop corresponding implementation, compliance, and enforcement regulations regarding ballast water.

In addition, certain states have enacted additional discharge standards beyond the requirements of the VIDA. These state specific standards introduce more stringent requirements, such as those further restricting ballast water discharges and preventing the introduction of invasive species. The VIDA and state-specific regulations and any similar restrictions enacted in the future may increase the costs of operating in the relevant waters.

The U.S. Clean Air Act (the “CAA”) requires the EPA to promulgate standards applicable to certain air pollutants, including volatile organic compounds. The CAA also requires states to draft State Implementation Plans (“SIPs”) designed to attain national health-based air quality standards in each state. State-specific SIPs may include regulations concerning emissions resulting from vessel loading and unloading operations, including the installation of vapor control equipment.

Our operations occasionally generate and require the transportation, treatment and disposal of both hazardous and non-hazardous solid wastes that are subject to the requirements of the U.S. Resource Conservation and Recovery Act (“RCRA,”) or comparable state, local or foreign requirements. The RCRA imposes significant record keeping and reporting requirements on transporters of hazardous waste. In addition, from time to time we arrange for the disposal of hazardous waste or hazardous substances at off-site disposal facilities. If such materials are improperly disposed of by third parties, we may still be held liable for cleanup costs under applicable laws.

In October 2009, the EU amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. Member States were required to enact laws or regulations to comply with the directive by the end of 2010. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or the safety of the ship is in danger.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age, and flag as well as the number of times the ship has been detained. The European Union also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. Regulations also provided the European Union with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply. Furthermore, the EU has

implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. The EU Directive 2005/33/EC (amending Directive 1999/32/EC) introduced requirements parallel to those in Annex VI relating to the sulfur content of marine fuels.

Greenhouse Gas Regulation

Currently, GHG emissions from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions with targets extended through 2020. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. Although the U.S. withdrew from the Paris Agreement effective November 4, 2020, the U.S. rejoined the Paris Agreement on February 19, 2021, following a January 20, 2021, executive order by U.S. President Biden.

Although the international agreements discussed above do not currently provide for GHG emissions limits or reporting for international shipping, the IMO and EU have imposed reporting requirements and the IMO has proposed emissions requirements. As of January 1, 2019, owners and operators of ships above 5,000 gross tonnage are required to have a documented plan in place to monitor CO₂ emissions to comply with the IMO's data collection system ("IMO DCS") requirement. The Company updated its existing Ship Energy Efficiency Management Plans ("SEEMP") in 2018 documenting the methodologies we decided to use for collecting and reporting the required data to flag state. Our updated SEEMPs have been verified by a recognized independent organization and we are collecting all relevant data in our onboard data collection system since the start of 2019. Starting January 1, 2020, a recognized independent organization will review and certify the annual emissions data submitted by each vessel and issue each vessel a Statement of Compliance. The independent organization will then submit the data annually to the IMO Ship Fuel Oil Consumption Database. The IMO will utilize this data to produce an annual report to the MEPC, summarizing the data collected.

The Company also established and received approval for its EU Monitoring, Reporting, Verification ("MRV") monitoring plans from an independent verifier in 2017. The reporting requirements of the EU MRV are similar to those under IMO DCS but only apply to ships calling at European Economic Area (EU, Norway and Iceland) ports. Data collection takes place on a per voyage basis and started January 1, 2018. The reported CO₂ emissions, together with additional data, are independently verified before being sent to a central database managed by the European Maritime Safety Agency ("EMSA"). The aggregated ship emission and efficiency data is published annually by the European Commission starting June 30, 2019. Also, on July 14, 2021, the European Commission adopted a series of legislative proposals setting out how it intends to achieve climate neutrality in the EU by 2050, including extending its emissions trading system to the maritime sector. The proposed extension of the emissions trading system would cover CO₂ emissions from ships above 5,000 gross tonnage. The obligations would be gradually phased in over a three- to four-year period, such that allowances for 100% of verified emissions would not be required for several years. A vote on the final proposal is likely to occur in approximately June 2022. The Company is evaluating the potential impact that the final proposal, if approved, could have on the Company and its operations.

During MEPC 76 in June 2021, the IMO approved amendments to Annex VI to cut the carbon intensity of existing ships. The amendments will require ships to combine a technical and an operational approach to reduce their carbon intensity, in line with the ambition of the Initial IMO GHG Strategy, which aims to reduce carbon intensity of international shipping by 40% by 2030, compared to 2008. The amendments include (1) a technical requirement to reduce carbon intensity based on a new Energy Efficiency Existing Ship Index ("EEXI"), and (2) operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator ("CII"). These amendments are expected to enter into force on November 1, 2022, with the requirements for EEXI and CII certification coming into effect from January 1, 2023. The Company has evaluated the impact of EEXI requirements and determined that the majority of our fleet will be minimally impacted with some of the oldest ships requiring the application of an engine power limitation that may reduce operational top speed. The Company is working with Class and Flag to

complete the EEXI certification of all vessels in advance of the requirement coming into effect. EEXI requirements will ultimately lead the oldest ships in the drybulk fleet to slow down significantly which will limit drybulk supply and could positively impact rates. The Company is evaluating the impact of CII requirements on the fleet and sees limited impact through 2025 after which the annual CII requirements become incrementally stricter each year. The most immediate impact of CII requirements coming into effect will likely be the need for collaboration between the Company and Charterers to actively manage CII scoring.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol or Paris Agreement, that restricts emissions of greenhouse gases could require us to make significant financial expenditures which we cannot predict with certainty at this time. Revenue generation and strategic growth opportunities may also be adversely affected. Even in the absence of climate control legislation, our business may be indirectly affected to the extent that climate change may result in sea level changes or more intense weather events such as those which may present a risk of damage or loss to our vessels.

International Labour Organization

The ILO is a specialized agency of the UN with headquarters in Geneva, Switzerland. The ILO has adopted the Maritime Labor Convention 2006 (the “MLC 2006”). A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance will be required to ensure compliance with the MLC 2006 for all ships above 500 gross tons in international trade. All of our vessels are compliant with the MLC 2006 and we intend to maintain them accordingly.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001 in the United States, there have been a variety of initiatives intended to enhance vessel security such as the Maritime Transportation Security Act of 2002 (“MTSA”). To implement certain portions of the MTSA, in July 2003, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. The regulations also impose requirements on certain ports and facilities, some of which are regulated by the EPA. We have implemented measures to comply with the requirements when calling at U.S. ports.

Similarly, in December 2002, amendments to SOLAS created a new chapter of the convention dealing specifically with maritime security. The new Chapter V became effective in July 2004 and imposes various detailed security obligations on vessels and port authorities, and mandates compliance with the International Ship and Port Facilities Security Code (“ISPS Code”). The ISPS Code is designed to enhance the security of ports and ships against terrorism. Amendments to SOLAS Chapter VII, made mandatory in 2004, apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code. To trade internationally, a vessel must attain an International Ship Security Certificate (“ISSC”) from a recognized security organization approved by the vessel’s flag state. Among the various requirements are:

- On-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship’s identity, position, course, speed and navigational status;
- On board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore; the development of vessel security plans;
- Ship identification number to be permanently marked on a vessel’s hull;
- A continuous synopsis record kept onboard showing a vessel’s history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship’s identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and
- Compliance with flag state security certification requirements.

Ships operating without a valid certificate may be detained at port until it obtains an ISSC, or it may be expelled from port, or refused entry at port.

Furthermore, additional security measures could be required in the future which could have a significant financial impact on us. The USCG regulations, intended to be aligned with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code. Our vessels have a valid ISSC and it is our intent to maintain such certificates. We have implemented the various security measures addressed by the MTSA, SOLAS and the ISPS Code.

Financial Regulations

Our business operations in countries outside the United States are subject to a number of laws and regulations, including restrictions imposed by the FCPA, as well as economic sanctions and trade embargoes administered by Office of Foreign Assets Control ("OFAC"). The FCPA prohibits bribery of foreign officials and requires us to keep books and records that accurately and fairly reflect our transactions. OFAC administers and enforces economic sanctions and trade embargoes based on U.S. foreign policy and national security goals against targeted foreign states, organizations and individuals.

In November 2015, the Company filed a voluntary self-disclosure report with OFAC regarding certain apparent violations of U.S. sanctions regulations in the provision of shipping services for third party charterers with respect to the transportation of cargo to or from Myanmar (formerly Burma). The Company had a different senior management team at the time of the apparent violations which occurred between 2011 and 2014. The Company's new senior management and new Board of Directors self-reported the apparent violation and cooperated fully with OFAC's investigation and has since implemented robust remedial measures and significantly enhanced its compliance safeguards.

On January 23, 2020, Eagle Shipping International (USA) LLC ("ESI"), a subsidiary of the Company, entered into a settlement agreement with OFAC in which ESI agreed to make a one-time payment to the U.S. Department of the Treasury in the amount of \$1.125 million and undertake certain compliance commitments in exchange for OFAC agreeing to release and forever discharge the Company and its subsidiaries, including ESI, without any finding of fault, from any and all civil liability in connection with the apparent violations. The settlement does not constitute an admission of fault or wrongdoing by the Company or any of its subsidiaries.

Inspection by Classification Societies

Every ocean-going vessel must be inspected and certified by a classification society. The classification society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned.

For maintenance of the class certification, regular and extraordinary surveys of hull, machinery, including the electrical plant, and any special equipment classed are required to be performed as follows:

- *Annual Surveys.* For ocean-going ships, annual surveys are conducted for the hull and the machinery, including the electrical plant, and where applicable for special equipment classed, within three months before or after each anniversary date of the date of commencement of the class period indicated in the certificate.

- *Intermediate Surveys.* Intermediate surveys typically are required two and one-half years after the vessel is commissioned, and thereafter at five year intervals. The first three intermediate surveys may be conducted while the vessel remains in the water, and thereafter the vessel must be dry-docked for each Intermediate Survey.
- *Class Renewal Surveys.* Class renewal surveys, also known as special surveys, are carried out for the ship's hull, machinery, including the electrical plant and for any special equipment classed, at the intervals indicated by the character of classification for the hull. At the special survey the vessel is thoroughly examined, including audio-gauging to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. The classification society may grant a one year grace period for completion of the special survey. Substantial amounts of money may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey approximately every five years, depending on whether a grace period was granted, a shipowner has the option of arranging with the classification society for the vessel's hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five year cycle. At an owner's application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as continuous class renewal.

All areas subject to survey as defined by the classification society are required to be surveyed at least once per class period, unless shorter intervals between surveys are prescribed elsewhere. The period between two subsequent surveys of each area must not exceed five years.

Most vessels are also drydocked every 30 to 60 months for inspection of the underwater parts and for repairs related to inspections. If any defects are found, the classification surveyor will issue a "recommendation" which must be rectified by the shipowner within prescribed time limits.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as "in class" by a classification society which is a member of the International Association of Classification Societies (the "IACS"). In December 2013, the IACS adopted new harmonized Common Structure Rules, which apply to bulk carriers constructed on or after July 1, 2015. All our vessels must be certified as being "in class" prior to their delivery under our standard purchase contracts and memorandum of agreement. If the vessel is not class certified on the date of closing, we have no obligation to take delivery of the vessel. We have all of our vessels and intend to have all vessels that we acquire in the future, classed by IACS members.

Risk of Loss and Liability Insurance

General

The operation of any drybulk vessel includes risks such as mechanical failure, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. In addition, there is always an inherent possibility of a marine casualty, including oil spills (e.g. fuel oil) and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. OPA, which imposes liability upon owners, operators and demise charterers of vessels trading in the United States exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for shipowners and operators trading in the U.S. market.

While we maintain hull and machinery insurance, loss of hire insurance, war risks insurance, protection and indemnity cover and freight, demurrage and defense cover for our owned fleet in amounts that we believe to be prudent to cover normal risks in our operations, we may not be able to achieve or maintain this level of coverage throughout a vessel's useful life. Furthermore, while we believe that our current insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates.

Hull & Machinery and War Risks Insurance

We maintain marine hull, machinery and war risks insurances, which cover the risk of damage or actual or constructive total loss for all of our vessels. Our vessels are each covered up to at least their fair market value with a deductible of \$100,000 per vessel per incident.

Protection and Indemnity Insurance Coverage

Protection and Indemnity Insurance is a form of mutual indemnity insurance provided by protection and indemnity associations (“P&I Associations”), which insure our third-party liabilities in connection with our shipping activities. This includes third-party liability and other related expenses resulting from the injury, illness or death of crew, passengers and other third parties, the loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution, and other related costs, including wreck removal. Subject to the “capping” discussed below except for pollution is unlimited.

Our current Protection and Indemnity Insurance coverage for pollution is \$1.0 billion per vessel per incident. The 13 P&I Associations that comprise the International Group of P&I Association insure approximately 90% of the world’s commercial tonnage and have entered into a pooling agreement to reinsure each association’s liabilities. As a member of a P&I Association which is a member of the International Group, we are subject to calls payable to the associations based on the Company’s claim records as well as the claim records of all other members of the individual associations and members of the pool of P&I Associations comprising the International Group.

Competition

We compete with a large number of international drybulk owners. The international shipping industry is highly competitive and fragmented with no single owner accounting for more than 2.6% of the on-the-water drybulk fleet, measured by vessel count. As of December 31, 2021, there are approximately 12,700 drybulk vessels over 10,000 dwt totaling approximately 945 million dwt. We compete with other owners of drybulk vessels, primarily in the Supramax/Ultramax segment and (to a lesser extent) the Handysize and Panamax segments. Many of our competitors are privately-held companies.

Competition in the shipping industry varies according to the nature of the contractual relationship as well as the specific commodity being shipped. Our business will fluctuate as a result of changes in the supply and demand for drybulk commodities and also the main patterns of trade in these commodities. Competition in virtually all bulk trades is intense and based primarily on supply of ships and demand for our ocean transportation services. We compete for charters on the basis of price, vessel location, size, age and condition of the vessel, as well as on our reputation as an owner and operator. Increasingly, major customers are demonstrating a preference for modern vessels based on concerns about the environmental and operational risks associated with older vessels. Consequently, we believe owners of large modern fleets have gained a competitive advantage over owners of older fleets.

Seasonality

Demand for vessel capacity has historically exhibited seasonal variations with corresponding fluctuations in charter rates. This seasonality may result in quarter-to-quarter volatility in our operating results for our vessels trading in the spot market. The drybulk market is typically stronger in the fall (due to both increased North American grain shipments and higher coal purchases for heating fuel ahead of the cold winter months) and spring (due to increased South American grain shipments). In addition, unpredictable weather patterns may disrupt vessel scheduling and supplies of certain commodities.

Value of Assets and Cash Requirements

The replacement costs of comparable new vessels may be above or below the book value of our fleet. The market value of our fleet may be below book value when market conditions are weak and exceed book value when markets are strong. In common with other shipowners, we may consider asset redeployment which at times may include the sale of vessels at less than their book value.

Exchange Controls

Under Marshall Islands law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our common stock.

Tax Considerations

The following is a discussion of the material Marshall Islands and United States federal income tax considerations relevant to owning common stock by a United States Holder or a Non-United States Holder, (each as defined below). This discussion does not purport to deal with the tax consequences of owning the common stock to all categories of investors, some of which (such as financial institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, insurance companies, persons holding our common stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, traders in securities that have elected the mark-to-market method of accounting for their securities, persons liable for alternative minimum tax, persons who are investors in pass-through entities, dealers in securities or currencies, persons required to recognize income for U.S. federal income tax purposes no later than when such income is reported on an "applicable financial statement," persons subject to the "base erosion and anti-avoidance" tax, persons who own, directly or constructively, 10% or more of our common stock and investors whose functional currency is not the United States dollar) may be subject to special rules. This discussion deals only with holders who own common stock as a capital asset. Shareholders are encouraged to consult their own tax advisors concerning the overall tax consequences arising in their own particular situation under United States federal, state, local or foreign law of the ownership of our common stock.

Marshall Islands Tax Considerations

In the opinion of Seward & Kissel LLP, the following are the material Marshall Islands tax consequences of our activities to us and shareholders of our common stock. We are incorporated in the Marshall Islands. Under current Marshall Islands law, we are not subject to tax on income or capital gains, and no Marshall Islands withholding tax will be imposed upon payments of dividends by us to our shareholders.

United States Federal Income Tax Considerations

In the opinion of Seward & Kissel LLP, our United States tax counsel, the following are the material United States federal income tax consequences to us of our activities and to United States Holders and to Non-United States Holders of our common stock. The following discussion of United States federal income tax matters is based on the Internal Revenue Code of 1986, as amended, or the Code, judicial decisions, administrative pronouncements, and existing and proposed regulations issued by the United States Department of the Treasury, all of which are subject to change, possibly with retroactive effect. In addition, the discussion below is based, in part, on the description of our business as described in Item 1. Business in this Annual Report and assumes that we conduct our business as described in that section.

We have made, or will make, special United States federal income tax elections in respect of each of our ship owning or operating subsidiaries that is potentially subject to tax as a result of deriving income attributable to the transportation of cargoes to or from the United States. The effect of the special U.S. tax elections is to ignore or disregard the subsidiaries for which elections have been made as separate taxable entities and to treat them as part of their parent, the "Company." Therefore, for purposes of the following discussion, the Company, and not the

subsidiaries subject to this special election, will be treated as the owner and operator of the vessels and as receiving the income therefrom.

United States Federal Income Taxation of Our Company

Taxation of Operating Income: In General

The Company currently earns, and anticipates that it will continue to earn, substantially all its income from the hiring or leasing of vessels for use on a time or voyage charter basis or from the performance of services directly related to those uses, all of which we refer to as "shipping income."

Unless exempt from United States federal income taxation under the rules of Section 883 of the Code ("Section 883"), as discussed below, a foreign corporation such as Eagle will be subject to United States federal income taxation on its "shipping income" that is treated as derived from sources within the United States, to which we refer as "United States source shipping income." For tax purposes, "United States source shipping income" includes 50% of shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.

Shipping income attributable to transportation exclusively between non-United States ports will be considered to be 100% derived from sources outside the United States. Shipping income derived from sources outside the United States will not be subject to any United States federal income tax.

Shipping income attributable to transportation exclusively between United States ports is considered to be 100% derived from United States sources. However, the Company is not permitted by United States law to engage in the transportation of cargoes that produces 100% United States source income.

Unless exempt from tax under Section 883, the Company's gross United States source shipping income would be subject to a 4% tax imposed without allowance for deductions as described below.

Exemption of Operating Income from United States Federal Income Taxation

Under Section 883 and the regulations thereunder, a foreign corporation will be exempt from United States federal income taxation on its United States source shipping income if:

- it is organized in a qualified foreign country, which is one that grants an "equivalent exemption" from tax to corporations organized in the United States in respect of each category of shipping income for which exemption is being claimed under Section 883 and to which we refer as the "Country of Organization Test"; and
- one of the following tests is met:
 - more than 50% of the value of its shares is beneficially owned, directly or indirectly, by qualified shareholders, which as defined includes individuals who are "residents" of a qualified foreign country, to which we refer as the "50% Ownership Test";
 - subject to an exception for closely-held corporations, its shares are "primarily and regularly traded on an established securities market" in a qualified foreign country or in the United States, to which we refer as the "Publicly-Traded Test"; or
 - it is a "controlled foreign corporation" and satisfies an ownership test, to which, collectively, we refer to as the "CFC Test."

The Republic of the Marshall Islands, the jurisdiction where the Company is incorporated, has been officially recognized by the United States Internal Revenue Service (the "IRS") as a qualified foreign country that grants the

requisite "equivalent exemption" from tax in respect of each category of shipping income the Company earns and currently expects to earn in the future. Therefore, the Company will be exempt from United States federal income taxation with respect to its United States source shipping income if it satisfies any one of the 50% Ownership Test, the Publicly-Traded Test, or the CFC Test.

For our 2021 taxable year, we believe that we satisfy the Publicly-Traded Test, as discussed in more detail below. The Company does not currently anticipate a circumstance under which it would be able to satisfy the 50% Ownership Test or the CFC Test.

Publicly-Traded Test

The regulations under Section 883 provide, in pertinent part, that shares of a foreign corporation will be considered to be "primarily traded" on an established securities market in a country if the number of shares of each class of shares that are traded during any taxable year on all established securities markets in that country exceeds the number of shares in each such class that are traded during that year on established securities markets in any other single country. The Company's common stock, which is its sole class of issued and outstanding shares, are "primarily traded" on the Nasdaq Global Select Market.

Under the regulations, the Company's common stock will be considered to be "regularly traded" on an established securities market if one or more classes of its shares representing more than 50% of its outstanding shares, by both total combined voting power of all classes of shares entitled to vote and total value, are listed on such market, to which we refer as the "listing threshold." Since our common stock, which is our sole class of issued and outstanding shares, is listed on the Nasdaq Global Select Market, we believe that we satisfy the listing threshold.

It is further required that with respect to each class of shares relied upon to meet the listing threshold, (i) such class of shares is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year or one-sixth of the days in a short taxable year; and (ii) the aggregate number of shares of such class of shares traded on such market during the taxable year is at least 10% of the average number of shares of such class of shares outstanding during such year or as appropriately adjusted in the case of a short taxable year. We believe the Company will satisfy the trading frequency and trading volume tests. Even if this were not the case, the regulations provide that the trading frequency and trading volume tests will be deemed satisfied if, as is the case with the Company's common stock, such class of shares is traded on an established market in the United States and such shares are regularly quoted by dealers making a market in such shares.

Notwithstanding the foregoing, the regulations provide, in pertinent part, that a class of shares will not be considered to be "regularly traded" on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned, actually or constructively under specified share attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the vote and value of such class of outstanding shares, to which we refer as the "5 Percent Override Rule."

For purposes of being able to determine the persons who actually or constructively own 5% or more of the vote and value of the Company's common stock ("5% Shareholders"), the regulations permit the Company to rely on those persons that are identified on Schedule 13G and Schedule 13D filings with the SEC, as owning 5% or more of the Company's common stock. The regulations further provide that an investment company which is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for such purposes.

In the event the 5 Percent Override Rule is triggered, the regulations provide that the 5 Percent Override Rule will nevertheless not apply if the Company can establish that within the group of 5% Shareholders, there are sufficient qualified shareholders for purposes of Section 883 to preclude non-qualified shareholders in such group from owning 50% or more of the Company's common stock for more than half the number of days during the taxable year, which we refer to as the "5 Percent Override Exception."

Based on the ownership and trading of our stock in 2021, we believe that we satisfied the publicly traded test and qualified for the Section 883 exemption in 2021. Even if we do qualify for the Section 883 exemption in 2021, there

can be no assurance that changes and shifts in the ownership of our stock by 5% shareholders will not preclude us from qualifying for the Section 883 exemption in future taxable years.

Taxation in Absence of Section 883 Exemption

If the benefits of Section 883 are unavailable, the Company's United States source shipping income would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, to the extent that such income is not considered to be "effectively connected" with the conduct of a United States trade or business, as described below. Since under the sourcing rules described above, no more than 50% of the Company's shipping income would be treated as being United States source shipping income, the maximum effective rate of United States federal income tax on our shipping income would never exceed 2% under the 4% gross basis tax regime. Based on the current operation of our vessels, if we were subject to 4% gross basis tax, our United States federal income tax liability would be approximately \$2.7 million and \$1.6 million for the years ended December 31, 2021 and 2020, respectively. However, we can give no assurance that the operation of our vessels, which are under the control of third party charterers, will not change such that our United States federal income tax liability would be substantially higher.

To the extent the Company's United States source shipping income is considered to be "effectively connected" with the conduct of a United States trade or business, as described below, any such "effectively connected" United States source shipping income, net of applicable deductions, would be subject to United States federal income tax, currently imposed at a rate of 21%. In addition, the Company may be subject to the 30% "branch profits" tax on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of the Company's United States trade or business.

The Company's United States source shipping income would be considered "effectively connected" with the conduct of a United States trade or business only if:

- the Company has, or is considered to have, a fixed place of business in the United States involved in the earning of United States source shipping income; and
- substantially all of the Company's United States source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

United States Taxation of Gain on Sale of Vessels

Assuming that any decision on a vessel sale is made from and attributable to the United States office of the Company, as we believe likely to be the case as the Company is currently structured, then any gain derived from the sale of any such vessel will be treated as derived from United States sources and subject to United States federal income tax as "effectively connected" income (determined under rules different from those discussed above) under the above described net income tax regime. If the Company were to qualify for exemption from tax under Section 883 in respect of the shipping income derived from the international operation of its vessels, then gain from the sale of any such vessel should likewise be exempt from tax under Section 883.

United States Federal Income Taxation of United States Holders

As used herein, the term "United States Holder" means a beneficial owner of our common stock that is an individual United States citizen or resident, a United States corporation or other United States entity taxable as a corporation, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if (i) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) it has in place an election to be treated as a United States person for U.S. federal income tax purposes.

If a partnership holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common stock, you are encouraged to consult your tax advisor.

Distributions

Subject to the discussion of passive foreign investment companies below, any distributions made by the Company with respect to its common stock to a United States Holder will generally constitute dividends to the extent of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of such earnings and profits will be treated first as a nontaxable return of capital to the extent of the United States Holder's tax basis in his common stock on a dollar-for-dollar basis and thereafter as capital gain. Because the Company is not a United States corporation, United States Holders that are corporations will not be entitled to claim a dividend received deduction with respect to any distributions they receive from us. Dividends paid with respect to the Company's common stock will generally be treated as "passive category income" for purposes of computing allowable foreign tax credits for United States foreign tax credit purposes.

Dividends paid on the Company's common stock to a United States Holder who is an individual, trust or estate (a "United States Non-Corporate Holder") will generally be treated as "qualified dividend income" that is taxable to such United States Non-Corporate Holder at preferential tax rates provided that (1) the common stock is readily tradable on an established securities market in the United States (such as the Nasdaq Global Select Market on which the Company's common stock is traded); (2) the Company is not a passive foreign investment company for the taxable year during which the dividend is paid or the immediately preceding taxable year (which we do not believe we have been, are or will be); (3) the United States Non-Corporate Holder has owned the common stock for more than 60 days in the 121-day period beginning 60 days before the date on which the common stock becomes ex-dividend; and (4) the United States Non-Corporate Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property.

There is no assurance that any dividends paid on the Company's common stock will be eligible for these preferential rates in the hands of a United States Non-Corporate Holder, although we believe that they will be so eligible. Any dividends out of earnings, and profits the Company pays, which are not eligible for these preferential rates will be taxed as ordinary income to a United States Non-Corporate Holder.

Special rules may apply to any "extraordinary dividend"-generally, a dividend in an amount which is equal to or in excess of 10% of a shareholder's adjusted basis in a common share-paid by the Company. If the Company pays an "extraordinary dividend" on its common stock that is treated as "qualified dividend income," then any loss derived by a United States Non-Corporate Holder from the sale or exchange of such common stock will be treated as a long-term capital loss to the extent of such dividend.

Sale, Exchange or Other Disposition of Common Stock

Assuming the Company does not constitute a passive foreign investment company for any taxable year, a United States Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of the Company's common stock in an amount equal to the difference between the amount realized by the United States Holder from such sale, exchange or other disposition and the United States Holder's tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if the United States Holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as United States source income or loss, as applicable, for United States foreign tax credit purposes. Long-term capital gains of United States Non-Corporate Holders are currently eligible for reduced rates of taxation. A United States Holder's ability to deduct capital losses is subject to certain limitations.

Passive Foreign Investment Company Status and Significant Tax Consequences

Special United States federal income tax rules apply to a United States Holder that holds shares in a foreign corporation classified as a "passive foreign investment company" for United States federal income tax purposes. In

general, the Company will be treated as a passive foreign investment company with respect to a United States Holder if, for any taxable year in which such holder holds the Company's common stock, either:

- at least 75% of our gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or
- at least 50% of the average value of our assets during such taxable year produce, or are held for the production of, passive income

Income earned, or deemed earned, by the Company in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute "passive income" unless the Company was treated under specific rules as deriving its rental income in the active conduct of a trade or business.

Based on the Company's current operations and future projections, we do not believe that the Company has been or is, nor do we expect the Company to become, a passive foreign investment company with respect to any taxable year. Although there is no legal authority directly on point, our belief is based principally on the position that, for purposes of determining whether the Company is a passive foreign investment company, the gross income it derives from its time chartering and voyage chartering activities should constitute services income, rather than rental income. Accordingly, such income should not constitute passive income, and the assets that the Company owns and operates in connection with the production of such income, in particular, the vessels, should not constitute passive assets for purposes of determining whether the Company is a passive foreign investment company.

We believe there is substantial legal authority supporting our position consisting of case law and IRS pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. In addition, we have obtained an opinion from our counsel, Seward & Kissel LLP, that, based upon the Company's operations as described herein, its income from time charters and voyage charters should not be treated as passive income for purposes of determining whether it is a passive foreign investment company. However, in the absence of any legal authority specifically relating to the statutory provisions governing passive foreign investment companies, the United States Internal Revenue Service, or the IRS or a court could disagree with our position. In addition, although the Company intends to conduct its affairs in a manner to avoid being classified as a passive foreign investment company with respect to any taxable year, we cannot assure you that the nature of its operations will not change in the future.

As discussed more fully below, if the Company were to be treated as a passive foreign investment company for any taxable year, a United States Holder would be subject to different taxation rules depending on whether the United States Holder makes an election to treat the Company as a "Qualified Electing Fund," which election we refer to as a "QEF election." As an alternative to making a QEF election, a United States Holder should be able to make a "mark-to-market" election with respect to the Company's common stock, as discussed below. In addition, if we were to be treated as a passive foreign investment company, a United States holder would be required to file an annual report with the IRS for that year with respect to such holder's common stock.

Taxation of United States Holders Making a Timely QEF Election

If a United States Holder makes a timely QEF election, which United States Holder we refer to as an "Electing Holder," the Electing Holder must report for United States federal income tax purposes its pro rata share of the Company's ordinary earnings and net capital gain, if any, for each taxable year of the Company for which it is a passive foreign investment company that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received from the Company by the Electing Holder. No portion of any such inclusions of ordinary earnings will be treated as "qualified dividend income." Net capital gain inclusions of United States Non-Corporate Holders would be eligible for preferential capital gains tax rates. The Electing Holder's adjusted tax basis in the common stock will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed will result in a corresponding reduction in the adjusted tax basis in the common stock and will not be taxed again once distributed. An Electing Holder would not,

however, be entitled to a deduction for its pro rata share of any losses that the Company incurs with respect to any year. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of the Company's common stock. A United States Holder would make a timely QEF election for shares of the Company by filing one copy of IRS Form 8621 with his United States federal income tax return for the first year in which he held such shares when the Company was a passive foreign investment company. If the Company were to be treated as a passive foreign investment company for any taxable year, the Company would provide each United States Holder with all necessary information in order to make the QEF election described above.

Taxation of United States Holders Making a "Mark-to-Market" Election

Alternatively, if the Company were to be treated as a passive foreign investment company for any taxable year and, as we anticipate, its shares are treated as "marketable stock", a United States Holder would be allowed to make a "mark-to-market" election with respect to the Company's common stock, provided the United States Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury regulations. If that election is made, the United States Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the common stock at the end of the taxable year over such holder's adjusted tax basis in the common stock. The United States Holder would also be permitted an ordinary loss in respect of the excess, if any, of the United States Holder's adjusted tax basis in the common stock over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A United States Holder's tax basis in his common stock would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of the Company's common stock would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the Company's common stock would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the United States Holder. No income inclusions under this election will be treated as "qualified dividend income."

Taxation of United States Holders Not Making a Timely QEF or Mark-to-Market Election

Finally, if the Company were to be treated as a passive foreign investment company for any taxable year, a United States Holder who does not make either a QEF election or a "mark-to-market" election for that year, whom we refer to as a "Non-Electing Holder" would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on the common stock in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common stock), and (2) any gain realized on the sale, exchange or other disposition of the Company's common stock. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for the common stock;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which the Company was a passive foreign investment company, would be taxed as ordinary income and would not be "qualified dividend income"; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These special rules would not apply to a qualified pension, profit sharing or other retirement trust or other tax-exempt organization that did not borrow money or otherwise utilize leverage in connection with its acquisition of the Company's common stock. If the Company is a passive foreign investment company and a Non-Electing Holder who is an individual dies while owning the Company's common stock, such holder's successor generally would not receive a step-up in tax basis with respect to such shares.

United States Federal Income Taxation of “Non-United States Holders”

A beneficial owner of common stock (other than a partnership) that is not a United States Holder is referred to herein as a “Non-United States Holder”.

If a partnership holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common stock, you are encouraged to consult your tax advisor.

Dividends on Common Stock

Non-United States Holders generally will not be subject to United States federal income tax or withholding tax on dividends received from the Company with respect to its common stock, unless that income is effectively connected with the Non-United States Holder's conduct of a trade or business in the United States. If the Non-United States Holder is entitled to the benefits of a United States income tax treaty with respect to those dividends, that income is taxable only if it is attributable to a permanent establishment maintained by the Non-United States Holder in the United States.

Sale, Exchange or Other Disposition of Common Stock

Non-United States Holders generally will not be subject to United States federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of the Company's common stock, unless:

- The gain is effectively connected with the Non-United States Holder's conduct of a trade or business in the United States (and, if the Non-United States holder is entitled to the benefits of an income tax treaty with respect to that gain, that gain is attributable to a permanent establishment maintained by the Non-United States holder in the United States); or
- The Non-United States Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and other conditions are met.

If the Non-United States Holder is engaged in a United States trade or business for United States federal income tax purposes, the income from the common stock, including dividends and the gain from the sale, exchange or other disposition of the shares, that is effectively connected with the conduct of that trade or business will generally be subject to regular United States federal income tax in the same manner as discussed in the previous section relating to the taxation of United States Holders. In addition, if you are a corporate Non-United States Holder, your earnings and profits that are attributable to the effectively connected income, which are subject to certain adjustments, may be subject to an additional branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable income tax treaty.

Backup Withholding and Information Reporting

In general, dividend payments, or other taxable distributions, made within the United States to you will be subject to information reporting requirements if you are a non-corporate United States Holder. Such payments or distributions may also be subject to backup withholding tax if you are a non-corporate United States Holder and you:

- Fail to provide an accurate taxpayer identification number;
- Are notified by the IRS that you have failed to report all interest or dividends required to be shown on your federal income tax returns; or
- In certain circumstances, fail to comply with applicable certification requirements.

Non-United States Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on an appropriate IRS Form W-8.

If you are a Non-United States Holder and you sell your common stock to or through a United States office of a broker, the payment of the proceeds is subject to both United States backup withholding and information reporting unless you certify that you are a non-United States person, under penalties of perjury, or you otherwise establish an exemption. If you sell your common stock through a non-United States office of a non-United States broker and the sales proceeds are paid to you outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made to you outside the United States, if you sell your common stock through a non-United States office of a broker that is a United States person or has some other contacts with the United States. Such information reporting requirements will not apply, however, if the broker has documentary evidence in its records that you are a non-United States person and certain other conditions are met, or you otherwise establish an exemption.

Backup withholding tax is not an additional tax. Rather, you generally may obtain a refund of any amounts withheld under backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

Individuals who are United States Holders (and to the extent specified in applicable Treasury regulations, certain United States entities and Non-United States Holders) who hold “specified foreign financial assets” (as defined in Section 6038D of the Code) are required to file IRS Form 8938 with information relating to the asset for each taxable year in which the aggregate value of all such assets exceeds \$75,000 at any time during the taxable year or \$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable Treasury regulations). Specified foreign financial assets would include, among other assets, our common shares, unless the shares are held through an account maintained with a United States financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event an individual United States Holder (and to the extent specified in applicable Treasury regulations, a United States entity and Non-United States Holders) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of United States federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. United States Holders (including United States entities) and Non-United States Holders are encouraged to consult their own tax advisors regarding their reporting obligations under this legislation.

Glossary of Shipping Terms

The following are definitions of shipping terms used in this Form 10-K.

Annual Survey— The inspection of a vessel by a classification society, on behalf of a flag state, that takes place every year.

Ballast Water Treatment System or BWTS— A system used to prevent the spread of harmful aquatic organisms from one region to another by minimizing the uptake and/or discharge of sediments and organisms in the water that ships use as ballast to maintain stability. These systems are required on all ships, according to a timetable of implementation, in accordance with the BWM Convention discussed in the Pollution Control and Liability Requirements section above.

Baltic Exchange—Based in London, the Baltic Exchange is a market for the trading and settlement of physical and derivative contracts. The exchange also publishes daily freight market prices and maritime shipping cost indices, including Baltic Dry Index and segment indices for Capesize, Panamax, Supramax, and Handysize bulk carriers.

Baltic Supramax Index or BSI —The BSI is an index published by the Baltic Exchange which tracks the gross time charter spot value for a Supramax vessel. Initiated in 2005, the BSI was originally based on a 52,000 dwt ship of standard design and 6 trade routes across the world. As a result of a trend toward larger ship sizes and changes to trade patterns, this version of the index was discontinued as of January 31, 2019. The updated BSI is now based on a 58,000 dwt, non-scrubber fitted Supramax and 10 trade routes across the world.

Bareboat Charter—Also known as “demise charter.” Contract or hire of a ship under which the shipowner is usually paid a fixed amount of charter hire rate for a certain period of time during which the charterer is responsible for the operating costs and voyage costs of the vessel as well as arranging for crewing. Such owner is known as the bareboat charterer or the demise charterer.

Bulk Vessels/Carriers—Vessels which are specially designed and built to carry large volumes of cargo in bulk cargo form.

Bunkers—Fuel oil used to power a vessel's engines. The name is derived from the bins used to store coal onboard when ships were powered by coal. There are three main fuel types currently used on commercial cargo ships. First, High Sulfur Fuel Oil (“HSFO”) is a residual fuel with maximum sulfur content of 3.5%. This was the primary fuel used by commercial shipping prior to implementation of the IMO2020 sulfur regulation and continues to be used by scrubber-fitted ships. Second, Very Low Sulfur Fuel Oil (“VLSFO”) is a fuel with maximum sulfur content of 0.5% and is the primary fuel used by non-scrubber fitted ships starting January 1, 2020. Third, Marine Gas Oil (“MGO”) is a distillate product similar to diesel fuel and has a maximum sulfur content of 0.1%. This fuel type is primarily used in ECA zones.

Capesize—A drybulk carrier in excess of 100,000 dwt.

Charter— The hire of a vessel for a specified period of time or to carry a cargo for a fixed fee from a loading port to a discharging port. The contract for a charter is called a charter party.

Charterer— The individual or company hiring a vessel.

Charter Hire Rate— A sum of money paid to the vessel owner by a charterer under a time charter party for the use of a vessel.

Classification Society—An independent organization which certifies that a vessel has been built and maintained in accordance with the rules of such organization and complies with the applicable rules and regulations of the country of such vessel and the international conventions of which that country is a member.

Deadweight Ton or “dwt”—A unit of a vessel's capacity for cargo, fuel oil, stores and crew, measured in metric tons of 1,000 kilograms. A vessel's dwt or total deadweight is the maximum total weight the vessel can carry when loaded to a particular load line.

Demurrage—Additional revenue paid to the shipowner on its Voyage Charters for delays experienced in loading and/or unloading cargo that are not deemed to be the responsibility of the shipowner, calculated in accordance with specific Charter terms.

Despatch —The amount payable by the shipowner if the vessel completes loading or discharging before the allowed loading/unloading time has expired, calculated in accordance with specific charter terms.

Drybulk—Non-liquid cargoes of commodities shipped in an unpackaged state.

Drydocking—The removal of a vessel from the water for inspection and/or repair of submerged parts.

Emission Control Area or “ECA”—Designated sea areas in which stricter airborne emissions controls are in place. As of early 2020, there are four ECA zones in place that cover the Baltic Sea, North Sea, and most of the coastline of U.S., Canada, and U.S. Caribbean territory. Ships operating within these zones have a maximum sulfur emissions limit of 0.1%.

Gross Ton—Unit of 100 cubic feet or 2.831 cubic meters used in arriving at the calculation of gross tonnage.

Handysize—A drybulk carrier having a carrying capacity of up to approximately 40,000 dwt.

Hull—The shell or body of a vessel.

International Maritime Organization or “IMO”—A UN agency that issues international trade standards for shipping.

Intermediate Survey—The inspection of a vessel by a classification society surveyor which takes place between two and three years before and after each Special Survey for such vessel pursuant to the rules of international conventions and classification societies.

ISM Code—The International Management Code for the Safe Operation of Ships and for Pollution Prevention, as adopted by the IMO.

Metric Ton—A ton, unit of measurement equal to 1,000 kilograms.

Light Weight Ton (“lwt”)—The actual weight of the ship with no fuel, passengers, cargo, water or stores on board.

Newbuilding—A newly constructed vessel.

OPA—The United States Oil Pollution Act of 1990 (as amended).

Orderbook—A reference to currently placed orders for the construction of vessels (e.g., the Panamax orderbook).

Panamax—A drybulk carrier of approximately 65,000 to 100,000 dwt of maximum length, depth and draft capable of passing fully loaded through the Panama Canal. Ships of this size may occasionally be equipped with onboard cargo handling equipment, but typically do not and must rely on shore-based equipment to load and unload.

Protection and Indemnity Insurance—Insurance obtained through a mutual association formed by shipowners to provide liability insurance protection from large financial loss to one member through contributions towards that loss by all members.

Scrapping—The disposal of old or damaged vessel tonnage by way of sale as scrap metal.

Scrubber or Exhaust Gas Cleaning System — This equipment is used to remove SO_x from ship's exhaust gas.

Short-Term Time Charter—A time charter which lasts less than approximately 12 months.

SOLAS—The International Convention for the Safety of Life at Sea 1974, as amended, adopted under the auspices of the IMO.

Special Survey—The inspection of a vessel by a classification society surveyor which takes place a minimum of every four years and a maximum of every five years.

Spot Market—The market for immediate chartering of a vessel usually for single voyages.

Supramax—A drybulk carrier ranging in size from approximately 50,000 to 60,000 dwt.

Technical Management—The management of the operation of a vessel, including physically maintaining the vessel and all of its machinery, maintaining necessary certifications, and supplying necessary stores, spares, and lubricating oils. Responsibilities also generally include selecting, engaging and training crew, and arranging necessary insurance coverage.

Time Charter—Contract for hire of a ship. A charter under which the shipowner is paid charter hire rate on a per day basis for a certain period of time, the shipowner being responsible for providing the crew and paying operating costs while the charterer is responsible for paying the voyage costs. Any delays at port or during the voyages are the

responsibility of the charterer, save for certain specific exceptions such as loss of time arising from vessel breakdown and routine maintenance.

Ultramax—A drybulk carrier ranging in size from approximately 60,000 to 65,000 dwt.

Voyage Charter—Contract for hire of a vessel under which a shipowner is paid freight on the basis of moving cargo from a loading port to a discharge port. The shipowner is responsible for paying both operating costs and voyage costs. The charterer is typically responsible for any delay at the loading or discharging ports.

Voyage Expenses—Includes fuel, port charges, canal tolls, brokerage commissions and cargo handling operations. These expenses are subtracted from shipping revenues to calculate Time Charter Equivalent revenues for Voyage Charters.

Vessel Operating Expenses—Includes crewing, repairs and maintenance, insurance, stores, lubes, communication expenses.

Available Information

The Company makes available free of charge through its internet website, www.eagleships.com, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports including related exhibits and supplemental schedules, filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. Our SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>. The information on our website is not incorporated by reference into this Annual Report.

We maintain our principal executive offices at 300 First Stamford Place 5th Floor, Stamford, Connecticut. Our telephone number at that address is (203) 276-8100. Our website address is www.eagleships.com. Information contained on our website does not constitute part of this Annual Report.

ITEM 1A. RISK FACTORS

We operate in a highly cyclical and competitive industry. Some of the risks relate principally to the industry in which we operate and our business in general. Other risks relate principally to the securities market, national and global economic conditions and the ownership of our common stock. The occurrence of certain geopolitical, macroeconomic, or industry-specific factors, including the risks outlined below, could adversely affect our business, operating results, cash flows and financial condition.

Industry Specific Risk Factors

The global economic environment may have a material adverse effect on our business.

Drybulk demand is highly correlated to the global macroeconomic landscape. According to the International Monetary Fund ("IMF"), global economic growth for 2021 was 5.9%, as compared to 2020 which was -3.1%. World output in 2020 was impacted significantly by COVID-19, but experienced a strong rebound in 2021. As of January 2022, the forecast for 2022 is 4.4% growth, compared to a 5-year average of 3.4% for the period 2015 to 2019. Although the current global economic environment is relatively positive, a resurgence of COVID-19 or slowdown in vaccine distribution or other events that impact the global economic environment, such as the recent invasion of Ukraine by Russia and any resulting macroeconomic impacts from this event, could affect us negatively in the following ways:

- Employing our fleet at charter hire rates below our breakeven levels which could negatively impact our ability to operate and generate a profit. Operating at below breakeven levels for a prolonged period of time may leave us with insufficient cash resources to meet certain obligations, including the payment of interest and principal on our debt, causing us to potentially breach financial covenants under our existing credit facility and bond terms.
- Our charterers may fail to meet their obligations under existing time charter or voyage charter agreements.
- The market value of our fleet could decrease, causing us to potentially recognize losses if vessels are sold or if their values impaired. Additionally, a decline in the value of our fleet could cause us to breach certain covenants under our existing credit facility.

Changes in the economic and political environment in China, including as a result of COVID-19, which was first identified in Wuhan, Hubei Province, China, and policies adopted by the Chinese government to regulate its economy may have a material adverse effect on our business.

China is a major source of demand for drybulk; a deterioration in the economic fundamentals for this nation, including as a result of COVID-19, which was first identified in Wuhan, Hubei Province, China, may materially impact drybulk demand. Although state-owned enterprises still account for a substantial portion of the Chinese industrial output, in general, the Chinese government is reducing the level of direct control that it exercises over the economy through state plans and other measures. There is an increasing level of freedom and autonomy in areas such as allocation of resources, production, pricing and management and a gradual shift in emphasis to a market economy and enterprise reform.

Many of the reforms, particularly some limited price reforms that result in the prices for certain commodities being principally determined by market forces, are unprecedented and may be subject to revision, change or abolition. If the Chinese government does not continue to pursue a policy of economic reform, the amount of its imports and exports could adversely be affected, which could have a material adverse effect on our business.

A decrease in the level of China's export of goods or an increase in trade protectionism globally or by certain countries could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.

China exports considerably more goods than it imports. Our vessels may be deployed on routes involving trade in and out of emerging markets, and our charterers' shipping and business revenue may be derived from the shipment

of goods from the Asia Pacific region to various overseas export markets including the United States and Europe. Any reduction in or hindrance to the output of China-based exporters could have a material adverse effect on the growth rate of China's exports and on our charterers' business. For instance, the government of China has recently implemented economic policies aimed at increasing domestic consumption of Chinese-made goods. This may have the effect of reducing the supply of goods available for export and may, in turn, result in decreased demand for our charterers' business. The level of imports to and exports from China could also be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government.

Our operations expose us to the risk that increased trade protectionism, including by the United States, will adversely affect our business. If the global economy is undermined by downside risks, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing the demand for international shipping. Ongoing current trade frictions between the United States and China increase the risk of interruptions to exports from and to China. Since July 2018, the U.S. Government has imposed additional tariffs ranging from 7.5% to 25% on Chinese-origin goods covering the vast majority of products traded between the two countries. China has retaliated with increased tariffs on some U.S. goods. These tariffs caused trade between the two countries to significantly decrease in 2018 and 2019. On January 15, 2020, the United States and China signed a "Phase One" trade agreement, in which China agreed to increase its purchases and imports of U.S. goods by \$200 billion over 2017 levels during the two-year period from January 1, 2020 to December 31, 2021. This had the effect of increasing exports from the United States to China, although China did not meet its commitments and thus exports did not increase as much as required by the agreement. In connection with this agreement, the United States agreed to reduce certain tariffs and indefinitely suspend the imposition of certain additional tariffs. Nonetheless, U.S. tariffs of 7.5% to 25% on the vast majority of Chinese products and Chinese retaliatory tariffs on some U.S. products remain in place. While the Phase One agreement may reduce the risk of adverse effects on Chinese and U.S. trade policy, the success of the agreement is uncertain, as the Biden Administration has recently signaled the need to maintain political pressure on China, particularly with respect to national security and human rights concerns, and to respond to China's failure to achieve its commitments under the agreement, including through the continued or escalated use of restrictive or protectionist trade policies. Further increased protectionism in the markets that our charterers serve may cause an increase in: (i) the cost of goods exported from China, (ii) the length of time required to deliver goods from China and (iii) the risks associated with exporting goods from China, as well as a decrease in the quantity of goods to be shipped. Moreover, despite the Phase One agreement the United States continues to implement a number of policies that may reduce trade between the United States and China, including stricter export control requirements and supply chain restrictions; targeted sanctions related to the pro-democracy movement in Hong Kong and human rights abuses in the Xinjiang Uyghur Autonomous Region ("XUAR"); sanctions that prohibit U.S. persons from purchasing or selling any publicly traded securities, or any publicly traded securities that are derivative of or designed to provide investment exposure to such securities, of certain Chinese companies; and import restrictions related to human rights abuses in China generally, but with a focus on the XUAR. While it is unclear how the Biden Administration will handle each of these policies, the expectation is that most of these measures will remain in place or be further strengthened.

Any increased trade barriers or restrictions on trade, especially trade with China, would still have an adverse impact on our charterers' business, operating results, and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us. This could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our shareholders.

The COVID-19 or other pandemics, could have a material adverse impact on our business, results of operations, or financial condition.

We believe that COVID-19 and the measures to contain it taken by governments of various countries have negatively affected our business and could continue to do so. COVID-19 impacted the global economies and the trade routes in which we operate, the way we conduct our business and the business of our charterers. Governments have imposed lockdowns, quarantine regulations and other emergency health measures to protect their citizens from

exposure to COVID-19. We took similar precautions, by repurposing our global office spaces to meet the social distancing guidelines, enabling our employees to work remotely and froze our corporate travel until the pandemic restrictions were lifted.

The Company experienced delays in cargo operations due to port restrictions and additional protocols and cancellation of a few cargo contracts. However, the Company was able to secure alternative business for its vessels upon cancellation at the prevailing charter rates. The travel restrictions imposed at various ports have severely impeded our crew rotation plans during the year. We experienced disruptions to our normal vessel operations and incurred additional off-hire time due to deviations our vessels had to take to allow for crew changes. As a result of the spread of COVID-19, the Company has incurred some additional expenses relating to procurement of personal protective equipment, COVID-19 testing, and crew travel, which is included in our vessel operating expenses in our Consolidated Statement of Operations for the years ended December 31, 2021 and 2020. Additionally, the Company experienced some delays in operations, drydocking and BWTS installations as a result of protocols regarding COVID-19, as well as limitations of labor. We also experienced loss of revenues due to a number of off-hire days relating to crew changes and quarantine restrictions as a number of our crew members tested positive for COVID-19 during 2021.

All of the foregoing have impacted our business in 2020 and 2021 and although the current drybulk rates are high, the negative effects of the pandemic may have prolonged impact on our business, financial condition, results of operations and forward-looking expectations. Furthermore, modified processes, procedures and controls could be required to respond to changes in our business environment. The increase in remote working of our employees may exacerbate certain risks to our business, including an increased demand for information technology resources, increased risk of malicious technology-related events, such as cyberattacks and phishing attacks, and increased risk of improper dissemination of personal, proprietary or confidential information.

Charter rates for drybulk vessels are volatile and could experience an extended period of low rates, which may adversely affect our earnings, revenue and profitability and our ability to comply with our loan covenants.

The drybulk shipping industry is cyclical with high volatility in charter rates and profitability. The degree of charter rate volatility among different types of drybulk vessels has varied widely. In the past, time charter and spot market charter rates for drybulk carriers have declined below operating costs of vessels (including as recently as 2016). The Baltic Supramax Index or the "BSI", a daily average of charter rates for key drybulk routes published by the Baltic Exchange Ltd, which tracks the gross time charter spot value for a Supramax vessel. Initiated in 2005, the BSI was originally based on a 52,000 dwt ship of standard design and 6 trade routes across the world. As a result of a trend toward larger ship sizes and changes to trade patterns, this version of the index was discontinued as of January 31, 2019. The updated BSI is now based on a 58,000 dwt, non-scrubber fitted Supramax and 10 trade routes across the world. Over the last ten years (i.e., 2011-2021), the calendar year average for the BSI has ranged from \$6,966 in 2015 to \$26,768 in 2021. The average of daily rates from 2011 to 2021 was approximately \$11,100.

Our ability to be profitable will depend upon a number of factors. Fluctuations in charter rates result from changes in the supply of and demand for vessel capacity and changes in the supply of and demand for the major commodities carried by water internationally. Because the factors affecting the supply of and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable. Since we charter our vessels principally in the spot market, we are exposed to the cyclical and volatility of the spot market. Spot market charter rates may fluctuate significantly based upon available charters and the supply of and demand for seaborne shipping capacity, and we may be unable to keep our vessels fully employed in these short-term markets. Alternatively, charter rates available in the spot market may be insufficient to enable our vessels to operate profitably. A significant decrease in charter rates would also affect asset values and adversely affect our profitability and cash flows.

Factors that influence the demand for drybulk vessel capacity include:

- supply of and demand for energy resources, commodities, consumer and industrial products;

- changes in the exploration or production of energy resources, commodities, consumer and industrial products;
- the location of regional and global exploration, production and manufacturing facilities;
- the location of consuming regions for energy resources, commodities, consumer and industrial products;
- the globalization of production and manufacturing;
- global and regional economic and political conditions, including armed conflicts and terrorist activities, embargoes and strikes;
- natural disasters and weather;
- disruptions and developments in international trade, including trade disputes, the imposition of tariffs on various commodities or finished goods, or export controls;
- disruptions from conflict/war and any related sanctions or restrictions imposed on certain regions or/and countries;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea;
- environmental and other legal regulatory developments;
- currency exchange rates.

Factors that influence the supply of drybulk vessel capacity include:

- the number of newbuilding orders and deliveries including slippage in deliveries;
- number of shipyards and ability of shipyards to deliver vessels;
- port and canal congestion;
- the scrapping rate of vessels;
- speed of vessel operation;
- vessel casualties;
- the number of vessels that are out of service, namely those that are laid-up, dry docked, awaiting repairs or otherwise not available for hire;
- availability of financing for new vessels;
- changes in national or international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage; and
- changes in environmental and other regulations that may limit the useful lives of vessels.

In addition to the prevailing and anticipated freight rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance costs, insurance

coverage costs, the efficiency and age profile of the existing drybulk fleet in the market, and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions.

We anticipate that the future demand for our drybulk vessels will be dependent upon economic growth in the world's economies, including China and India, seasonal and regional changes in demand, changes in the capacity of the global drybulk fleet, including vessel scrapping and ordering rates of newbuildings, and the sources and supply of drybulk cargo to be transported by sea. A decrease in the level of China's imports of raw materials or a decrease in trade globally could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows. Global drybulk supply is expected to remain low over the next two years, as a result of low orders placed over the past three years and future uncertainties relating to future regulations around decarbonization. Although global economic conditions have improved, there can be no assurance as to the sustainability of future economic growth. Adverse economic, political, social or other developments could have a material adverse effect on our business, financial condition and operating results.

If we are required to charter our vessels at a time when demand and charter rates are very low, we may not be able to secure employment for our vessels at all, or we may have to accept reduced and potentially unprofitable rates. If we are unable to secure profitable employment for our vessels, we may decide to lay-up some or all unemployed vessels until such time that charter rates become attractive again. During the lay-up period, we will continue to incur some expenditures, such as insurance and maintenance costs, for each such vessel. Additionally, before exiting lay-up, we will have to pay reactivation costs for any such vessel to regain its operational condition. As a result, our business, financial condition, results of operations and cash flows and our compliance with covenants in our credit facility may be affected.

Our operating results will be subject to seasonal fluctuations, which could affect our operating results.

Demand for vessel capacity has historically exhibited seasonal variations and, as a result, fluctuations in charter rates. This seasonality may result in quarter-to-quarter volatility in our operating results for our vessels trading in the spot market. The drybulk market is typically stronger in the fall (due to both increased North American grain shipments and higher coal purchases for heating fuel ahead of the cold winter months) and spring (due to increased South American grain shipments). In addition, unpredictable weather patterns may disrupt vessel scheduling and supplies of certain commodities. To the extent that we must enter into a new charter or renew an existing charter for a vessel in our fleet during a time when seasonal variations have reduced prevailing charter rates, our operating results may be adversely affected.

An over-supply of drybulk carrier capacity across the industry may depress the charter rates, which may limit our ability to operate our drybulk carriers profitably.

The global drybulk fleet increased significantly from 2009 to 2013 as a result of the large number of newbuilding orders placed during the boom in the drybulk freight market from 2007 to 2008. Scrapping of older ships helped curtail some of this new supply growth, but was not enough to materially offset the large net growth in the fleet. Supply growth momentum has slowed significantly over the last five years as fewer newbuilding orders have been placed. During 2021, the fleet growth decreased slightly to 3.6% in 2021 from 3.8% in 2020. In 2021, vessels representing 37.9 million dwt were delivered, a decrease of 11.0 million dwt from 2020. Scrapping in 2021 totaled 5.1 million dwt, a decrease of 10.2 million dwt from 2020.

Although supply growth has been decreasing, any increase in the vessel supply or increase in newbuilding ordering levels may decrease our future charter rates earned on our vessels affecting our profitability and our ability to meet our financial obligations as they become due.

The market values of our vessels are volatile and may decline which could limit the amount of funds that we can borrow or cause us to breach certain financial covenants under our credit facility or bond terms.

The fair market values of our vessels have been very volatile. As of December 31, 2021, the fair market value of our fleet is higher than their carrying value; however, the fair market value of our vessels may continue to fluctuate depending on a number of factors, including:

- prevailing level of charter rates;
- the duration and impact of COVID-19;
- general economic and market conditions affecting the shipping industry;
- types, sizes, and ages of vessels;
- supply of and demand for vessels;
- other modes of transportation;
- cost of new buildings;
- governmental or other regulations;
- the need to upgrade secondhand and previously owned vessels as a result of charterer requirements, technological advances in vessel design or equipment or otherwise; and
- technological advances.

Conversely, if vessel values are elevated at a time when we wish to acquire additional vessels, the cost of acquisition may increase and this could adversely affect our business, results of operations, cash flow and financial condition.

Declines in charter rates and vessel values could cause us to incur impairment charges.

We evaluate the carrying amounts of our vessels to determine if events have occurred that would require an impairment of their carrying amounts. The recoverable amount of vessels is reviewed based on events and changes in circumstances that would indicate that the carrying amount of the assets might not be recovered. The review for potential impairment indicators and projection of future cash flows related to the vessels is complex and requires us to make various estimates including future freight rates and earnings from the vessels. All of these items have been historically volatile.

If indicators of impairment are present, we perform an analysis of the undiscounted projected net operating cash flows for each vessel and compare it to the vessel's carrying value. We record impairment charges if the projected net operating cash flows do not exceed the carrying value. The amount of impairment recorded is equal to the difference between the fair market value and the carrying value of each vessel.

The carrying values of our vessels may not represent their fair market value in the future because the new market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Any impairment charges incurred as a result of declines in charter rates could have a material adverse effect on our business, results of operations and our ability to meet the financial covenants in our loan agreements.

Fuel cost, or bunker prices, may adversely affect profits.

While we generally do not bear the cost of fuel, or bunkers, for vessels operating on time charters, fuel is a significant factor in negotiating charter rates. As a result, an increase in the price of fuel beyond our expectations may adversely affect our profitability at the time of charter negotiation. Fuel is also a significant, if not the largest, expense in our shipping operations when vessels are under voyage charter. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Further, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

New regulations restricting sulfur emissions became effective January 1, 2020. We installed scrubbers on 37 of our vessels as part of our strategy to comply with the sulfur emissions regulations, and ten of the vessels we acquired from 2019 to 2021 were equipped with scrubbers upon delivery to the Company. As of December 31, 2021, the Company has 47 vessels of the fleet which are scrubber fitted.

Beginning January 1, 2020, we transitioned to consuming IMO compliant fuel on our vessels that were not equipped with scrubbers or when our scrubbers could not be used. Generally, VLSFO is more expensive than HSFO. During 2021, the fuel prices have increased and are expected to continue to rise during 2022. As a result, the cost differential between the low sulfur fuel and the high sulfur fuel has widened. The cost differential between the two grades of fuel increased from \$72/MT in the fourth quarter of 2020 to \$134/MT in the fourth quarter of 2021.

Although the fuel prices recovered during 2021, if the cost differential between the low sulfur fuel and high sulfur fuel stays at a lower than anticipated level, we may not realize the economic benefits or recover the cost of the scrubbers we have installed. The occurrence of any of the foregoing events may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In addition, a number of countries have imposed restrictions on the discharge of wash water from open loop scrubbers within their port limits. While there are no restrictions on using open loop scrubbers outside of port limits, any changes in these regulations or more stringent standards globally could impact the use of open loop scrubbers going forward.

Compliance with safety and other vessel requirements imposed by classification societies may be very costly and may adversely affect our business.

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the Safety of Life at Sea Convention.

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle under which the machinery would be surveyed periodically over a five-year period. Every vessel is also required to be drydocked every two and a half to five years for inspection, depending on its age, of its underwater parts.

Compliance with the above requirements may result in significant expense. If any vessel does not maintain its class or fails any annual, intermediate or special survey, the vessel will be unable to trade between ports and will be unemployable and uninsurable, which could negatively impact our results of operations and financial condition.

We are subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business.

Our operations are subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership and operation of our vessels. These regulations include, but are not limited to, OPA, CERCLA, the CAA, the CWA, the MTSA, requirements of the USCG and the EPA, and regulations of the IMO, including MARPOL, as from time to time amended including designation of ECAs thereunder, SOLAS, as from time to time amended, the ISM Code, the LL Convention, the Bunker Convention, and EU regulations. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of our vessels. We may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions, the management of ballast and bilge waters, elimination of tin-based paint, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of our ability to address pollution incidents. These costs could have a material adverse effect on our business, results of operations, cash flows and financial condition. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard

to whether we were negligent or at fault. Under OPA, for example, owners, operators and bareboat charterers are strictly, and jointly and severally, liable for the discharge of oil within the 200-mile exclusive economic zone around the United States. An oil spill could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages under other federal, state and local laws, as well as third-party damages. We are required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Although we have arranged insurance to cover certain environmental risks, there can be no assurance that such insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on our business, results of operations, cash flows and financial condition and our ability to pay dividends, if any, in the future. For additional information regarding the environmental regulations affecting our operations, see Item 1. Business.

In March 2021, the U.S. government began investigating an allegation that one of the Company's vessels may have improperly disposed of ballast water that entered the engine room bilges during a repair. The investigation of this alleged violation of environmental laws is ongoing, and although at this time we do not believe that this matter will have a material impact on the Company, our financial condition or results of operations, we cannot determine what penalties, if any, will be imposed. We have posted a surety bond as security for any fines, penalties or associated costs that may be issued, and the Company is cooperating fully with the U.S. government in its investigation of this matter. For the year ended December 31, 2021, the Company incurred and recorded \$2.8 million as Other operating expense in our Consolidated Statement of Operations, relating to this incident, which includes legal fees, surety bond expenses, vessel off-hire, crew changes and travel costs.

World events could affect our operations and financial results.

Past terrorist attacks, as well as the threat of future terrorist attacks around the world, and the invasion of Ukraine by Russia, continue to cause uncertainty in the world's financial markets and may affect our business, operating results and financial condition. Conflicts, instability and other recent developments in the Middle East, Europe and elsewhere may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. Any of these occurrences could have a material adverse impact on our business, financial condition and results of operations.

We could also be negatively impacted by market disruption caused by health crises. In December 2019, COVID-19 was reported in China and has since spread across the world. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. In response, many countries, ports, and organizations, including those where the Company conducts a large part of its operations, have implemented measures to combat the pandemic, such as quarantines and travel restrictions. Such measures led to a significant short-term slowdown in the worldwide economic activity and decline in demand for drybulk cargoes, which resulted to lower charter rates and shipping revenues in 2020. Although the 2021 drybulk rates were higher, the negative effects of the pandemic may have a prolonged impact on our business, financial condition, results of operations and forward-looking expectations. Please refer to *Item 7. Management's Discussion and Analysis - Business outlook* for additional information.

This outbreak adversely affected the Company by (i) reducing demand for its services because of reduced global or national economic activity primarily during 2020 and (ii) negatively impacted our ability to perform crew changes on our vessels. Although this disruption from COVID-19 may only be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time but could materially affect our business, results of operations and financial condition.

Acts of piracy on ocean-going vessels have had and may continue to have an adverse effect on our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean, West Africa and in the Gulf of Aden off the coast of Somalia. Although the frequency of sea piracy worldwide has decreased from 2014 to 2021, sea piracy incidents continue to occur in the Gulf of Guinea and the West Coast of Africa, with drybulk vessels and tankers particularly vulnerable to such attacks. The Company experienced two piracy incidents, one each in 2020 and 2021, on our vessels which were resolved peacefully and

without significant losses to the Company, and with no loss of life, or personal injury, to our crew members. If piracy attacks continue to occur in regions that are characterized as “war risk” zones, or Joint War Committee “war and strikes” listed areas, insurance premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs and costs in relation to the employment of onboard security guards, could increase in such circumstances. Furthermore, if our vessels were seized and detained by pirates, while we believe the charterer remains liable for charter payments, the charterer may dispute this and withhold charter hire until the vessel is released. A charterer may also claim that a vessel seized by pirates was not “on-hire” for a certain number of days and is therefore entitled to cancel the charter party, a claim that we would dispute. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, any detention or hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability, of insurance for our vessels, could have a material adverse impact on our business, financial condition and results of operations.

If our vessels call on ports located in countries or territories that are subject to comprehensive sanctions imposed by the UN, the United States, the EU or other relevant authorities, or if we are found to be in violation of sanctions, there could be an adverse effect on our reputation, business position, financial condition or results of operations, or the market for our common shares.

As a company maintaining its corporate office in the United States with offices in Denmark and Singapore, we are subject to U.S. and EU economic sanctions and trade embargo laws and regulations as well as equivalent economic sanctions laws of other relevant jurisdictions in connection with our activities. The laws and regulations of these different jurisdictions vary in their application and do not all apply to the same covered persons or proscribe the same activities. In addition, the sanctions and embargo laws and regulations of each jurisdiction may be amended to increase or reduce the restrictions they impose over time, and the lists of persons and entities designated under these laws and regulations are amended frequently. Moreover, most sanctions regimes provide that entities owned or controlled by the persons or entities designated in such lists are also subject to sanctions. The U.S. and EU have enacted new sanctions programs in recent years. Additional countries or territories, as well as additional persons or entities within or affiliated with those countries or territories, have been, and in the future, the target of sanctions. Further, the U.S. has increased its focus on sanctions enforcement with respect to the shipping sector.

As a result of Russian actions in Ukraine, the U.S., EU and United Kingdom, together with numerous other countries, have imposed significant sanctions on persons and entities associated with Russia and Belarus, as well as comprehensive sanctions on certain areas within the Donbas region of Ukraine, and such sanctions apply to entities owned or controlled by such designated persons or entities. These sanctions adversely affect our ability to operate in the region and also restrict parties whose cargo we may carry. Moreover, historically, the majority of our crew have been hired through two crew manning agents, one Russian and the other Ukrainian. The officers and crew are primarily Russian and Ukrainian. The evolving situation in Ukraine and the sanctions being imposed may adversely affect our ability to hire and/or pay our crew for our vessels.

In recent years, multilateral international sanctions targeting Iran have restricted and/or prohibited us and our charterers from engaging in Iran-related activities, including calling on ports in Iran. The United States continues to maintain comprehensive sanctions on Iran that generally prohibit persons and companies in the United States, as well as U.S. persons and persons owned or controlled by U.S. persons, wherever located, from engaging in nearly all Iran-related activity. In addition, following the U.S. withdrawal from the Joint Comprehensive Plan of Action (“JCPOA”), the U.S. re-imposed all of its previously-lifted sanctions that target non-U.S. companies for engaging in certain activities with Iran, including those related to Iran’s energy, shipping, shipbuilding, and insurance sectors, and has issued additional sanctions targeting other sectors of the Iranian economy. On the other hand, the EU has stayed in the JCPOA and maintained the lifting of nearly all of its sanctions targeting Iran, except for targeted asset freezes and travel bans against certain Iranian individuals and entities and restrictions on activities related to the military, nuclear proliferation and human rights abuses. The EU and Germany also have blocking rules in place intended to protect the interests of EU persons against the extraterritorial application of U.S. sanctions against Iran and Cuba.

In November 2015, the Company filed a voluntary self-disclosure report regarding certain apparent violations of U.S. sanctions regulations in the provision of shipping services for third party charterers with respect to the transportation of cargo to or from Myanmar (formerly Burma), which occurred under a different senior operational management team. In January 2020, the Company entered into a settlement agreement with OFAC in which the Company agreed to make a one-time payment to the U.S. Department of the Treasury in the amount of \$1.125 million and undertake certain compliance commitments in exchange for OFAC agreeing to release and forever discharge the Company and its subsidiaries, without any finding of fault, from any and all civil liability in connection with these apparent violations. The settlement does not constitute an admission of fault or wrongdoing by the Company or any of its subsidiaries.

Sanctions and trade embargo laws and regulations are generally subject to strict liability. Although we intend to maintain compliance with all applicable economic sanctions and trade embargo laws and regulations, there can be no assurance that, notwithstanding our compliance safeguards, we will not be found in the future to have been in violation, particularly as the sanctions and embargo laws and regulations are amended, the scope of certain laws and regulations may be unclear, and the laws and regulations are subject to discretionary interpretations by regulators that may change over time. Further, charterers or other counterparties may violate provisions in contracts with us, or legal restrictions relating to sanctions. Any such violation might adversely affect our business, results of operations or financial condition, including that any such violation could result in substantial fines or other civil and/or criminal penalties that could be increased due to our prior settlement agreement with OFAC, and could severely impact our ability to access U.S. capital markets and conduct our business. Additionally, our reputation and the market for our securities may be adversely affected and /or some investors may decide to divest their interest, or not to invest, in the Company if we engage in certain other activities in countries subject to sanctions, such as entering into permissible charters or engaging in permissible operations with individuals or entities in or associated with those countries. The determination by these investors and/or lenders not to invest in, or to divest from, our common shares may adversely affect the price at which our common shares trade. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

Investor perception of the value of our common shares may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

We are subject to international safety regulations and the failure to comply with these regulations may subject us to increased liability, may adversely affect our insurance coverage and may result in a denial of access to, or detention in, certain ports.

The operation of our vessels is affected by the requirements set forth in the ISM Code. The ISM Code requires shipowners, ship managers and bareboat charterers to develop and maintain an extensive “Safety Management System” that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Each of the vessels that has been delivered to us is ISM Code-certified and we expect that each other vessel that we have agreed to purchase will be ISM Code-certified when delivered to us. However, if we are subject to increased liability for non-compliance or if our insurance coverage is adversely impacted as a result of non-compliance, it may negatively affect our ability to pay dividends, if any, in the future. If any of our vessels are denied access to, or are detained in, certain ports, our revenues may be adversely impacted.

In addition, vessel classification societies also impose significant safety and other requirements on our vessels. In complying with current and future environmental requirements, vessel-owners and operators may also incur significant additional costs in meeting new maintenance and inspection requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety and environmental requirements, can be expected to become stricter in the future and require us to incur significant capital expenditures on our vessels to keep them in compliance.

The operation of our vessels is also affected by other government regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which the vessels operate, as well as in the country or countries of their registration. Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the resale prices or useful lives of our vessels. Additional conventions, laws and regulations may be adopted which could limit our ability to do business or increase the cost of our doing business and which may materially adversely affect our operations. We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates, and financial assurances with respect to our operations.

Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.

International shipping is subject to various security and customs inspection and related procedures in countries of origin and destination and trans-shipment points. Inspection procedures may result in the seizure of contents of our vessels, delays in the loading, offloading, trans-shipment or delivery and the levying of customs duties, fines or other penalties against us.

It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, financial condition and results of operations.

Arrests of our vessels by maritime claimants could cause a significant loss of earnings for the related off-hire period.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by “arresting” or “attaching” a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could result in a significant loss of earnings for the related off-hire period. In addition, in jurisdictions where the “sister ship” theory of liability applies, a claimant may arrest the vessel which is subject to the claimant’s maritime lien and any “associated” vessel, which is any vessel owned or controlled by the same owner. In countries with “sister ship” liability laws, claims might be asserted against us or any of our vessels for liabilities of other vessels that we own.

Risks associated with operating ocean-going vessels could affect our business and reputation, which could adversely affect our revenues and stock price.

The operation of ocean-going vessels carries inherent risks. These risks include the possibility of:

- marine disaster;
- environmental accidents;
- cargo and property losses or damage;
- business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, labor strikes or adverse weather conditions; and
- piracy.

These hazards may result in death or injury to persons, loss of revenues or property, environmental damage, higher insurance rates, damage to our customer relationships, delay or rerouting. If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and may be substantial. We may not have insurance that is sufficient to cover these costs or losses and may have to pay drydocking costs not covered by our insurance. The loss of earnings while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, would decrease our earnings and reduce the amount of cash that we have available for dividends. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. We may be unable to find space at a suitable drydocking facility or our vessels may be forced

to travel to a drydocking facility that is not conveniently located to our vessels' positions. Any of these circumstances or events could increase our costs or lower our revenues. The involvement of our vessels in an environmental disaster may harm our reputation as a safe and reliable vessel owner and operator.

Our business has inherent operational risks, which may not be adequately covered by insurance.

The operation of our company has certain unique risks. With a drybulk carrier, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, drybulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, drybulk carriers are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures may be more susceptible to breach to the sea. Hull breaches in drybulk carriers may lead to the flooding of the vessels' holds. If a drybulk carrier suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads leading to the loss of a vessel. If we are unable to adequately maintain our vessels, we may be unable to prevent these events. Any of these circumstances or events could negatively impact our business, financial condition, results of operations and ability to pay dividends, if any, in the future. In addition, the loss of any of our vessels could harm our reputation as a safe and reliable vessel owner and operator.

Our vessels and their cargoes are at risk of being damaged or lost because of events such as marine disasters, bad weather, mechanical failures, human error, environmental accidents, war, terrorism, piracy and other circumstances or events. In addition, transporting cargoes across a wide variety of international jurisdictions creates a risk of business interruptions due to political circumstances in foreign countries, hostilities, labor strikes and boycotts, the potential for changes in tax rates or policies, and the potential for government expropriation of our vessels. Any of these events may result in loss of revenues, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters.

In the event of a casualty to a vessel or other catastrophic event, we will rely on our insurance to pay the insured value of the vessel or the damages incurred. We procure insurance for the vessels in our fleet employed against those risks that we believe the shipping industry commonly insures against. These insurances include marine hull and machinery insurance, Protection and Indemnity Insurance, which include pollution risks and crew insurances, and war risk insurance. Currently, the amount of coverage for liability for pollution, spillage and leakage available to us on commercially reasonable terms through P&I Associations and providers of excess coverage is \$1.0 billion per vessel per occurrence.

We have procured hull and machinery insurance, Protection and Indemnity Insurance (including pollution insurance), and war risk insurance for our fleet. We have also purchased insurance against loss of hire, which covers business interruptions that result from the loss of use of a vessel. We may not be adequately insured against all risks. We may not be able to obtain adequate insurance coverage for our fleet in the future, and we may not be able to obtain certain insurance coverage, including insurance against charter party defaults, that we have obtained in the past on terms that are acceptable to us or at all. The insurers may not pay particular claims. Our insurance policies may contain deductibles for which we will be responsible and limitations and exclusions which may increase our costs or lower our revenue. Moreover, insurers may default on claims they are required to pay.

We cannot assure you that we will be adequately insured against all risks or that we will be able to obtain adequate insurance coverage at reasonable rates for our vessels in the future. For example, in the past more stringent environmental regulations have led to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. Additionally, our insurers may refuse to pay particular claims. Any significant loss or liability for which we are not insured could have a material adverse effect on our financial condition.

Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.

A government could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes her owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes her charterer at unilateral charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Government requisition of one or more of our vessels may negatively impact our revenues.

Failure to comply with the FCPA or other applicable anti-corruption laws could result in fines, criminal penalties, and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the FCPA. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and/or agents may take actions determined to be in violation of applicable anti-corruption laws, including the FCPA. Any such violation might adversely affect our business, results of operations or financial condition. Further, any such violation could severely impact our ability to access U.S. capital markets and conduct our business and could result in some investors and/or lenders deciding, or being required, to divest their interest, or not to invest, in us or lend to us. The determination by these investors and/or lenders not to invest in, or to divest from, our common shares may adversely affect the price at which our common shares trade. Any such violation could also result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

Cyber-attacks or other security breaches involving our computer systems or the systems of one or more of our vendors could materially and adversely affect our business.

Our systems are vulnerable to cyber security risks, and we are subject to potential disruption caused by such activities. Companies such as ours are subject to cyber-attacks on their systems. Such attacks may have various goals, from seeking confidential information to causing operational disruption. Although to date such activities have not resulted in material disruptions to our operations or, to our knowledge, a material breach of any security or confidential information, no assurance can be provided that such disruptions or breach will not occur in the future. Additionally, any significant violations of data privacy could result in the loss of business, litigation, regulatory investigations, penalties, ongoing expenses related to client credit monitoring and support, and other expenses, any of which could damage our reputation and adversely affect the growth of our business. While we have deployed resources that are responsible for maintaining appropriate levels of cyber-security, and while we utilize third party technology products and services to help identify, protect, and remediate our information technology systems and infrastructure against security breaches and cyber-incidents, our responsive and precautionary measures may not be adequate or effective to prevent, identify, or mitigate attacks by hackers, foreign governments, or other actors or breaches caused by employee error, malfeasance, or other disruptions.

Financial Risk Factors

The state of the global financial markets may adversely impact our ability to obtain additional financing, including the refinancing of our existing credit facility and bond terms, on acceptable terms, restricting us from being able to operate or expand our business.

Global financial markets are volatile with access to debt and equity capital being potentially expensive or restrictive. We cannot be certain that additional financing will be available if, and when, needed. We also cannot be certain that

we will be able to refinance our existing credit facility and bond terms, on acceptable terms or at all, prior to maturity. If additional financing is not available when needed, or is available only on unfavorable terms, we may not be able to meet our obligations as they come due, nor be able to grow our existing business through potential acquisitions or similar opportunities as they arise. For more information on our debt facilities, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation - Liquidity and Capital Resources and Note 6, Debt, to the consolidated financial statements.

If general economic conditions throughout the world deteriorate, including as a result of COVID-19, it will impede our results of operations, financial condition and cash flows, and could impair our ability to access capital markets at a reasonable cost.

If the economic conditions in the world deteriorate, it could have a material adverse effect on our ability to implement our business strategy. We face risks attendant to changes in economic environments, changes in interest rates, and instability in the banking and securities markets around the world, among other factors. Major market disruptions such as those that occurred as a result of COVID-19 in 2020, and the adverse changes in market conditions and regulatory climate in the United States and worldwide may adversely affect our business or impair our ability to borrow amounts under our credit facility or any future financial arrangements and may cause the trading price of our common shares on the Nasdaq Global Select Market to decline.

A significant number of the port calls made by our vessels involve the loading or discharging of raw materials and semi-finished products in ports in the Asia Pacific region. As a result, a negative change in economic conditions in any Asia Pacific country, and particularly in China and India, could have an adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In particular, in recent years, China has been one of the world's fastest growing economies in terms of gross domestic product. China's gross domestic product grew by 8.1% in 2021, as compared to 2.3% in 2020. We cannot assure you that the Chinese economy will not experience a significant contraction in the future. The ongoing trade dispute between the United States and China may have an adverse effect on the Chinese economy, including on industrial production and exports. If the Chinese government does not continue to pursue a policy of economic growth and urbanization, the level of imports to and exports from China could be adversely affected by changes to these initiatives by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government, such as changes in laws, regulations or export and import restrictions. Notwithstanding economic reform, the Chinese government may adopt policies that favor domestic drybulk shipping companies and may hinder our ability to compete with them effectively. Moreover, a significant or protracted slowdown in the economies of the United States, the EU or various Asian countries may adversely affect economic growth in China and elsewhere. Our business, results of operations, cash flows, financial condition and ability to pay dividends will likely be materially and adversely affected by an economic downturn in any of these countries.

We have substantial indebtedness, and if we default under our loan agreements, our lenders may act to accelerate our outstanding indebtedness under our credit facility, which would impact our ability to continue to conduct our business.

At December 31, 2021, the Company's debt excluding debt issuance costs totaled \$401.7 million of which \$49.8 million is shown in the current portion of long-term debt.

As described under Note 6, Debt, to the consolidated financial statements, the obligations under these agreements are secured by collateral, contain a number of operating restrictions, covenants and events of default, and a breach of any of the covenants could result in an event of default under one or more of these agreements, including as a result of cross default provisions.

The failure of our charterers to meet their obligations under our charter agreements, on which we depend for substantially all of our revenues, could cause us to suffer losses or otherwise adversely affect our business and ability to comply with covenants in our credit facility.

The ability and willingness of each of our counterparties to perform its obligations will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the drybulk shipping industry and the overall financial condition of the counterparties. Charterers are sensitive to the commodity markets and may be impacted by market forces affecting commodities, such as iron ore, coal, grain, and other minor bulks. In addition, in depressed market conditions, there have been reports of charterers, including some of our charter counterparties, defaulting on their obligations under charters, and our customers may fail to pay charter hire. Should a counterparty fail to honor its obligations under its charter with us, it may be difficult to secure substitute employment for such vessel at a similar charter rate. If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, we could sustain significant losses which could have a material adverse effect on our business, financial condition, results of operations and cash flows, if any, in the future, and compliance with covenants in our credit facility.

Utilizing derivative instruments, such as forward freight, bunker and interest rate swap agreements, could result in losses.

From time to time, we may take positions in derivative instruments, including FFAs, interest rate swaps and bunker swaps. FFAs and other derivative instruments may be used to hedge a vessel owner's exposure to the charter market by providing for the sale of a contracted charter rate along a specified route and period of time. Upon settlement, if the contracted charter rate is less than the average of the rates, as reported by an identified index, for the specified route and period, the seller of the FFA is required to pay the buyer an amount equal to the difference between the contracted rate and the settlement rate, multiplied by the number of days in the specified period. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. We recorded a net realized and unrealized loss of \$38.2 million on FFAs and bunker swaps which was recorded in Realized and unrealized loss/(gain) on derivative instruments, net in the Consolidated Statement of Operations for the year ended December 31, 2021.

In addition, we entered into, and in the future may enter into additional, interest rate swaps to effectively convert a portion of our debt from a floating to a fixed-rate basis. Under these swap contracts, exclusive of applicable margins, we pay fixed rate interest and receive floating-rate interest amounts based on three-month LIBOR settings. If our hedging strategies are not effective, we may incur substantial losses if interest rates move materially differently from our expectations. In addition, our financial condition could be materially adversely affected to the extent we do not hedge our exposure to interest rate fluctuations under our financing arrangements.

Any hedging activities we engage in may not effectively manage exposure or have the desired impact on our financial conditions, results of operations or cash flows.

Our revolver facility under the Global Ultraco Debt Facility exposes us to interest rate risk.

Although the interest on our outstanding term loan under the Global Ultraco Debt Facility is fixed by an interest rate swaps, our earnings are exposed to interest rate risk associated with the revolver facility under Global Ultraco Debt Facility, which is undrawn as of December 31, 2021, and bears interest at the London Interbank Offered Rate ("LIBOR") plus 2.50% per annum. LIBOR tends to fluctuate based on multiple facts, including general short-term interest rates, rates set by the U.S. Federal Reserve and other central banks, the supply of and demand for credit in the London interbank market and general economic conditions. Accordingly, our interest expense for any particular period will fluctuate based on LIBOR. If interest rates increase, so will our interest costs, which may have a material adverse effect on our results of operations and financial condition.

Changes in our interest rates under our credit facility and our interest rate swaps due to the phase-out of LIBOR may adversely affect our interest expense.

LIBOR is the basic rate of interest used in lending between banks on the London interbank market and is widely used as a reference for setting the interest rates on loans globally. We generally use LIBOR as a reference rate to calculate interest rates under our credit facility. In 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced that it intended to phase out LIBOR by the end of 2021. Subsequently, the administrator of LIBOR announced its plan to cease publication of certain LIBOR rates after June 30, 2023. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S. dollar LIBOR with a new index, the Secured Overnight Financing Rate ("SOFR"), calculated using short-term repurchase agreements backed by Treasury securities. SOFR is observed and backward looking, unlike LIBOR under the current methodology, which is an estimated forward-looking rate and relies, to some degree, on the expert judgment of submitting panel members. Given that SOFR is a secured rate backed by government securities, it will be a rate that does not take into account bank credit risk (as is the case with LIBOR). SOFR also may be more volatile than LIBOR. Whether or not SOFR, or another alternative reference rate, attains market traction as a LIBOR replacement tool remains in question. Although we expect that the capital and debt markets will cease to use LIBOR as a benchmark in the near future, and the administrator of LIBOR announced its intention to extend the publication of most tenors of LIBOR for U.S. dollars through June 30, 2023, we cannot predict whether or when LIBOR will actually cease to be available, whether SOFR will become the market benchmark in its place or what impacts such a transition may have on our business, financial condition and results of operations. Ultraco and the facility agent may amend the Global Ultraco Debt Facility to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein, a "LIBOR Successor Rate"). We may also need to amend our interest rate swaps and any credit facilities to replace LIBOR with an agreed upon replacement index. This could cause certain of the interest rates under our credit facility and interest rate swaps to change. The new rates may not be as favorable to us as those in effect prior to any LIBOR phase-out. We may also find it desirable to engage in more frequent interest rate hedging transactions.

Company Specific Risk Factors

We are dependent on spot charters and any decrease in spot charter rates in the future may adversely affect our earnings, our ability to pay dividends or meet our financial covenants on our indebtedness.

As of December 31, 2021, we owned a fleet of 53 vessels which are employed for less than one year exposing us to fluctuations in spot market charter rates. Historically, the drybulk market has been volatile as a result of the many conditions and factors that can affect the price, supply and demand for drybulk capacity. A global economic crisis may reduce demand for transportation of drybulk cargoes, which may materially affect our revenues, profitability and cash flows. The spot charter market may fluctuate significantly based upon supply of and demand for vessels and cargoes. The successful operation of our vessels in the competitive spot charter market depends upon, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. The spot market is very volatile, and, in the past, there have been periods when spot rates have declined below the operating cost of vessels. If future spot charter rates decline, then we may be unable to operate our vessels trading in the spot market profitably, meet our obligations, including payments on indebtedness, or to pay dividends, if any, in the future. Furthermore, as charter rates for spot charters are fixed for a single voyage, which may last up to several weeks, during periods in which spot charter rates are rising, we will generally experience delays in realizing the benefits from such increases.

The laws of the Marshall Islands generally prohibit the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus in the future to pay dividends and our subsidiaries may not have sufficient funds or surplus to make distributions to us. We can give no assurance that dividends will be paid at all.

In addition, the declaration and payment of dividends, if any, will always be subject to the discretion of the board of directors, restrictions contained in our existing debt agreements and the requirements of Marshall Islands law. The timing and amount of any dividends declared will depend on, among other things, the Company's earnings, financial condition and cash requirements and availability, the ability to obtain debt and equity financing on acceptable terms as contemplated by the Company's growth strategy, the terms of its outstanding indebtedness and the ability of the Company's subsidiaries to distribute funds to it. During 2021, the Company adopted a dividend policy which allows for a minimum dividend of 30% of its net income, but not less than \$0.10 per share, subject to approval from its board of directors. Pursuant to the adoption, the Company declared a dividend of \$2.00 per outstanding share of common stock based on its net income of \$78.3 million for the three months ended September 30, 2021. Additionally, on February 22, 2022, the Company declared a dividend of \$2.05 per outstanding share of common stock, based on net income of \$87.5 million for the three months ended December 31, 2021. Please see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Dividends.

We may have difficulty managing our planned growth properly and integrating newly acquired vessels.

The management of the 53 vessels in our owned fleet, as of December 31, 2021, and additional drybulk vessels that we may acquire in the future impose significant responsibilities on our management and staff. The addition of vessels to our fleet may require us to increase the number of our personnel. Further, we are providing technical management services to all of our vessels in our fleet. We will also have to manage our customer base so that we can provide continued employment for our vessels upon the expiration of our existing charters.

We intend to continue to grow our business. Our future growth will primarily depend on:

- locating and acquiring suitable vessels;
- obtaining required financing on acceptable terms;
- identifying and consummating acquisitions or joint ventures;
- enhancing our customer base; and
- managing our expansion.

Growing any business by acquisition presents numerous risks, such as undisclosed liabilities and obligations, the possibility that indemnification agreements will be unenforceable or insufficient to cover potential losses and difficulties associated with imposing common standards, controls, procedures and policies, obtaining additional qualified personnel, managing relationships with customers and integrating newly acquired assets and operations into existing infrastructure. We cannot give any assurance that we will be successful in executing our growth plans or that we will not incur significant expenses and losses in connection with our future growth.

Purchasing and operating secondhand vessels may result in increased operating costs and reduced fleet utilization.

While we have the right to inspect previously owned vessels prior to purchase, such an inspection does not provide us with the same knowledge about their condition that we would have if these vessels had been built for and operated exclusively by us. A secondhand vessel may have conditions or defects that we were not aware of when we bought the vessel and which may require us to incur costly repairs to the vessel. These repairs may require us to put a vessel into dry dock, which would reduce our fleet utilization. Furthermore, we usually do not receive the benefit of warranties on secondhand vessels.

We are subject to certain risks with respect to our counterparties on contracts, and failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business.

We have entered into and may enter into in the future, among other things, charter agreements with our customers. Such agreements subject us to counter party risks. The ability of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the maritime industry, the overall financial condition of the counterparty, charter rates received for specific types of vessels, the supply and demand for commodities such as

iron ore, coal, grain, and other minor bulks and various expenses. Should a counter party fail to honor its obligations under agreements with us, we could sustain significant losses which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The loss of one or more of our significant customers may affect our financial performance.

Some of our charterers are privately owned companies for which limited credit and financial information was available to us in making our assessment of counter party risk when we entered into our charter. In addition, the ability of each of our charterers to perform its obligations under a charter will depend on a number of factors that are beyond our control. These factors may include general economic conditions, the condition of the drybulk shipping industry, the charter rates received for specific types of vessels and various operating expenses. If one or more of these charterers terminates its charter or chooses not to re-charter our vessel or is unable to perform under its charter with us and we are not able to find a replacement charter, we could suffer a loss of revenues that could adversely affect our financial condition, results of operations and cash available for distribution as dividends to our shareholders. In addition, we may be required to change the flagging or registration of the related vessel and may incur additional costs, including maintenance and crew costs if a charterer were to default on its obligations. Our shareholders do not have any recourse against our charterers. For the years ended December 31, 2021, 2020 and 2019, the Company had no charterers which individually accounted for more than 10% of the Company's gross charter revenue.

In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, and as a result, we may be unable to employ our vessels profitably.

Our vessels are employed in a highly competitive market that is capital intensive and highly fragmented. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than we do. Competition for the transportation of drybulk cargo by sea is intense and depends on price, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Due in part to the highly fragmented market, competitors with greater resources could enter the drybulk shipping industry and operate larger fleets through consolidations or acquisitions and may be able to offer lower charter rates and higher quality vessels than we are able to offer. If we are unable to successfully compete with other drybulk shipping companies, our results of operations would be adversely impacted.

We may be unable to attract and retain key management personnel and other employees in the shipping industry, which may negatively impact the effectiveness of our management and results of operations.

Our success depends to a significant extent upon the abilities and efforts of our management team. Our success will depend upon our ability to retain key members of our management team and to hire new members as may be desirable. The loss of any of these individuals could adversely affect our business prospects and financial condition. Difficulty in hiring and retaining replacement personnel could have a similar effect. We do not maintain "key man" life insurance on any of our officers.

The aging of our fleet may result in increased operating costs in the future, which could adversely affect our earnings.

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. Although the weighted average age of the 53 drybulk vessels in our owned fleet as of December 31, 2021 was approximately 9.3 years, as our fleet ages, we will incur increased costs. Older vessels are typically less fuel efficient and more expensive to maintain than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers. Governmental regulations and safety or other equipment standards related to the age of vessels may also require expenditures for alterations or the addition of new equipment, to our vessels and may restrict the type of activities in which our vessels may engage. We cannot assure you that, as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives.

Technological innovation could reduce our charter hire income and the value of our vessels.

The charter hire rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. The length of a vessel's physical life is related to its original design and construction, its maintenance and the impact of the stress of operations. If new drybulk carriers are built that are more efficient or more flexible or have longer physical lives than our vessels, competition from these more technologically advanced vessels could adversely affect the amount of charter hire payments we receive for our vessels once their initial charters expire and the resale value of our vessels could significantly decrease. As a result, our business, results of operations, cash flows and financial condition could be adversely affected.

We may be subject to litigation that, if not resolved in our favor and not sufficiently insured against, could have a material adverse effect on us.

We may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of our business. Although we intend to defend these matters vigorously, we cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on us. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which may have a material adverse effect on our financial condition.

We may have to pay tax on United States source income, which will reduce our earnings.

Under the United States Internal Revenue Code of 1986, as amended, or the Code, 50% of the gross shipping income of a vessel owning or chartering corporation, such as ourselves and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States is characterized as United States source shipping income and such income is subject to a 4% United States federal income tax without allowance for any deductions, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the Treasury regulations promulgated thereunder.

We believe that we qualify for this statutory tax exemption for our 2021 taxable year and we intend to take this position for U.S. federal income tax return reporting purposes. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption and thereby become subject to U.S. federal income tax on our U.S. source income. Therefore, we can give no assurances on our tax-exempt status. If we are not entitled to exemption under Section 883 of the Code for any taxable year, we could be subject for those years to an effective 2% U.S. federal income tax on the gross shipping income we derive during the year that are attributable to the transport of cargoes to or from the United States. The imposition of this tax would have a negative effect on our business and would result in decreased earnings and cash available to pay amounts due on the note or for distribution to our shareholders. For more information, see Item 1. Business - United States Federal Income Taxation of Our Company.

United States tax authorities could treat us as a "passive foreign investment company," which could have adverse United States federal income tax consequences to United States holders.

A foreign corporation will be treated as a "passive foreign investment company," or PFIC, for United States federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests, "passive income" includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income."

United States shareholders of a PFIC are subject to a disadvantageous United States federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Based on our current method of operation, we do not believe that we have been, are or will be a PFIC with respect to any taxable year. In this regard, we intend to treat the gross income we derive or are deemed to derive from our time and voyage chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time and voyage chartering activities does not constitute "passive income," and the assets that we own and operate in connection with the production of that income do not constitute passive assets.

There is, however, no direct legal authority under the PFIC rules addressing our method of operation and there is authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the IRS or a court of law will accept our position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if there were to be changes in the nature and extent of our operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, our United States shareholders may face adverse United States tax consequences and information reporting obligations. Under the PFIC rules, unless those shareholders made an election available under the Code (which election could itself have adverse consequences for such shareholders), such shareholders would be liable to pay United States federal income tax upon excess distributions and upon any gain from the disposition of our common stock at the then prevailing income tax rates applicable to ordinary income plus interest as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of our common stock.

We may be subject to additional taxes, including as a result of challenges by tax authorities or changes in applicable law, which could adversely impact our business and financial results.

We are subject to tax in certain jurisdictions in which we are organized, own assets or have operations. In computing our tax obligations in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We cannot assure you that, upon review of these positions, the applicable authorities will agree with our positions. A successful challenge by a tax authority, or a change in applicable law, could result in additional tax imposed on us, which could adversely impact our business and financial results.

We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy certain of our financial obligations and to make dividend payments.

We are a holding company and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to satisfy our financial obligations and to make dividend payments in the future depends on our subsidiaries and their ability to distribute funds to us. If we are unable to obtain funds from our subsidiaries, our board of directors may exercise its discretion not to declare or pay dividends. We do not intend to obtain funds from other sources to pay dividends.

As we expand our business, we may need to improve our operating and financial systems and will need to recruit suitable employees and crew for our vessels.

Our current operating and financial systems may not be adequate if we continue to expand the size of our fleet in the future and our attempts to improve those systems may be ineffective. In addition, if we further expand our fleet, we will need to recruit suitable additional seafarers and shore side administrative and management personnel. We cannot guarantee that we will be able to hire suitable employees as we expand our fleet. If we or our crewing agent encounters business or financial difficulties, we may not be able to adequately staff our vessels. If we are unable to grow our financial and operating systems or to recruit suitable employees as we expand our fleet, our financial

performance may be adversely affected and, among other things, the amount of cash available for distribution as dividends to our shareholders may be reduced.

We conduct business in China, where the legal system has inherent uncertainties that could limit the legal protections available to us.

Some of our vessels may be chartered to Chinese customers or from time to time on our charterers' instructions, our vessels may call on Chinese ports. Such charters and any additional charters that we enter into may be subject to new regulations in China that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Chinese government new taxes or other fees. Changes in laws and regulations, including with regards to tax matters, and their implementation by local authorities could affect our vessels chartered to Chinese customers as well as our vessels calling to Chinese ports and could have a material adverse impact on our business, financial condition and results of operations.

The conflict between Russia and Ukraine may impact our ability to retain and source crew, and in turn, could adversely affect our revenue, expenses, and profitability.

We have relationships with Ukrainian and Russian manning agencies which procure our crews. The invasion of Ukraine by Russia may impact our ability to continue to source and retain crew from these countries. Continued hostilities and the implementation of sanctions may reduce, or eliminate, the pool of available crew from these countries, and in turn, result in delays and lost earnings for our vessels. We have relationships with manning agencies in areas outside of Ukraine and Russia, including in Asia. If we are not able to source Ukrainian and Russian crews in the future, we may experience delays and loss of earnings for our vessels until replacement crews are employed. We may incur additional travel expenses to repatriate the Russian and Ukrainian crew members on board our vessels, as well as their replacements sourced from other regions. Global crew wages may rise if the available supply of Russian and Ukrainian crew is diminished, as we will be competing with other shipowners to employ crew from other regions.

Risks Relating to Our Common Stock

We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law.

Our corporate affairs are governed by our Third Amended and Restated Articles of Incorporation (the "Charter") and Second Amended and Restated By-laws (the "Bylaws") and by the Marshall Islands Business Corporations Act (the "BCA"). The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in the United States. The rights of shareholders of companies incorporated in the Marshall Islands may differ from the rights of shareholders of companies incorporated in the United States. While the BCA provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as United States courts. Thus, you may have more difficulty in protecting your interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction which has developed a relatively more substantial body of case law.

The market price of our common shares has fluctuated and may continue to fluctuate in the future.

The market price of our common shares has fluctuated since we became a public company and may continue to do so as a result of many factors, including our actual results of operations and perceived prospects, the prospects of our competition and of the shipping industry in general and in particular the drybulk sector, differences between our actual financial and operating results and those expected by investors and analysts, changes in analysts'

recommendations or projections, changes in general valuations for companies in the shipping industry, particularly the drybulk sector, changes in general economic or market conditions and broad market fluctuations.

The public market for our common shares may not be active and liquid enough for you to resell our common shares in the future.

The stock market has experienced extreme price and volume fluctuations. If the volatility in the market continues or worsens, it could continue to have an adverse effect on the market price of our common shares and could impact a potential sale price if holders of our common stock decide to resell their shares.

The seaborne transportation industry has been highly unpredictable and volatile. The market for common shares in this industry may also be volatile. The market price of our common shares may be influenced by many factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our quarterly and annual results and those of other public companies in our industry;
- announcements by us or our competitors of significant contracts, acquisitions or capital commitments;
- mergers and strategic alliances in the shipping industry;
- terrorist acts;
- future sales of our common shares or other securities;
- market conditions in the shipping industry;
- economic and regulatory trends;
- shortfalls in our operating results from levels forecast by securities analysts;
- announcements concerning us or our competitors;
- the general state of the securities market; and
- investors' perception of us and the drybulk shipping industry.

As a result of these and other factors, investors in our common stock may not be able to resell their shares at or above the price they paid for such shares. These broad market and industry factors may materially reduce the market price of our common shares, regardless of our operating performance.

Certain shareholders own large portions of our outstanding common stock, which may limit other shareholders' ability to influence our actions.

Certain shareholders currently hold significant percentages of our common stock. To the extent a significant percentage of the ownership of our common stock is concentrated in a small number of holders, such holders will be able to influence the outcome of any shareholder vote, including the election of directors, the adoption or amendment of provisions in our articles of incorporation or by-laws and possible mergers, corporate control contests and other significant corporate transactions. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control, merger, consolidation, takeover or other business combination involving us. This concentration of ownership could also discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which could in turn have an adverse effect on the market price of our common stock.

The effect of the sale of any borrowed shares, which sales, if any, may be made to facilitate transactions by which investors in our Convertible Bond Debt may hedge their investments, may be to lower the market price of our common stock.

We have been advised that certain selling shareholders may sell borrowed shares (including under this prospectus) and use the resulting short position to establish or maintain their hedge with respect to their investments in our Convertible Bond Debt. The existence of the share lending arrangements and the short sales of our common stock effected in connection therewith could cause the market price of our common stock to be lower over the term of the share lending arrangements than it would have been had we not entered into such arrangements, due to the effect of the increase in the number of our outstanding shares of common stock being traded in the market or otherwise.

Future sales, or availability for sale, of common stock by shareholders could depress the market price of our common stock.

Sales of a substantial number of shares of our common stock in the public market, including sales by any selling shareholder or sales pursuant to our ATM Offering, or the perception that large sales could occur could depress the market price of our common stock. Such future sales, or perception thereof, could also impact our ability to raise capital through future offerings of equity or equity-linked securities. During 2021, we issued 541,898 shares in relation to acquisition of four vessels. From time to time, we may issue additional shares in connection with the acquisition of vessels. As of March 9, 2022, we had 13,633,263 shares of common stock issued and outstanding.

To the extent we issue common stock upon conversion of our Convertible Bond Debt, the conversion of some or all of the Convertible Bond Debt will dilute the ownership interests of existing stockholders. If we elect to deliver shares to holders of our Convertible Bond Debt with respect to the principal amount owed at maturity or upon the holder's exercise of the conversion option prior to maturity, the ownership interests of existing stockholders would be diluted. Any sales in the public market of common stock so issued could adversely affect prevailing market prices of our common stock. In addition, the existence of our Convertible Bond Debt may encourage short selling by market participants because the conversion of our Convertible Bond Debt could depress the price of our common stock.

Our shareholders are limited in their ability to elect or remove directors.

The Charter prohibits cumulative voting in the election of directors. The Bylaws require parties other than the board of directors to give advance written notice of nominations for the election of directors. The Charter also provides that directors may only be removed for cause upon the affirmative vote of a majority of the outstanding shares of capital stock entitled to vote for the election of directors. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board of directors for any reason may only be filled by a majority of the directors then in office, even if less than a quorum exists.

Our shareholders may take action only at Annual or Special Meetings.

The Charter and the Bylaws provide that any action required or permitted to be taken by shareholders must be effected at a duly called annual or special meeting of shareholders. Except as otherwise mandated by law, shareholders may not act by written consent.

Under the Bylaws, annual shareholder meetings will be held at a time and place selected by the board of directors. The meetings may be held in or outside of the Marshall Islands. These provisions may impede shareholders' ability to take actions with respect to the Company that they deem appropriate or advisable.

The Charter and the Bylaws provide that, except as otherwise required by law, special meetings of shareholders may be called at any time only by (i) the lead director (if any), (ii) the chairman of the board of directors, (iii) the board of directors pursuant to a resolution duly adopted by a majority of the board stating the purpose or purposes thereof, or (iv) any one or more shareholders who beneficially owns, in the aggregate, 15% or more of the aggregate voting power of all then-outstanding shares of Voting Stock. The notice of any such special meeting is to include the purpose or purposes thereof, and the business transacted at the special meeting is limited to the purpose or purposes stated in the notice (or any supplement thereto). These provisions may impede the ability of shareholders to bring matters before a special meeting of shareholders.

The board of directors may set a record date between 15 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting.

Our shareholders are subject to advance notice requirements for shareholder proposals and director nominations

The Bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. To be timely, a shareholder's notice will have to be received at the Company's principal executive offices not less than 60 days nor more than 90 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, such as is the case for the 2019 annual meeting, notice by the shareholder must be received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first, in order for such notice by a shareholder to be timely. The Bylaws also specify requirements as to the form and content of a shareholder's notice. These advance notice requirements, particularly the 60 to 90 day requirement, may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

Certain super majority provisions in our organizational documents may discourage, delay or prevent changes to such documents.

The Charter provides that a two-thirds vote is required to amend or repeal certain provisions of the Charter and Bylaws, including those provisions relating to: the number and election of directors; filling of board vacancies; resignations and removals of directors; director liability and indemnification of directors; the power of shareholders to call special meetings; advance notice of director nominations and shareholders proposals; and amendments to the Charter and Bylaws. These super majority provisions may discourage, delay or prevent changes to the Charter or Bylaws.

Our Third Amended and Restated Articles of Incorporation provide that the U.S. federal courts located in the Southern District of New York or, if such courts lack jurisdiction, the state courts of the State of New York, shall be the sole and exclusive forum for certain disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our Third Amended and Restated Articles of Incorporation, or our Articles of Incorporation, provide that, unless the Company consents in writing to the selection of an alternative forum, the U.S. federal courts located in the Southern District of New York or, if such court lacks jurisdiction, the state courts of the State of New York, shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting a claim of a breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's shareholders, (c) any action asserting a claim arising pursuant to any provision of the BCA or (d) any action asserting a claim governed by the internal affairs doctrine. This forum selection provision could apply to actions brought under provisions of the federal securities laws, including the Securities Act and Exchange Act. The forum selection provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits with respect to such claims.

The Company may not achieve the intended benefits of having a forum selection provision if it is found to be unenforceable.

Our Articles of Incorporation include a forum selection provision as described above. However, the enforceability of similar forum selection provisions in other companies' governing documents has been challenged in legal proceedings, and it is possible that in connection with any action a court could find the forum selection provision contained in our Articles of Incorporation to be inapplicable or unenforceable in such action. If a court were to find the forum selection provision to be inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, the Company may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We do not own any real property. We lease office space at 300 First Stamford Place, Stamford CT 06902. In addition, we lease offices in Singapore and Copenhagen, Denmark. Our interests in our drybulk vessels are our only material properties. See Item 1. Business — Our Fleet.

ITEM 3. LEGAL PROCEEDINGS

See [Note 9, Commitments and Contingencies](#), to the Company's consolidated financial statements set forth in Item 8. Financial Statements and Supplementary Data of this Form 10-K, for information regarding legal proceedings in which we are involved.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock

The trading market for shares of our common stock is the Nasdaq Global Select Market, on which our shares are quoted under the symbol "EGLE."

On March 9, 2022, the closing sale price of our common stock, as reported on the Nasdaq Global Select Market, was \$63.32 per share.

The number of shareholders of record of our common stock was approximately 112 on March 9, 2022.

Payment of Dividends to Shareholders

During 2021, the Company adopted a dividend policy which allows for a minimum dividend of 30% of its net income, but not less than \$0.10 per share, subject to approval from its board of directors. During the year ended December 31, 2021, a quarterly cash dividend for the third quarter of 2021 of \$2.00 per share was declared and paid on November 24, 2021 to the shareholders of record as of November 15, 2021. On February 22, 2022, a quarterly cash dividend for the fourth quarter of 2021 of \$2.05 per share was declared and is to be paid on March 25, 2022 to the shareholders of record as of March 15, 2022. We expect to continue paying cash dividends on a quarterly basis; however, in the future, the declaration and payment of dividends, if any, will always be subject to the discretion of the board of directors, restrictions contained in the Company's debt facilities, and the requirements of Marshall Islands law. The timing and amount of any dividends declared will depend on, among other things, the Company's earnings, financial condition and cash requirements and availability, the ability to obtain debt and equity financing on acceptable terms as contemplated by the Company's growth strategy, the terms of its outstanding indebtedness and the ability of the Company's subsidiaries to distribute funds to it. See also Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations—Dividends*.

Equity Compensation Plan Information

On December 15, 2016, the Company adopted the 2016 Equity Incentive Plan (the "2016 Plan"), which replaced the prior Management Incentive Program (the "2014 Plan"). Under the terms of the 2016 Plan, a maximum of 764,087 shares may be issued. Any director, officer, employee or consultant of the Company or any of its subsidiaries (including any prospective officer or employee) is eligible to be designated to participate in the 2016 Plan. On June 7, 2019, the Company's shareholders approved an amendment and restatement of the 2016 Plan, which increased the number of shares reserved under the 2016 Plan by an additional 357,142 shares to a maximum of 1,121,229 shares of common stock.

The following table sets forth certain information as of December 31, 2021 regarding the 2016 Plan. The 2016 Plan was approved by our shareholders on December 15, 2016.

| Plan Category | Securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾ | Weighted-average exercise price of outstanding options, warrants and rights | Remaining securities for future issuance under equity compensation plans ⁽¹⁾ |
|--|--|---|---|
| Equity compensation plans approved by security holders | 47,568 | \$ 38.60 | 191,013 |

⁽¹⁾ The sum, combined with 882,648 restricted shares issued consists of 1,121,229 shares eligible to be granted under the 2016 Plan.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes set forth in Item 8. Financial Statements and Supplementary Data and the risk factors identified in Item 1A. Risk Factors of this Annual Report. For further discussion regarding our results of operations for the year ended December 31, 2020 as compared to the year ended December 31, 2019, refer to Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

General Overview

Eagle Bulk Shipping Inc. ("Eagle" or the "Company") is a U.S. based fully integrated shipowner-operator providing global transportation solutions to a diverse group of customers including miners, producers, traders, and end users. Headquartered in Stamford, Connecticut, with offices in Singapore and Copenhagen, Eagle focuses exclusively on the versatile mid-size drybulk vessel segment and owns one of the largest fleets of Supramax/ Ultramax vessels in the world. The Company performs all management services in-house such as strategic, commercial, operational, technical, and administrative services and employs an active management approach to fleet trading with the objective of optimizing revenue performance and maximizing earnings on a risk-managed basis. Typical cargoes we transport include both major bulk cargoes, such as iron ore, coal and grain coal, grain, and iron ore, and minor bulk cargoes such as fertilizer, steel products, petcoke, cement, and forest products. As of December 31, 2021, we owned and operated a modern fleet of 53 Supramax/Ultramax drybulk vessels. We chartered-in four Ultramax vessels on a long term basis with a remaining lease term of less than one year. In addition, the Company charters-in third-party vessels on a short to medium term basis.

Our owned fleet totals 53 vessels, with an aggregate carrying capacity of 3.19 million dwt and had an average age of 9.3 years as of December 31, 2021.

Financing

In March 2021, the Company entered into an at market issuance sales agreement with B. Riley Securities, Inc., BTIG, LLC and Fearnley Securities, Inc., as sales agents (each, a "Sales Agent" and collectively, the "Sales Agents"), to sell shares of common stock, par value \$0.01 per share, of the Company with aggregate gross sales proceeds of up to \$50.0 million, from time to time through an "at-the-market" offering program (the "ATM Offering"). During the second quarter of 2021, the Company sold and issued an aggregate of 581,385 shares at a weighted-average sales price of \$47.97 per share under the ATM Offering for aggregate net proceeds of \$27.1 million after deducting sales agent commissions and other offering costs. The proceeds were used for partial financing of vessel acquisitions and other corporate purposes.

On March 26, 2021, Eagle Bulk Holdco LLC ("Holdco"), a wholly-owned subsidiary of the Company entered into a Credit Agreement ("Holdco Revolving Credit Facility") made by and among (i) Holdco, as borrower, (ii) the Company and certain wholly-owned vessel-owning subsidiaries of Holdco, as joint and several guarantors, (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the "RCF Lenders"), (iv) Crédit Agricole Corporate and Investment Bank and Nordea Bank ABP, New York Branch, as mandated lead arrangers, (v) Crédit Agricole Corporate and Investment Bank, as arranger, facility agent and security trustee for the RCF Lenders. Pursuant to the Holdco Revolving Credit Facility, the RCF lenders agreed to make available an aggregate principal amount of up to the lesser of (a) \$35,000,000 and (b) 65% of the Fair Market Value of the Initial Vessels (as defined below). Borrowings under the Holdco Revolving Credit Facility, which were repaid in full on October 1, 2021, bore interest at a rate of 2.4% plus LIBOR for the relevant interest period.

On October 1, 2021, Eagle Bulk Ultraco LLC ("Eagle Ultraco"), a wholly-owned subsidiary of the Company, along with certain of its vessel-owning subsidiaries, as guarantors, entered into a new senior secured credit facility (the "Global Ultraco Debt Facility") with the lenders party thereto (the "Global Ultraco Lenders") Credit Agricole Corporate and Investment Bank ("Credit Agricole"), Skandinaviska Enskilda Banken AB (PUBL), Danish Ship

Finance A/S, Nordea Bank ABP, Filial I Norge, DNB Markets Inc., Deutsche Bank AG, and ING Bank N.V., London Branch. The Global Ultraco Debt Facility provides for an aggregate principal amount of \$400.0 million, which consists of (i) a term loan facility in an aggregate principal amount of \$300.0 million (the "Global Ultraco Term Facility") and (ii) a revolving credit facility in an aggregate principal amount of \$100.0 million (the "Global Ultraco Revolving Facility") to be used for refinancing the outstanding debt including accrued interest and commitment fees under the Norwegian Bond Debt and the New Ultraco Debt Facility and Holdco Revolving Credit Facility ("Previous Debt Facilities") and for general corporate purposes. The Company paid fees of \$5.8 million to the lenders in connection with the transaction and incurred an additional \$0.4 million as third party legal costs.

Pursuant to the Global Ultraco Debt Facility, the Company borrowed \$350.0 million and together with cash on hand repaid the outstanding debt, accrued interest and commitment fees under the Previous Debt Facilities. Concurrently, the Company issued a ten day call notice to redeem the outstanding bonds under the Norwegian Bond Debt at a redemption price of 102.475% of the nominal amount of each bond. Pursuant to the bond terms, the Company paid \$185.6 million consisting of \$176.0 million par value of the outstanding bonds, accrued interest of \$5.2 million and \$4.4 million of a call premium into a defeasance account to be further credited to the bondholders upon expiry of the notice period. The bonds outstanding under the Norwegian Bond Debt were repaid in full on October 18, 2021 after the expiry of the requisite notice period. Additionally, the Company entered into four interest rate swaps for the notional amount of \$300.0 million of the term loan under the Global Ultraco Debt Facility at a fixed interest rate ranging between 0.83% and 1.06% to hedge the LIBOR based floating interest rate.

The following are certain significant events with respect to our vessels that occurred during 2021:

For the year ended December 31, 2021, the Company sold one vessel (Tern) for total net proceeds of \$9.2 million after brokerage commissions and associated selling expenses. The Company recorded a net gain of \$4.0 million from the sale of the Tern in its Consolidated Statement of Operations for the year ended December 31, 2021.

During the fourth quarter of 2020, the Company entered into a series of memorandum of agreements to purchase three high specification scrubber-fitted Ultramax bulk carriers for a total purchase price of \$51.5 million including direct expenses of acquisition. The Company paid a deposit of \$3.3 million related to the acquisition of these vessels as of December 31, 2020 and took delivery of the vessels during the first quarter of 2021.

During the first quarter of 2021, the Company entered into another series of memorandum of agreements to purchase four vessels. The first vessel is a high-specification scrubber-fitted Ultramax bulk carrier for a total purchase price of \$15.3 million and a warrant convertible into 212,315 common shares of the Company. The remaining three vessels are 2011-built Crown-58 Supramax bulk carriers that were purchased for a total purchase price of \$20.5 million and a warrant convertible into 329,583 common shares of the Company. The above mentioned prices include direct expenses of acquisition. Common shares were issuable upon exercise of warrants on a pro-rata basis in connection with each vessel delivery. The warrants were measured at fair value on the date of the memorandum of agreement and recorded as Vessels and vessel improvements on the Consolidated Balance Sheet when the Company took delivery of the vessels. The fair value of the warrants for the total of 541,898 common shares was approximately \$10.7 million as of the date of the memorandum of agreement for each vessel. The Company took delivery of the four vessels during the second and third quarters of 2021 and issued 541,898 shares of common stock upon conversion of outstanding warrants.

During the second quarter of 2021, the Company entered into memorandum of agreements to acquire two high-specification 2015-built scrubber-fitted Ultramax bulk carriers. This acquisition was partially financed with cash on hand, which included proceeds raised from equity issued under the Company's ATM Offering. The total cost of the vessels acquired including the direct costs of acquisition was \$42.2 million. The Company took delivery of the two vessels in each of the third and fourth quarters of 2021.

Business Strategy and Outlook:

We believe our strong balance sheet allows us the flexibility to opportunistically make investments in the drybulk segment that will drive shareholder growth. In order to accomplish this, we intend to:

- Maintain a highly efficient and quality fleet in the drybulk segment;
- Maintain a revenue strategy that takes advantage of a rising rate environment and at the same time mitigate risk in a declining rate environment;
- Maintain a cost structure that allow us to be competitive in all economic cycles without sacrificing safety and maintenance;
- Continue to grow our relationships with our charterers and vendors; and
- Continue to invest in our on-shore operations and development of processes.

Our financial performance is based on the following key elements of our business strategy:

- (1) Concentration in one vessel category: Supramax/Ultramax drybulk vessels, which we believe offer certain size, operational and geographical advantages relative to other classes of drybulk vessels, such as Handysize, Panamax and Capesize vessels,
- (2) An active owner-operator model where we seek to operate our own fleet and develop contractual relationships with cargo interests. These relationships and the related cargo contracts have the dual benefit of providing greater operational efficiencies and act as a balance to the Company's naturally long position to the market. Notwithstanding the focus on short term chartering, we consistently monitor the drybulk shipping market and, based on market conditions, will consider taking advantage of long-term time charters on our owned fleet at higher rates when appropriate.
- (3) Maintain high quality vessels and improve standards of operation through improved standards and procedures, crew training and repair and maintenance procedures.

Business Outlook

COVID-19

In March 2020, the World Health Organization (the "WHO") declared COVID-19 to be a pandemic. The COVID-19 pandemic, has had, and continues to have, widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. Governments have implemented measures such as social distancing, mask and vaccine mandates, travel restrictions, COVID testing guidelines and quarantine regulations. These measures taken to slow the spread of COVID-19 led to a significant short-term slowdown in the worldwide economic activity and decline in demand for drybulk cargoes. This impacted charter rates and shipping revenues for the year ended December 31, 2020.

In 2021, drybulk trade increased by 3.8% compared to a decrease of 1.6% in 2020, as measured in metric tons of cargo. This was a result of increased demand for nearly all drybulk cargoes compared to 2020, which was severely restricted by lockdowns, travel restrictions, and other economic shocks from the COVID-19 pandemic. Of particular note, coal demand experienced a strong rebound due to both the general effects of the economic recovery and due to high natural gas prices, leading to commodity substitutions. The BSI averaged \$26,768 for 2021, compared to \$8,189 for 2020, which represents the highest BSI index level since 2008.

The Company continued to experienced delays in cargo operations due to port restrictions and additional protocols. Our crew on our ships were exposed to risk of exposure to COVID-19. The travel restrictions imposed at various ports severely impeded our crew rotation plans during the year. We experienced some disruptions to our normal vessel operations and incurred additional off-hire time due to deviations our vessels had to take to allow for crew changes. As a result of the spread of COVID-19, the Company incurred some additional expenses relating to procurement of personal protective equipment, COVID-19 testing, and crew travel, which is included in our vessel operating expenses in our Consolidated Statement of Operations for the year ended December 31, 2021. Additionally, the Company experienced some delays in operations, drydocking and BWTS installations as a result of protocols regarding COVID-19, as well as limitations on labor. We also experienced loss of revenues due to a number of off-hire days relating to crew changes and quarantine restrictions as a number of our crew members tested

positive for COVID-19 during 2021. For the year ended December 31, 2021, we incurred 115 days of off-hire related to crew changes. For additional discussion regarding the impact of COVID-19, see “—Liquidity and Capital Resources— Summary of Liquidity and Capital Resources” and “Item 1A Risk Factors.”

While the average BSI was at \$22,718 per day as of March 9, 2022, the economic activity levels as well as the demand for drybulk cargoes may be negatively impacted by COVID-19. We have instituted measures to reduce the risk of spread of COVID-19 for our crew members on our vessels as well as our onshore offices in Stamford, Connecticut, Singapore, and Copenhagen. However, if the COVID-19 pandemic continues to impact the global economy on a prolonged basis, or vaccination program goes slower than expected, the rate environment in the drybulk market and our vessel values may deteriorate and our operations and cash flows may be negatively impacted as well as our ability to meet the debt covenants under our existing debt facility.

The impact of recent developments in Ukraine

In February 2022, as a result of the invasion of Ukraine by Russia, economic sanctions were imposed by the U.S., the European Union, the United Kingdom and a number of other countries on Russian financial institutions, businesses and individuals, as well as certain regions within the Donbas region of Ukraine. While it is difficult to estimate the impact of current or future sanctions on the Company’s business and financial position, these sanctions could adversely impact the Company’s operations. In the near term, we expect increased volatility in the region due to these geopolitical events. The Black Sea region is a major export market for grains with the Ukraine and Russia exporting a combined 15% of the global seaborne grain trade. While uncertainty remains with respect to the ultimate impact of the invasion of Ukraine by Russia, we anticipate seeing significant changes in trade flows. A reduction or stoppage of grain out of the Black Sea or cargoes from Russia will negatively impact the markets in those areas. At the same time, it is possible for us to see an increase in ton miles as end users find alternative sources for cargo. For more information regarding the risks relating to economic sanctions as a result of Russia’s invasion of Ukraine as well as the impact on retaining and sourcing our crew, see Part I, Item 1A, “Risk Factors” – If our vessels call on ports located in countries or territories that are subject to comprehensive sanctions imposed by the UN, the United States, the EU or other relevant authorities, or if we are found to be in violation of sanctions, there could be an adverse effect on our reputation, business position, financial condition or results of operations, or the market for our common shares; see also Part I, Item 1A, “Risk Factors” – The conflict between Russia and Ukraine may impact our ability to retain and source crew, and in turn, could adversely affect our revenue, expenses, and profitability.

Market Overview

The international shipping industry is highly competitive and fragmented with no single owner accounting for more than 2.6% of the on-the-water drybulk fleet, measured by vessel count. As of December 31, 2021, there are approximately 12,700 drybulk vessels over 10,000 dwt totaling 945 million dwt. We compete with other owners of drybulk vessels, primarily in the Supramax/Ultramax segment and (to a lesser extent) the Handysize and Panamax segments. Many of our competitors are privately-held companies.

Competition in the shipping industry varies according to the nature of the contractual relationship as well as the specific commodity being shipped. Our business will fluctuate as a result of changes in the supply and demand for drybulk commodities and also the main patterns of trade in these commodities. Competition in virtually all bulk trades is intense and based primarily on supply of ships and demand for our ocean transportation services. We compete for charters on the basis of price, vessel location, size, age, and condition of the vessel, as well as on our reputation as an owner and operator. Increasingly, major customers are demonstrating a preference for modern vessels based on concerns about the environmental and operational risks associated with older vessels. Consequently, owners of large modern fleets have gained a competitive advantage over owners of older fleets.

Our strategy is to focus on the Supramax/Ultramax asset class, defined as drybulk vessels that range in size from approximately 50,000 to 65,000 dwt. These vessels have the cargo loading and unloading flexibility offered by their on-board cranes, while the cargo carrying capacity approaches that of Panamax, which ranges in size between 65,000 and 100,000 dwt but which require onshore facilities to load and offload their cargoes. We believe that the cargo handling flexibility and cargo carrying capacity of the Supramax/Ultramax class makes it the preferred type of

ship attractive to potential charterers. As of December 31, 2021, all of our owned vessels range in size between 50,000 and 64,000 dwt.

The supply of drybulk vessels depends primarily on the size of the orderbook and the scrapping of older or less efficient vessels. During 2021, fleet growth decreased slightly to 3.6% in 2021 from 3.8% in 2020. In 2021, vessels totaling 37.9 million dwt were delivered, a decrease of 11.0 million dwt from 2020. Scrapping in 2021 totaled 5.1 million dwt, a decrease of 10.2 million dwt from 2020.

The typical trading life of a Supramax/Ultramax vessel is approximately 25 years. As of December 2021, 11% of the world's drybulk fleet (by vessel count) was 20 years or older.

Fleet Growth for 2022 is expected to continue at low levels of 2.0% for the drybulk fleet and 2.9% for Supramax/Ultramax vessels. The orderbook as of January 2022 stands at approximately 7.0% of the total drybulk fleet, with the orderbook for the Supramax/Ultramax segment at 6.5% of the on-the-water fleet, with both figures at or near the smallest orderbook in approximately 30 years. As of January 2022, the IMF forecasted world GDP growth at 4.4% for 2022, as the global economy continues to recover from the COVID-19 pandemic. Drybulk trade is expected to grow by approximately 1.7% in 2022 on continuing modest levels of growth across most drybulk commodities.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP"). The preparation of the financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies, because they generally involve a comparatively higher degree of judgment in their application. For a description of all our accounting policies, see Note 2, Significant Accounting Policies, to our consolidated financial statements included herein.

Revenue Recognition

Revenues are generated from time charters and voyage charters. Time charter revenues are recognized on a straight-line basis over the term of the respective time charter agreements as service is provided. Voyage revenues for cargo transportation are recognized ratably over the estimated relative transit time of each voyage. Voyage revenue is deemed to commence upon the commencement of loading of the charterer's cargo and is deemed to end upon the completion of discharge of the cargo, provided the charter rate is fixed and determinable, and collectability is reasonably assured. The costs incurred during the period prior to commencement of loading the cargo, primarily bunkers, are deferred as they represent setup costs and recorded as a current asset and are amortized on a straight-line basis as the related performance obligations are satisfied.

Revenue is based on contracted charter parties, including spot-market related time charters for which rates fluctuate based on changes in the spot market. However, there is always the possibility of dispute over terms and payment of hires and freights. In particular, disagreements may arise as to the responsibility for third party costs incurred by the customer and revenue due to us as a result. Additionally, there are certain performance parameters included in contracted charter parties, which if not met, can result in customer claims.

On January 1, 2020, the Company adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, (or "ASC 326"). The Company maintains an allowance for credit losses for expected uncollectible accounts receivable, which is recorded as an offset to accounts receivable and changes in such are classified as voyage expense in the Consolidated Statements of

Operations for the years ended December 31, 2021 and 2020. Upon adoption of ASC 326, the Company assessed collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when we identify specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considered historical collectability based on past due status and made judgments about the creditworthiness of customers based on ongoing credit evaluations. The Company also considered customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. For the years ended December 31, 2021 and 2020, our assessment considered business and market disruptions caused by COVID-19 and estimates of expected emerging credit and collectability trends. The continued volatility in market conditions and evolving shifts in credit trends are difficult to predict causing variability and volatility that may have a material impact on our allowance for credit losses in future periods.

Vessel Lives and Impairment

The Company estimates the useful life of the Company's vessels to be 25 years from the date of initial delivery from the shipyard to the original owner. In addition, the Company estimates the scrap rate to be \$300 per lwt, to compute each vessel's residual value, which is based on the 15-year average scrap value of steel.

The carrying values of the Company's vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be cyclical. The volatility in the drybulk market is heavily impacted by growth rate and demand for commodities such as coal and iron ore in the world economy and Chinese economy in particular. We evaluate the carrying amounts and periods over which long-lived assets are depreciated to determine if events have occurred which would require modification to their carrying values or useful lives. In evaluating useful lives and carrying values of long-lived assets, we review certain indicators of potential impairment, such as carrying value of the vessels lower than their fair market value, vessel sales, business plans and overall market conditions.

If indicators of impairment are present, we perform an analysis of the undiscounted projected net operating cash flows for each vessel and compare it to the vessel's carrying value. This assessment is made at the individual vessel level since we can separately identify cash flow information for each vessel. In developing estimates of future cash flows, the Company must make assumptions about future charter rates, vessel operating expenses, and the estimated remaining useful lives of the vessels. These assumptions are based on historical trends as well as future expectations. The Company annually reviews all the assumptions that are used in the calculation of projected net operating cash flows. Specifically, we utilize the rates currently in effect for the duration of their current charters. Based on our annual review of assumptions, for periods of time where our vessels are not fixed on charters, we utilized an estimated daily time charter equivalent for our vessels' unfixed days based on a historical average of the last fifteen years of one and three years' time charter rates as published by a third party. Historically, the Company utilized the 25 year average of one and three year time charters for the unfixed days of the remaining useful life in its impairment analysis. This is considered a change in accounting estimate and it was done primarily to closely align with our peers and also based on our annual evaluation of assumptions used in the undiscounted projected net operating cash flows analysis, we believe that the 15 year average is more representative of future rate environment for our vessels. The change in accounting estimate did not have any impact on the impairment analysis and the consolidated financial statements.

The undiscounted projected net operating cash flows are determined by considering the future charter revenues from the existing charters for the fixed fleet days and for the unfixed days, projected FFA rates up to 2023 and an estimated daily time charter equivalent over the estimated remaining life of the vessel, assumed to be 25 years from the delivery of the vessel from the shipyard, reduced by commissions, expected outflows for vessels' maintenance and vessel operating expenses (including planned drydocking and special survey expenditures) and any planned capital expenditures such as scrubbers and BWTS.

The Company evaluated if any impairment indicators existed as of December 31, 2021. Based on the evaluation, the Company determined that there were no impairment indicators for our vessels in the Company's fleet for which the

average vessel prices based on vessel valuations received from third party brokers were greater than their carrying values. The Company determined that there were no impairment indicators and no further impairment analysis was required.

Of the inputs that the Company uses for its impairment analysis, future time charter rates are the most significant and most volatile. We utilize historical averages as discussed above in our impairment tests due to the highly cyclical nature of the drybulk shipping industry. Our vessels range from very new to eighteen years old, and we believe that utilizing rates over a long period of time incorporates numerous shipping cycles and reflects our strategy of operating our vessels over a long time period, and in line with the overall useful economic life of our vessels. As disclosed elsewhere herein, we also consider whether utilizing ten or five year averages would impact our impairment assessment. Our vessels remain fully utilized and have a relatively long average remaining useful life of approximately 16 years in which to provide sufficient cash flows on an undiscounted basis to recover their carrying values as of December 31, 2021. Management will continue to monitor developments in charter rates in our participatory markets with respect to the expectation of future rates over an extended period.

As of December 31, 2016, as part of our fleet renewal program, management considered it probable that we would divest some of our older vessels as well as certain less efficient vessels from its fleet to achieve operating cost savings. Based on our projected undiscounted cash flows prior to sale, factoring the probability of sale, such vessels were determined to be impaired, and written down to their current fair value as of December 31, 2016, which was determined by obtaining broker quotes from two unaffiliated ship brokers. As a result, we recorded an impairment charge of \$122.9 million in the fourth quarter of 2016. The carrying value of these vessels prior to impairment was \$234.9 million. In addition to the above, in 2015, we identified six vessels as probable sales, and recognized an impairment charge in 2015 of \$50.9 million. As the value of such vessels further declined in the first quarter of 2016, we recorded an additional impairment charge of \$6.2 million in that quarter. All vessels identified as probable sales in 2015 have been sold as of December 31, 2021. Out of the sixteen vessels impaired in 2016, fourteen vessels have been sold as of December 31, 2021.

Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective. In the event that any future impairment were to occur, we would determine the fair value of the related asset and record a charge to operations calculated by comparing the asset's carrying value to its estimated fair value. We estimate fair value primarily through the use of third party valuations performed on an individual vessel basis. Such valuations are not necessarily the same as the amount any vessel may bring upon sale, which may be more or less, and should not be relied upon as such.

The table set forth below indicates the carrying value of each of our vessels as of December 31, 2021 and 2020. We believe, based on broker quotes recently obtained, our vessels have a basic charter free market value greater than its carrying value by approximately \$289.8 million for the year ended December 31, 2021, and a basic charter free market value lower than its carrying value by approximately \$223.7 million for the year ended December 31, 2020. Please note that the carrying values of vessels sold during the year 2021 have been excluded from the table. When the carrying value exceeds the basic charter free market value, the difference represents the approximate amount by which we believe we would have to adjust our net income if we sold all of such vessels, excluding commissions, on industry standard terms, in cash transactions, and to a willing buyer where we are not under any compulsion to sell, and where the buyer is not under any compulsion to buy.

| Drybulk Vessels | Dwt (in thousands) | Year Purchased | Carrying Value* as of December 31, 2021 | Carrying Value* as of December 31, 2020 |
|------------------------|-------------------------------|---------------------------|--|--|
| Antwerp Eagle | 63.5 | 2015 | \$21.5 million | — |
| Bittern | 57.8 | 2009 | \$16.4 million | \$17.4 million * |
| Canary | 57.8 | 2009 | \$16.3 million | \$17.3 million * |
| Cape Town Eagle | 63.7 | 2015 | \$20.1 million | \$20.9 million * |
| Cardinal | 55.4 | 2004 | \$5.8 million | \$6.2 million |
| Copenhagen Eagle | 63.5 | 2015 | \$19.3 million | \$20.1 million * |

| | | | | |
|-------------------|------|------|----------------|------------------|
| Crane | 57.8 | 2010 | \$17.5 million | \$18.5 million * |
| Crested Eagle | 56.0 | 2009 | \$18.6 million | \$19.8 million * |
| Crowned Eagle | 55.9 | 2008 | \$17.7 million | \$18.9 million * |
| Dublin Eagle | 63.5 | 2015 | \$19.2 million | \$20.0 million * |
| Egret Bulker | 57.8 | 2010 | \$17.2 million | \$18.2 million * |
| Fairfield Eagle | 63.3 | 2013 | \$16.9 million | \$17.7 million * |
| Gannet Bulker | 57.8 | 2010 | \$17.3 million | \$18.2 million * |
| Golden Eagle | 56.0 | 2010 | \$19.8 million | \$21.1 million * |
| Grebe Bulker | 57.8 | 2010 | \$17.5 million | \$17.8 million * |
| Greenwich Eagle | 63.3 | 2013 | \$16.7 million | \$17.5 million * |
| Groton Eagle | 63.3 | 2013 | \$16.9 million | \$17.4 million * |
| Hamburg Eagle | 63.3 | 2014 | \$20.9 million | \$21.9 million * |
| Helsinki Eagle | 63.6 | 2015 | \$16.3 million | — |
| Hong Kong Eagle | 63.5 | 2016 | \$20.8 million | \$21.7 million * |
| Ibis Bulker | 57.8 | 2010 | \$16.9 million | \$17.8 million * |
| Imperial Eagle | 56.0 | 2010 | \$19.7 million | \$20.9 million * |
| Jaeger | 52.5 | 2004 | \$5.5 million | \$5.8 million |
| Jay | 57.8 | 2010 | \$16.9 million | \$17.9 million * |
| Kingfisher | 57.8 | 2010 | \$17.3 million | \$18.3 million * |
| Madison Eagle | 63.3 | 2013 | \$17.0 million | \$17.8 million * |
| Martin | 57.8 | 2010 | \$17.2 million | \$18.2 million * |
| Montauk Eagle | 58.0 | 2011 | \$9.8 million | — |
| Mystic Eagle | 63.3 | 2013 | \$16.6 million | \$17.4 million * |
| New London Eagle | 63.1 | 2015 | \$21.6 million | \$21.8 million * |
| Newport Eagle | 58.0 | 2011 | \$7.7 million | — |
| Nighthawk | 57.8 | 2011 | \$17.8 million | \$18.8 million * |
| Oriole | 57.8 | 2011 | \$18.2 million | \$18.6 million * |
| Oslo Eagle | 63.7 | 2015 | \$15.7 million | — |
| Owl | 57.8 | 2011 | \$18.3 million | \$18.8 million * |
| Petrel Bulker | 57.8 | 2011 | \$18.2 million | \$18.7 million * |
| Puffin Bulker | 57.8 | 2011 | \$17.8 million | \$18.7 million * |
| Roadrunner Bulker | 57.8 | 2011 | \$18.6 million | \$18.8 million * |
| Rotterdam Eagle | 63.6 | 2017 | \$18.6 million | — |
| Rowayton Eagle | 63.3 | 2013 | \$16.8 million | \$17.6 million * |
| Sandpiper Bulker | 57.8 | 2011 | \$17.8 million | \$18.7 million * |
| Sankaty Eagle | 58.0 | 2011 | \$10.1 million | — |
| Santos Eagle | 63.5 | 2015 | \$19.3 million | \$20.1 million * |
| Shanghai Eagle | 63.4 | 2016 | \$20.8 million | \$21.7 million * |
| Singapore Eagle | 63.4 | 2017 | \$18.3 million | \$18.9 million |
| Southport Eagle | 63.3 | 2013 | \$16.8 million | \$17.6 million * |
| Stamford Eagle | 61.5 | 2016 | \$15.8 million | \$16.3 million |
| Stellar Eagle | 56.0 | 2009 | \$19.0 million | \$19.8 million * |
| Stockholm Eagle | 63.3 | 2016 | \$17.6 million | — |

| | | | | |
|------------------|------|------|----------------|------------------|
| Stonington Eagle | 63.3 | 2012 | \$17.1 million | \$17.8 million * |
| Sydney Eagle | 63.5 | 2015 | \$19.3 million | \$20.1 million * |
| Valencia Eagle | 63.6 | 2015 | \$20.2 million | — |
| Westport Eagle | 63.3 | 2015 | \$17.4 million | \$18.0 million * |

* Indicates drybulk carriers for which we believe the basic charter-free market value is lower than the vessel's carrying value.

Deferred Drydock Cost

There are two methods that are used by the shipping industry to account for drydockings: (a) the deferral method where drydock costs are deferred when incurred and amortized over the period to the next scheduled drydock; and (b) expensing drydocking costs in the period it is incurred. We use the deferral method of accounting for drydock expenses. Under the deferral method, drydock expenses are deferred and amortized on a straight-line basis until the next drydock, which we estimate to be a period of two and a half to five years. We believe the deferral method better matches costs with revenue than expensing the costs as incurred. We use judgment when estimating the period between drydock performed, which can result in adjustments to the estimated amortization of drydock expense. If the vessel is disposed of before the next drydock, the remaining balance in deferred drydock is written-off to the gain or loss upon disposal of vessels in the period when contracted. We expect that our vessels will be required to be drydocked approximately every 60 months for vessels younger than 15 years and 30 months for vessels older than 15 years.

Costs deferred as part of the drydocking include direct costs that are incurred as part of the drydocking to meet regulatory requirements. During drydocking, we capitalize into the cost basis of the vessel any expenditures that add economic life to the vessel, increase the vessel's earnings capacity or improve the vessel's efficiency. Expenditures for normal maintenance and repairs, whether incurred as part of the drydocking or not, are expensed as incurred. Unamortized drydocking costs are written off as drydocking expense if the vessels are drydocked earlier than the applicable amortization period. Unamortized drydocking costs of vessels that are sold are written off and included in the calculation of the resulting gain or loss in the year of the vessels' sale.

Vessel acquisition

Where we identify any intangible assets or liabilities associated with the acquisition of a vessel, we record all identified tangible and intangible assets or liabilities at fair value. Fair value is determined by reference to market data and the amount of expected future cash flows. We value any asset or liability arising from the market value of the time charters assumed when an acquired vessel is delivered to us.

Where we have assumed an existing charter obligation or enter into a time charter with the existing charterer in connection with the purchase of a vessel at charter rates that are less than market charter rates, we record a liability in fair value below contract value of time charters acquired based on the difference between the assumed charter rate and the market charter rate for an equivalent vessel. Conversely, where we assume an existing charter obligation or enter into a time charter with the existing charterer in connection with the purchase of a vessel at charter rates that are above market charter rates, we record an asset in fair value above contract value of time charters acquired, based on the difference between the market charter rate and the contracted charter rate for an equivalent vessel. This determination is made at the time the vessel is delivered to us, and such assets and liabilities are amortized to revenue over the remaining period of the charter. The determination of the fair value of acquired assets and assumed liabilities requires us to make significant assumptions and estimates of many variables including market charter rates, expected future charter rates, future vessel operation expenses, the level of utilization of our vessels and our weighted average cost of capital. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on our financial position and results of operations. In the event that the market charter rates relating to the acquired vessels are lower than the contracted charter rates at the time of their respective deliveries to us, our net earnings for the remainder of the terms of the charters may be adversely affected although our cash flows will not be affected.

Results of operations for years ended December 31, 2021 and 2020

This section of this Form 10-K generally discusses 2021 and 2020 results and year-to-year comparisons between 2021 and 2020. A discussion of 2020 results of operations compared to 2019 has been omitted from this Form 10-K, but may be found in “Part II, Item 7 Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Form 10-K for the year ended December 31, 2020, filed with the SEC on March 12, 2021.

Net Income/(Loss)

For the year ended December 31, 2021, the Company reported net income of \$184.9 million, or basic and diluted income of \$14.91 per share and \$11.79 per share, respectively. For the year ended December 31, 2020, the Company reported a net loss of \$35.1 million, or \$3.40 per basic and diluted share. The net income/(loss) for the years ended December 31, 2021 and 2020 are the result of the items described below.

Factors Affecting our Results of Operations

The following tables represent the operating data and certain financial statement data for the years ended December 31, 2021 and 2020 on a consolidated basis.

We believe that the important measures for analyzing future trends in our results of operations consist of the following:

| | For the Years Ended | |
|-------------------|---------------------|-------------------|
| | December 31, 2021 | December 31, 2020 |
| Ownership days | 18,258 | 18,258 |
| Chartered-in days | 2,331 | 2,331 |
| Available days | 19,538 | 19,538 |
| Operating days | 19,439 | 19,439 |
| Fleet utilization | 99.5% | 99.5% |

- *Ownership days:* We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.
- *Chartered-in days:* We define chartered-in days as the aggregate number of days in a period during which the Company chartered-in vessels.
- *Available days:* We define available days as the number of our ownership days and chartered-in days less the aggregate number of days that our vessels are off-hire due to vessel familiarization upon acquisition, repairs, vessel upgrades or special surveys and other reasons which prevent the vessel from performing under the relevant charter party such as surveys, medical events, stowaway disembarkation, etc. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues. We completed drydock for 11 vessels during 2021 and two vessels were in drydock as of December 31, 2021 and 11 vessels completed drydock during 2020.
- *Operating days:* We define operating days as the number of our available days in a period less the aggregate number of days that our vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.
- *Fleet utilization:* We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period. The shipping industry uses fleet utilization to

measure a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning. Our fleet continues to perform at very high utilization rates.

Time Charter and Voyage Revenue

Shipping revenues are highly sensitive to patterns of supply and demand for vessels of the size and design configurations owned and operated by a company and the trades in which those vessels operate. In the drybulk sector of the shipping industry, rates for the transportation of drybulk cargoes such as ores, grains, steel, fertilizers, and similar commodities, are determined by market forces such as the supply and demand for such commodities, the distance that cargoes must be transported, and the number of vessels available or expected to be available at the time such cargoes need to be transported. The demand for shipments is significantly affected by the state of the global economy and in discrete geographical areas. The number of vessels is affected by newbuilding deliveries and by the removal of existing vessels from service, principally due to scrapping.

The mix of charters between voyage charters and time charters also affects revenues. Because the mix between voyage charters and time charters significantly affects shipping revenues and voyage expenses, vessel revenues are benchmarked based on net charter hire income. Net charter hire income comprises revenue from vessels operating on time charters, and voyage revenue less voyage expenses from vessels operating on voyage charters in the spot market and charter hire expenses. Net charter hire income serves as a measure of analyzing fluctuations between financial periods and as a method of equating revenue generated from a voyage charter to time charter revenue.

The following table represents the reconciliation of Net charter hire income, a non-GAAP measure, for the years ended December 31, 2021 and 2020.

| | For the Years Ended | |
|-----------------------------------|---------------------|-------------------|
| | December 31, 2021 | December 31, 2020 |
| Revenues, net | \$ 594,537,654 | \$ 275,133,547 |
| Less: | | |
| Voyage expenses | 104,643,078 | 89,548,796 |
| Charter hire expenses | 37,101,692 | 21,280,224 |
| Net charter hire income | \$ 452,792,884 | \$ 164,304,527 |
| % of Net charter hire from | | |
| Time charters | 61 % | 52 % |
| Voyage charters | 39 % | 48 % |

Our economic decisions are primarily based on anticipated net charter hire rates and we evaluate financial performance based on net charter rates achieved. Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the net charter hire that our vessels earn under charters, which, in turn, are affected by a number of factors, including:

- the duration of our charters;
- our decisions relating to vessel acquisitions and disposals;
- the amount of time that we spend positioning our vessels;
- the amount of time that our vessels spend in drydock undergoing repairs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- levels of supply and demand in the drybulk shipping industry; and
- other factors affecting spot market charter rates for drybulk carriers.

Our revenues for the years ended December 31, 2021 and 2020 were earned from time and voyage charters. As is common in the shipping industry, we pay commissions ranging from 1.25% to 5.00% of the total daily charter hire rate of each charter to unaffiliated ship brokers and in-house brokers associated with the charterers, depending on the number of brokers involved with arranging the charter. We record such broker commissions as voyage expenses.

Revenues, net

Revenues, net for the year ended December 31, 2021 were \$594.5 million, an increase of 116% compared to the prior year ended December 31, 2020 primarily due to an increase in charter hire rates as rates recovered from the economic downturn caused by the COVID-19 pandemic in 2020, partly offset by a decrease in available days. The available days including chartered-in days for the year ended December 31, 2021 were 19,538 as compared to 19,612 for the year ended December 31, 2020.

Voyage expenses

To the extent that we employ our vessels on voyage charters, we incur expenses that include but are not limited to bunkers, port charges and canal tolls, as these expenses are borne by the vessel owner on voyage charters. Bunkers, port charges, and canal toll expenses primarily increase in periods during which more vessels are employed on voyage charters.

Voyage expenses for the year ended December 31, 2021 were \$104.6 million, compared with \$89.5 million for the year ended December 31, 2020. Voyage expenses have primarily increased due to an increase in bunker consumption expense, an increase in broker commission expense and an increase in port expenses.

Vessel operating expenses

Vessel operating expenses include expenses relating to crewing costs, vessel operations, general vessel maintenance, regulatory and classification society compliance, insurance, repairs, stores, supplies, spare parts, and technical consultants.

Vessel operating expenses for the year ended December 31, 2021 were \$103.9 million, compared with \$86.5 million for the year ended December 31, 2020. The increase in vessel operating expenses is primarily attributable to an increase in lubes expense, an increase in stores and spares delivery costs, crew wages, and crew changes due to the ongoing COVID-19 pandemic, and vessel start-up expenses as the Company purchased and took delivery of nine vessels during 2021. The ownership days for the year ended December 31, 2021 were 18,258 compared to 18,065 for the prior year ended December 31, 2020.

We believe daily vessel operating expenses are a good measure for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation.

Average daily vessel operating expenses for our fleet for the year ended December 31, 2021 were \$5,689 as compared to \$4,790 for the year ended December 31, 2020.

Insurance expense varies with overall insurance market conditions as well as the insured's loss record, level of insurance and desired coverage. The main insurance expenses include hull and machinery insurance (i.e. asset insurance) costs, loss of hire insurance, Protection, and Indemnity ("P&I") insurance (i.e. liability insurance) costs. Certain other insurances, such as basic war risk premiums based on voyages into designated war risk areas are often for the account of the charterers for time charter voyages and on owners' account for voyage charters.

Our vessel operating expenses, which generally represent costs under the vessel operating budgets, cost of insurance and vessel registry and other regulatory fees, will increase with the enlargement of our fleet. Other factors beyond our control, some of which may affect the shipping industry in general, may also cause these expenses to increase, including, for instance, developments relating to market prices for crew, insurance, lubricants, and supplies.

Charter hire expense

Charter hire expenses for the year ended December 31, 2021 were \$37.1 million compared to \$21.3 million for the year ended December 31, 2020. The increase in charter hire expenses in 2021 compared with 2020 was mainly due to an increase in charter hire rates due to improvement in the charter hire market and an increase in the number of chartered-in days. The chartered-in days for 2021 were 2,331 compared to 2,179 in 2020. Between 2017 and 2021, the Company entered into a series of agreements to charter five Ultramax vessels on a long term basis. The minimum chartered-in periods ranged between one and four years with an option to extend the duration between three and 24 months. Four and three of those five vessels were chartered-in as of December 31, 2021 and 2020, respectively. The remaining vessel will be delivered during the second quarter of 2022.

Depreciation and amortization

We depreciate the cost of our vessels on a straight-line basis over the expected useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated residual value. We estimate the useful life of our vessels to be 25 years from the date of initial delivery from the shipyard to the original owner. We estimate the scrap rate to be \$300/lwt to compute each vessel's residual value.

Depreciation and amortization expenses for the years ended December 31, 2021 and 2020 were \$53.5 million and \$50.2 million, respectively. The increase in depreciation expense is due to an increase in the cost base of our owned fleet due to the capitalization of scrubbers and BWTS on our vessels, and the acquisition of nine vessels in 2021, offset by the sale of five vessels in the third and fourth quarters of 2020 and the sale of one vessel in the third quarter of 2021. The increase in drydock amortization is due to the completion of eleven additional drydocks since the end of 2020. Total depreciation and amortization expenses for the year ended December 31, 2021 includes \$44.9 million of vessel and other fixed asset depreciation and \$8.7 million of deferred drydocking amortization. Total depreciation and amortization expenses for the year ended December 31, 2020 includes \$42.8 million of vessel and other fixed asset depreciation and \$7.4 million of amortization of deferred drydocking costs.

Drydocking relates to our regularly scheduled maintenance program necessary to preserve the quality of our vessels as well as to comply with international shipping standards and environmental laws and regulations. Management anticipates that vessels are to be drydocked every two and a half years for vessels older than 15 years and every five years for vessels younger than 15 years, accordingly, these expenses are deferred and amortized over that period.

General and administrative expenses

Our general and administrative expenses include legal, professional expenses, recurring administrative and other expenses including payroll and expenses relating to our executive officers and office staff, office rent, directors fees, and directors and officers insurance. General and administrative expenses also include stock-based compensation expenses.

General and administrative expenses for the years ended December 31, 2021 and 2020 were \$35.2 million and \$31.5 million, respectively. The increase in general and administrative expenses in 2021 was primarily due to an increase in legal expenses, compensation and benefits and an increase in stock-based compensation expense.

General and administrative expenses include stock-based compensation charges of \$3.5 million and \$3.0 million, respectively, for the years ended December 31, 2021 and 2020. These stock-based compensation charges relate to the stock options, restricted stock units and performance-based stock awards granted to certain members of management, employees, and certain directors of the Company under the 2016 Plan. The stock-based compensation expense is higher primarily due to higher stock grants during the year. Please see Note 13, Stock Incentive Plans, to the consolidated financial statements.

Other operating expense

Other operating expense for the year ended December 31, 2021 was \$2.8 million, with no comparable amount for the year ended December 31, 2020. In March 2021, the U.S. government began investigating an allegation that one of our vessels may have improperly disposed of ballast water that entered the engine room bilges during a repair. The Company posted a surety bond as security for any fines, penalties or other associated costs. Other operating expense consists of expenses incurred relating to this incident, which include legal fees, surety bond expenses, vessel off-hire, crew changes and travel costs.

(Gain)/loss on sale of vessels

For the years ended December 31, 2021 and 2020, the Company recorded a gain of \$4.0 million and a loss of \$0.5 million, respectively. The gain for the year ended December 31, 2021, includes a gain on the sale of the vessel Tern. The loss for the year ended December 31, 2020, includes a loss on the sale of five vessels - Goldeneye, Shrike, Skua, Osprey I and Hawk I.

Interest expense

Interest expense for the years ended December 31, 2021 and 2020 was \$32.3 million and \$35.4 million, respectively. The decrease in interest expense was primarily due to a decrease in outstanding debt and lower interest rates due to the refinancing of the Company's debt in the fourth quarter of 2021.

Amortization of debt issuance costs is included in interest expense. These financing costs relate to costs associated with our various outstanding debt facilities. For the years ended December 31, 2021 and 2020, the amortization of debt issuance costs was \$7.1 million and \$6.3 million, respectively. The interest expense for the years ended December 31, 2021 and 2020 includes \$4.1 million and \$3.9 million, respectively, of interest expense representing the amortization of the equity component of the Convertible Bond Debt. Please refer to Note 6, Debt, to our consolidated financial statements for further information.

Realized and unrealized loss/(gain) on derivative instruments, net

Realized and unrealized loss on derivative instruments, net for the year ended December 31, 2021 was \$38.2 million compared to a realized and unrealized gain on derivatives instruments, net of \$4.8 million for the year ended December 31, 2020. The increase in realized and unrealized losses on derivative instruments was primarily due to the sharp increase in charter hire rates. Please refer to Note 7, Derivative Instruments, to our consolidated financial statements for further information.

Loss on debt extinguishment

Loss on debt extinguishment for the year ended December 31, 2021 was \$6.1 million, with no comparable amount for the year ended December 31, 2020. On October 18, 2021, the Company repaid the outstanding debt together with accrued interest as of that date under the Norwegian Bond Debt and discharged the debt in full from the proceeds of the Global Ultraco Debt Facility and cash on hand. As a result, the Company recognized \$1.6 million representing the outstanding balance of debt discount and debt issuance costs, as well as a \$4.4 million call premium on the Norwegian Bond Debt as a loss on debt extinguishment in the fourth quarter of 2021. During the third quarter of 2021, the Company cancelled the Super Senior Facility. There was no outstanding debt under the Super Senior Facility. The Company recognized \$0.1 million representing the outstanding balance of debt issuance costs as a loss on debt extinguishment. Please see Note 6, Debt, to our consolidated financial statements for further information.

Selected Financial Data

The selected financial data presented below have been derived in part from, and should be read in conjunction with, the consolidated financial statements

(Dollars, Shares, and Weighted average shares outstanding amounts in thousands except Per Share amounts and Fleet Data)

| Income Statement Data | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------------|-------------|-------------|------------|-------------|
| Revenues, net | \$ 594,538 | \$ 275,134 | \$ 292,378 | \$ 310,094 | \$ 236,785 |
| Voyage expenses | 104,643 | 89,549 | 87,701 | 79,566 | 62,351 |
| Vessel operating expenses | 103,877 | 86,528 | 82,342 | 81,336 | 78,607 |
| Charter hire expenses | 37,102 | 21,280 | 42,169 | 38,046 | 31,284 |
| Depreciation and amortization | 53,517 | 50,157 | 40,546 | 37,717 | 33,691 |
| General and administrative expenses | 35,161 | 31,532 | 35,042 | 36,157 | 33,126 |
| Other operating expense ⁽¹⁾ | 2,812 | — | 1,125 | — | — |
| Impairment of operating lease right-of-use assets ⁽²⁾ | — | 352 | — | — | — |
| (Gain)/loss on sale of vessels | (3,966) | 490 | (5,979) | (335) | (2,135) |
| Total operating expenses, net | 333,146 | 279,888 | 282,947 | 272,487 | 236,925 |
| Interest expense | 32,257 | 35,393 | 30,577 | 25,744 | 29,377 |
| Interest income | (92) | (257) | (1,867) | (585) | (651) |
| Realized and unrealized loss/(gain) on derivative instruments, net | 38,244 | (4,827) | 150 | (126) | (38) |
| Loss on debt extinguishment ⁽³⁾ | 6,085 | — | 2,268 | — | 14,969 |
| Net income/(loss) | \$ 184,898 | \$ (35,063) | \$ (21,697) | \$ 12,575 | \$ (43,797) |
| Share and Per Share Data | | | | | |
| Basic net income/(loss) per share ⁽⁴⁾ | \$ 14.91 | \$ (3.40) | \$ (2.13) | \$ 1.25 | \$ (4.43) |
| Diluted net income/(loss) per share ⁽⁴⁾ | \$ 11.79 | \$ (3.40) | \$ (2.13) | \$ 1.23 | \$ (4.43) |
| Weighted average shares outstanding - Basic ⁽⁴⁾ | 12,400 | 10,310 | 10,195 | 10,095 | 9,883 |
| Weighted average shares outstanding – Diluted ⁽⁴⁾ | 15,684 | 10,310 | 10,195 | 10,257 | 9,883 |
| Consolidated Cash Flow Data | | | | | |
| Net cash provided by/(used in) operating activities | \$ 209,171 | \$ 12,595 | \$ 21,686 | \$ 45,470 | \$ (10,037) |
| Net cash used in investing activities | (125,481) | (5,492) | (168,619) | (31,014) | (155,250) |
| Net cash (used in)/provided by financing activities | (86,317) | 22,615 | 127,900 | 7,381 | 145,022 |

⁽¹⁾ In March 2021, the U.S. government began investigating an allegation that one of our vessels may have improperly disposed of ballast water that entered the engine room bilges during a repair. The Company posted a surety bond as security for any fines, penalties or other associated costs. Other operating expense for the year ended December 31, 2021 consists of expenses incurred relating to this incident, which include legal fees, surety bond expenses, vessel off-hire, crew changes and travel costs. Other operating expense for the year ended December 31, 2019 was \$1.1 million. The expense relates to our legal settlement with OFAC.

⁽²⁾ During the second quarter of 2020, the Company determined that there were impairment indicators present for one of our chartered-in vessel contracts and, as a result, we recorded an operating lease impairment of \$0.4 million.

⁽³⁾ On October 18, 2021, the Company repaid the outstanding debt together with accrued interest as of that date under the Norwegian Bond Debt and discharged the debt in full using the proceeds of the Global Ultraco Debt Facility and cash on hand. As a result, the Company recognized \$6.0 million representing a bond call premium and the outstanding balance of debt discount and debt issuance costs, as Loss on debt extinguishment in the fourth quarter of 2021. See Note 6, Debt, to the consolidated financial statements.

During the third quarter of 2021, the Company cancelled the Super Senior Revolving Facility. There were no outstanding amounts under the facility and the Company recorded \$0.1 million as Loss on debt extinguishment in the third quarter of 2021. Please see Note 6, Debt, to the consolidated financial statements.

On January 25, 2019, the Company repaid the outstanding debt together with accrued interest as of that date under the New First Lien Facility and the Original Ultraco Debt Facility and discharged the debt in full from the proceeds of the New Ultraco Debt Facility. As a result, the Company recognized \$2.3 million representing the outstanding balance of debt issuance costs, as a loss on debt extinguishment in the first quarter of 2019. Please see Note 6, Debt, to the consolidated financial statements.

On December 8, 2017, the Company repaid the amounts outstanding under the First Lien Facility and the Second Lien Facility by issuance of \$200.0 million of the Norwegian Bond Debt and \$65.0 million of the New First Lien Facility. As a result, the Company recognized a \$15.0 million loss on debt extinguishment in the fourth quarter of 2017.

⁽⁴⁾ Adjusted to give effect for the 1-for-7 Reverse Stock Split that became effective as of September 15, 2020, see Note 1, General Information, to the consolidated financial statements.

| Consolidated Balance Sheet Data | December 31, | | | | |
|--|--------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Current assets | \$ 156,033 | \$ 118,265 | \$ 100,533 | \$ 118,474 | \$ 105,223 |
| Total assets | 1,126,658 | 967,127 | 1,002,087 | 846,209 | 808,350 |
| Total liabilities | 455,392 | 496,709 | 520,584 | 366,603 | 347,185 |
| Current portion of long-term debt ^(a) | 49,800 | 39,244 | 35,709 | 29,176 | 4,000 |
| Long-term debt | 330,244 | 412,931 | 410,067 | 301,583 | 313,684 |
| Stockholders' equity ^(b) | 671,266 | 470,418 | 481,503 | 479,606 | 461,165 |
| Other Data | | | | | |
| Capital expenditures: | | | | | |
| Vessels and vessel improvements | \$ 128,254 | \$ 4,230 | \$ 143,478 | \$ 43,444 | \$ 176,603 |
| Purchase of scrubbers and ballast water systems | 6,712 | 28,377 | 58,196 | 12,342 | — |
| Drydocking expenditures | 21,906 | 14,294 | 11,903 | 8,323 | 2,579 |
| Ratio of Total debt to Total capitalization ^(c) | 36.1% | 49.0% | 48.1% | 40.8% | 40.8% |
| Fleet Data | | | | | |
| Number of vessels in owned fleet | 53 | 45 | 50 | 47 | 47 |
| Average age of fleet (years) | 9.3 | 8.8 | 8.7 | 9.0 | 8.2 |
| Fleet ownership days | 18,258 | 18,065 | 16,945 | 17,213 | 16,293 |
| Charter-in days | 2,331 | 2,179 | 3,583 | 3,294 | 3,353 |
| Fleet available days | 19,538 | 19,612 | 19,214 | 20,083 | 19,245 |
| Fleet operating days | 19,439 | 19,450 | 19,058 | 19,921 | 19,140 |
| Fleet utilization | 99.5% | 99.2% | 99.2% | 99.2% | 99.5% |

^(a) The 2021 amount represents \$49.8 million under the Global Ultraco Debt Facility to be repaid in 2022.

^(b) Effective as of September 15, 2020, the Company completed the 1-for-7 Reverse Stock Split of the Company's issued and outstanding shares of common stock, par value \$0.01 per share. All references herein to common stock and per share data for all periods presented in these consolidated financial statements and notes thereto, have been retrospectively adjusted to reflect the Reverse Stock Split. See Note 1, General Information, to the consolidated financial statements for additional information.

^(c) Ratio of Total debt to Total capitalization was calculated as debt divided by capitalization (debt plus stockholders' equity).

Effects of Inflation

The Company believes that its business benefits during periods of elevated inflation and positive demand growth, as higher charter rates, and net revenues, more than offset increases in costs relating to vessel operating expenses, drydocking, and general and administrative.

Liquidity and Capital Resources

The following table presents the cash flow information for the years ended December 31, 2021 and 2020:

| (in thousands of U.S. dollars) | For the Years Ended | |
|---|---------------------|-------------------|
| | December 31, 2021 | December 31, 2020 |
| Net cash provided by operating activities | \$ 209,171 | \$ 12,595 |
| Net cash used in investing activities | (125,481) | (5,492) |
| Net cash (used in)/provided by financing activities | (86,317) | 22,615 |
| (Decrease)/increase in cash and cash equivalents | (2,627) | 29,718 |
| Cash, cash equivalents including restricted cash, beginning of year | 88,849 | 59,130 |
| Cash and cash equivalents including restricted cash, end of year | \$ 86,222 | \$ 88,849 |

Net cash provided by operating activities for the year ended December 31, 2021 was \$209.2 million, compared with \$12.6 million in 2020. The increase in cash flows provided by operating activities resulted primarily from the increase in revenues due to higher charter hire rates.

Net cash used in investing activities for the year ended December 31, 2021 was \$125.5 million, compared to \$5.5 million in the prior year. During 2021, the Company purchased nine vessels for \$126.2 million. The Company paid \$6.7 million for the purchase of ballast water treatment systems on our fleet. Additionally, the Company paid \$2.1 million for vessel improvements. This use of cash was partially offset by the proceeds from the sale of one vessel for \$9.2 million and \$0.4 million of insurance proceeds received on hull and machinery claims.

Net cash used in financing activities for the year ended December 31, 2021 was \$86.3 million, compared to net cash provided by financing activities of \$22.6 million in the prior year ended December 31, 2020. During 2021, the Company received (i) \$300.0 million in proceeds from the Global Ultraco Debt Facility, (ii) \$50.0 million in proceeds from the revolver loan under the Global Ultraco Debt Facility, (iii) \$55.0 million in proceeds from the revolver loan under the New Ultraco Debt Facility, (iv) \$16.5 million in proceeds from the New Ultraco Debt Facility, (v) \$24.0 million in proceeds from the Holdco Revolving Credit Facility and (vi) \$27.1 million in net proceeds from the ATM Offering. The Company repaid (i) \$182.9 million of the New Ultraco Debt Facility, (ii) \$184.4 million of the Norwegian Bond Debt, (iii) \$12.5 million of the Global Ultraco Debt Facility, (iv) \$55.0 million of the revolver loan under the New Ultraco Debt Facility, (v) \$24.0 million of the Holdco Revolving Credit Facility, (vi) \$15.0 million of the revolver loan under the Super Senior Facility and (vii) \$50.0 million of the revolver loan under the Global Ultraco Debt Facility. Additionally, the Company paid (i) \$6.4 million in financing costs to lenders, (ii) \$0.7 million in other financing costs, and (iii) \$0.5 million of financing costs related to the equity offerings in December 2020. Additionally, the Company paid \$25.8 million in dividends to its shareholders and \$1.9 million to settle net share equity awards.

As of December 31, 2021, our cash and cash equivalents balance was \$86.1 million, compared to a cash and cash equivalents balance of \$69.9 million at December 31, 2020. In addition, our restricted cash balance at December 31, 2021 was \$0.1 million which includes \$0.1 million for collateralizing letters of credit relating to our office leases. As of December 31, 2020, our restricted cash balance was \$18.9 million and includes \$18.8 million in proceeds from the sale of vessels which were restricted pursuant to the terms under the Norwegian Bond Debt and \$0.1 million for collateralizing letters of credit relating to our office leases.

At December 31, 2021, the Company's debt, net of \$21.6 million debt discount and debt issuance costs totaled \$380.0 million of which \$49.8 million is shown in the current portion of long-term debt and \$330.2 million in noncurrent liabilities.

In addition, as of December 31, 2021, we had \$100.0 million in an undrawn revolver facility available under the Global Ultraco Debt Facility.

Our principal sources of funds are operating cash flows, long-term bank borrowings and borrowings under our revolving credit facility. Our principal use of funds is capital expenditures to establish and grow our fleet, maintain the quality of our vessels, comply with international shipping standards and environmental laws and regulations, fund working capital requirements and repayments of interest and principal on our outstanding debt facilities.

We believe that our current financial resources, together with the undrawn revolver under the Global Ultraco Debt Facility and cash generated from operations will be sufficient to meet our ongoing business needs and other obligations over the next twelve months and for the foreseeable future thereafter. Our ability to generate sufficient cash depends on many factors beyond our control including, among other things, general charter rate environment.

Dividends

During 2021, the Company adopted a dividend policy which allows for a minimum dividend of 30% of its net income, but not less than \$0.10 per share, subject to approval from its board of directors. During the year ended December 31, 2021, a quarterly cash dividend for the third quarter of 2021 of \$2.00 per share was declared and paid on November 24, 2021 to the shareholders of record as of November 15, 2021. On February 22, 2022, a quarterly cash dividend for the fourth quarter of 2021 of \$2.05 per share was declared and is to be paid on March 25, 2022 to the shareholders of record as of March 15, 2022. We expect to continue paying cash dividends on a quarterly basis; however, in the future, the declaration and payment of dividends, if any, will always be subject to the discretion of the board of directors, restrictions contained in the Company's debt facilities, and the requirements of Marshall Islands law. The timing and amount of any dividends declared will depend on, among other things, the Company's earnings, financial condition and cash requirements and availability, the ability to obtain debt and equity financing on acceptable terms as contemplated by the Company's growth strategy, the terms of its outstanding indebtedness and the ability of the Company's subsidiaries to distribute funds to it.

Debt Agreements

Refer to Note 6, Debt, to our consolidated financial statements above for a summary of our credit agreements.

Contractual Obligations

Information about the Company's contractual obligations can be found within Note 3, Vessels, Note 6, Debt, and Note 10, Leases, in addition to the information presented below. We believe that funds from future operating cash flows and cash on hand and available to us through our financing transactions will be sufficient for future operations and commitments, and for capital acquisitions and other strategic transactions for the next 12 months and for the foreseeable future thereafter.

Capital Expenditures

Our capital expenditures relate to the purchase of vessels and capital improvements to our vessels, which are expected to enhance the revenue earning capabilities and compliance with new regulations.

In addition to acquisitions that we may undertake in future periods, the Company's other major capital expenditures include funding the Company's program of regularly scheduled drydocking and vessel improvements necessary to comply with international shipping standards and environmental laws and regulations. Although the Company has some flexibility regarding the timing of its drydocking, the costs are relatively predictable. In accordance to the statutory requirements, management anticipates that vessels are to be drydocked every five years for vessels younger than 15 years and two and a half years for vessels older than 15 years. Funding of these requirements is anticipated to be met with cash from operations. We anticipate that the process of recertification will require us to reposition these vessels from a discharge port to shipyard facilities, which will reduce our available days and operating days during that period.

During the third quarter of 2018, the Company entered into a contract for the purchase of BWTS on 39 of our owned vessels. The projected costs, including installation, are approximately \$0.5 million per BWTS. The Company intends to complete the installation during scheduled drydockings. The Company completed installation of BWTS on 23 vessels and recorded \$11.5 million in Vessels and vessel improvements in the Consolidated Balance Sheet as of December 31, 2021. Additionally, the Company recorded \$4.4 million as advances paid towards installation of BWTS as a noncurrent asset in its Consolidated Balance Sheet as of December 31, 2021. We intend to fund the remaining BWTS installations with cash on hand.

Drydocking costs incurred are deferred and amortized to expense on a straight-line basis over the period through the date of the next scheduled drydocking for those vessels. In 2021, 11 of our vessels completed drydock and two vessels were in drydock as of December 31, 2021 and we incurred \$21.9 million in drydocking related costs. In 2020, 11 of our vessels completed drydock and we incurred \$14.3 million in drydocking related costs. The increase in drydocking costs was primarily due to additional required upgrades including the installation of BWTS, discretionary vessel upgrades, and an increase in shipyard costs due to shipyard congestion caused by the COVID-19 pandemic.

The following table represents certain information about the estimated costs for anticipated vessel drydockings, BWTS, and vessel upgrades in the next four quarters, along with the anticipated off-hire days:

| Quarter Ending | Off-hire Days ⁽²⁾ | Projected Costs ⁽¹⁾ (in millions) | | | |
|--------------------|------------------------------|--|----------|--------------------------------|--|
| | | BWTS | Drydocks | Vessel Upgrades ⁽³⁾ | |
| March 31, 2022 | 383 | \$ 2.8 | \$ 4.1 | \$ 1.2 | |
| June 30, 2022 | 238 | 0.7 | 4.0 | 0.4 | |
| September 30, 2022 | 85 | 0.2 | 0.1 | — | |
| December 31, 2022 | 99 | 0.5 | 0.3 | — | |

⁽¹⁾ Actual costs will vary based on various factors, including where the drydockings are actually performed. We expect to fund these costs with cash on hand.

⁽²⁾ Actual duration of off-hire days will vary based on the age and condition of the vessel, yard schedules and other factors.

⁽³⁾ Vessel upgrades represents capital expenditures relating to items such as high-spec low friction hull paint which improves fuel efficiency and reduces fuel costs, NeoPanama Canal chock fittings enabling vessels to carry additional cargo through the new Panama Canal locks, as well as other retrofitted fuel-saving devices. Vessel upgrades are discretionary in nature and evaluated on a business case-by-case basis. We expect to fund these upgrades with cash on hand.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Other Contingencies

We refer you to Note 9, Commitment and Contingencies, to our consolidated financial statements included in this Annual Report for a discussion of our contingencies related to claim litigation. The potential impact from legal proceedings on our business, liquidity, results of operations, financial position and cash flows, could change in the future.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company is exposed to market risk from changes in interest rates, which could impact its results of operations and financial condition. The Company's objective is to manage the impact of interest rate changes on its earnings and cash flows. The Company expects to manage this exposure to market risk through its regular operating and financing activities and, when deemed appropriate, using derivative financial instruments. The Company has entered into, and in the future may enter into additional, interest rate swaps to manage net exposure to interest rate changes related to its borrowings and to lower its overall borrowing costs. On October 1, 2021, the Company, along with certain of its vessel-owning subsidiaries, as guarantors, entered into the Global Ultraco Debt Facility with the Global Ultraco Lenders. The Global Ultraco Debt Facility provides for an aggregate principal amount of \$400.0 million, which consists of (i) the Global Ultraco Term Facility in an aggregate principal amount of \$300.0 million and (ii) the Global Ultraco Revolving Facility in an aggregate principal amount of \$100.0 million to be used for refinancing the outstanding debt including accrued interest and commitment fees under the Previous Debt Facilities and for general corporate purposes. Additionally, the Company entered into four interest rate swaps for the notional amount of \$300.0 million of the term loan under the Global Ultraco Debt Facility at a fixed interest rate ranging between 0.83% and 1.06% to hedge the LIBOR-based floating interest rate. The interest rate swaps were designated and qualified as a cash flow hedge. The Company uses the interest rate swaps for the management of interest rate risk exposure, as the interest rate swaps effectively convert a portion of the Company's debt from a floating to a fixed rate. The interest rate swaps are an agreement between the Company and counterparties to pay, in the future, a fixed-rate payment in exchange for the counterparties paying the Company a variable payment. The amount of the net payment obligation is based on the notional amount of the interest rate swaps and the prevailing market interest rates. The Company may terminate the interest rate swaps prior to their expiration dates, at which point a realized gain or loss would be recognized. The value of the Company's commitment would increase or decrease based primarily on the extent to which interest rates move against the rate fixed for each swap.

At December 31, 2021, the Company's debt consisted of \$114.1 million, net of \$13.2 million in debt discount and debt issuance costs under the Convertible Bond Debt and \$287.6 million, net of \$8.5 million in debt issuance costs under the Global Ultraco Debt Facility. In addition, we have \$100.0 million in an undrawn revolver facility available under the Global Ultraco Debt Facility. The Convertible Bond Debt carries a fixed interest rate of 5.00% and therefore does not carry any exposure to interest rate increases. The interest rate on our outstanding term loan debt under the Global Ultraco Debt Facility is fixed with interest rate swaps which were entered into in the fourth quarter of 2021. Therefore the only outstanding debt which has any exposure to interest rate fluctuations is our revolving facility under the Global Ultraco Debt Facility, which carries an interest of margin plus LIBOR. Our total cash interest expense for the year ended December 31, 2021 on our outstanding revolver loan under the Global Ultraco Debt Facility was \$0.1 million. The table below provides sensitivity analysis of changes in interest rates for an increase or decrease of 100 basis points and an increase of 200 basis points and the increase in annual interest expense under each scenario if our revolver facility is fully drawn at \$100.0 million.

| | Incremental interest expense | |
|-------------------|---|---|
| | For the year ended December 31, 2021 | For the year ended December 31, 2020 |
| +200 basis points | \$ 2,000,000 | \$ 1,400,000 |
| +100 basis points | 1,000,000 | 700,000 |
| -100 basis points | (1,000,000) | (700,000) |

For information regarding our use of interest rate swaps, see Note 7, Derivative Instruments, to our consolidated financial statements.

Foreign Currency and Exchange Rate Risk

The shipping industry in which the Company operates substantially transacts using the U.S. dollar. The Company generates all of its revenues in U.S. dollars and the Company's current exposure to currency fluctuations is not material. The majority of the Company's operating expenses are in U.S. dollars. However, we incur some of our voyage expenses and vessel operating expenses in other currencies. The amount and frequency of some of these expenses may fluctuate from period to period. Depreciation in the value of the U.S. dollar relative to other currencies will increase the U.S. dollar cost to us of paying such expenses. There is currently no expectation that there would be an increase in the business conducted in foreign currencies. In the future if there is a substantial increase in our foreign currency transactions, our exposure could increase and we may seek to hedge against any currency fluctuation.

Item 8. Financial Statements and Supplementary Data

The information required by this item is contained in the financial statements set forth in Item 15(a) under the caption "Consolidated Financial Statements" as part of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and our Chief Financial Officer, has conducted an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act as of the end of the period covered by this Annual Report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2021. The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in accordance with generally accepted accounting principles.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013). Based on management's assessment and those criteria, management has concluded that the Company maintained effective internal control over financial reporting as of December 31, 2021.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the Company's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2021 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included in Part IV. Item 15. Exhibits, Financial Statement Schedules under the heading, "Report of Independent Registered Public Accounting Firm."

Changes in Internal Control Over Financial Reporting

In addition, we evaluated our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act and there have been no changes in our internal control over financial reporting that occurred during the fourth quarter of 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information regarding our directors, executive officers and certain corporate governance items will be included in the proxy statement for the 2022 annual meeting of shareholders, to be filed within 120 days after December 31, 2021, and is incorporated by reference to this Form 10-K.

Item 11. Executive Compensation

Information regarding executive compensation will be included in the proxy statement for the 2022 annual meeting of shareholders, to be filed within 120 days after December 31, 2021, and is incorporated by reference to this Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

On December 15, 2016, the Company adopted the 2016 Equity Incentive Plan (the “2016 Plan”) which replaced the 2014 Plan. Under the terms of the 2016 Plan, a maximum of 1,121,229 shares may be issued. Any director, officer, employee or consultant of the Company or any of its subsidiaries (including any prospective officer or employee) is eligible to be designated to participate in the 2016 Plan.

The following table sets forth certain information as of December 31, 2021 regarding the 2016 Plan. The 2016 Plan was approved by our shareholders on December 15, 2016.

| Plan Category | Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)* | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans(excluding securities reflected in column (a)) (c)* |
|--|--|--|---|
| Equity compensation plans approved by security holders | 47,568 | \$ 38.60 | 191,013 |

* The sum, combined with 882,648 restricted shares issued consists of 1,121,229 shares eligible to be granted under the 2016 Plan.

Information regarding beneficial ownership and management and related stockholder matters will be included in the proxy statement for the 2022 annual meeting of shareholders, to be filed within 120 days after December 31, 2021, and is incorporated by reference to this Form 10-K.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

Information regarding certain relationships and related transactions and director independence will be included in the proxy statement for the 2022 annual meeting of shareholders, to be filed within 120 days after December 31, 2021, and is incorporated by reference to this Form 10-K.

Item 14. *Principal Accountant Fees and Services*

Information regarding principal accounting fees and services billed to us by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34) will be included in the proxy statement for the 2022 annual meeting of shareholders, to be filed within 120 days after December 31, 2021, and is incorporated by reference to this Form 10-K.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Documents filed as part of this Annual Report on Form 10-K

1. Consolidated Financial Statements: See accompanying Index to Consolidated Financial Statements.
2. Consolidated Financial Statement Schedule: Financial statement schedules are omitted either due to the absence of conditions under which they are required or because the information required is included in the notes to the Company's consolidated financial statements.

(b) Exhibits

| Number | Exhibit Title |
|------------------------------|--|
| <u>3.1</u> | <u>Second Amended and Restated By-Laws of Eagle Bulk Shipping Inc., dated as of October 15, 2014 (incorporated by reference to Exhibit 3.2 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on October 16, 2014; File No. 001-33831).</u> |
| <u>3.2</u> | <u>Third Amended and Restated Articles of Incorporation of Eagle Bulk Shipping Inc., dated as of August 4, 2016 (incorporated by reference to Exhibit 3.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on August 4, 2016; File No. 001-33831).</u> |
| <u>3.3</u> | <u>Articles of Amendment to Third Amended and Restated Articles of Incorporation of Eagle Bulk Shipping Inc. (incorporated by reference to Exhibit 3.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on September 14, 2020; File No. 001-33831).</u> |
| <u>4.1</u> | <u>Form of Specimen Stock Certificate of Eagle Bulk Shipping Inc. (incorporated by reference to Exhibit 4.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on October 16, 2014; File No. 001-33831).</u> |
| <u>4.2</u> | <u>Amended and Restated Registration Rights Agreement, dated as of May 13, 2016, by and between Eagle Bulk Shipping Inc. and the Holders party thereto (incorporated by reference to Exhibit 10.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on May 17, 2016; File No. 001-33831).</u> |
| <u>4.3*</u> | <u>Description of Securities.</u> |
| <u>4.4</u> | <u>Indenture, dated July 29, 2019, by and between Eagle Bulk Shipping Inc. and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on August 2, 2019).</u> |
| <u>4.5</u> | <u>Form of Note representing the Company's 5.00% Convertible Senior Notes due 2024 (included as Exhibit A to the Indenture filed as Exhibit 4.1) (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on August 2, 2019).</u> |
| <u>10.1#</u> | <u>Eagle Bulk Shipping Inc. Amended and Restated 2016 Equity Incentive Plan (incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A (File No. 001-33831) filed with the SEC on April 25, 2019).</u> |
| <u>10.2#</u> | <u>Employment Agreement, dated October 29, 2021, among Eagle Bulk Shipping Inc., Eagle Shipping International (USA) LLC and Gary Vogel (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on November 1, 2021; File No. 001-33831).</u> |
| <u>10.3#</u> | <u>Employment Agreement, dated September 3, 2016, among Eagle Bulk Shipping Inc., Eagle Shipping International (USA) LLC and Frank De Costanzo (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q of Eagle Bulk Shipping Inc., filed with the SEC on November 9, 2016; File No. 001-33831).</u> |
| <u>10.4#</u> | <u>Option Award Agreement, dated November 7, 2016, between Frank De Costanzo and Eagle Bulk Shipping Inc. (incorporated by reference to Exhibit 10.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on November 9, 2016; File No. 001-33831).</u> |

| | |
|--------------------------------|--|
| <u>10.5#</u> | <u>Option Award Agreement, dated December 15, 2016, between Gary Vogel and Eagle Bulk Shipping Inc. (incorporated by reference to Exhibit 10.38 to the Annual Report on Form 10-K of Eagle Bulk Shipping Inc., filed with the SEC on March 31, 2017; File No. 001-33831).</u> |
| <u>10.6#</u> | <u>Form of Restricted Stock Award Agreement under the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on March 7, 2017; File No. 001-33831).</u> |
| <u>10.7#</u> | <u>Form of Option Award Agreement under the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on March 7, 2017; File No. 001-33831).</u> |
| <u>10.8</u> | <u>At Market Issuance Sales Agreement with B. Riley Securities, Inc., BTIG, LLC and Fearnley Securities, Inc. (incorporated by reference to Exhibit 1.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc. filed with the SEC on March 12, 2021; File No. 001-33831).</u> |
| <u>10.9*</u> | <u>Senior Secured Credit Facility, dated October 1, 2021, by and between Eagle Bulk Shipping, Inc., certain vessel-owning subsidiaries, as guarantors, the lenders party thereto, the swap banks party thereto, Credit Agricole Corporate and Investment Bank, Skandinaviska Enskilda Banken AB (PUBL), Danish Ship Finance A/S, Nordea Bank ABP, Filial I Norge and DNB Markets Inc., as mandated lead arrangers and bookrunners, DNB Bank ASA, as swap coordinator, Deutsche Bank AG and ING Bank N.V., London Branch, as lenders, and Credit Agricole, as security trustee, structurer, sustainability coordinator and facility agent</u> |
| <u>10.10#*</u> | <u>Restricted Stock Award Agreement under the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan, dated September 3, 2021, between Gary Vogel and Eagle Bulk Shipping Inc.</u> |
| <u>10.11#*</u> | <u>Restricted Stock Award Agreement under the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan, dated September 3, 2021, between Frank De Costanzo and Eagle Bulk Shipping Inc.</u> |
| <u>21.1*</u> | <u>Subsidiaries of the Registrant.</u> |
| <u>23.1*</u> | <u>Consent of Independent Registered Public Accounting Firm.</u> |
| <u>23.2*</u> | <u>Consent of Seward & Kissel LLP.</u> |
| <u>31.1*</u> | <u>Rule 13a-14(d) / 15d-14(a) Certification of Principal Executive Officer.</u> |
| <u>31.2*</u> | <u>Rule 13a-14(d) / 15d-14(a) Certification of Principal Financial Officer.</u> |
| <u>32.1**</u> | <u>Section 1350 Certification of Principal Executive Officer.</u> |
| <u>32.2**</u> | <u>Section 1350 Certification of Principal Financial Officer.</u> |
| 101.INS* | XBRL Instance Document. |
| 101.SCH* | XBRL Schema Document. |
| 101.CAL* | XBRL Calculation Linkbase Document. |
| 101.DEF* | XBRL Definition Linkbase Document. |
| 101.LAB* | XBRL Labels Linkbase Document. |
| 101.PRE* | XBRL Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith.

** Furnished herewith.

Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EAGLE BULK SHIPPING INC.

By: /s/ Gary Vogel

Name: Gary Vogel
Title: Chief Executive Officer

March 11, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 11, 2022.

| Name | Title |
|---|---|
| <u> /s/ Gary Vogel </u> Gary Vogel | Chief Executive Officer and Director (Principal Executive Officer) |
| <u> /s/ Frank De Costanzo </u> Frank De Costanzo | Chief Financial Officer (Principal Financial and Accounting Officer) |
| <u> /s/ Paul M. Leand, Jr. </u> Paul M. Leand, Jr. | Chairman of the Board of Directors |
| <u> /s/ Randee E. Day </u> Randee E. Day | Director |
| <u> /s/ Justin A. Knowles </u> Justin A. Knowles | Director |
| <u> /s/ Bart Veldhuizen </u> Bart Veldhuizen | Director |
| <u> /s/ Gary Weston </u> Gary Weston | Director |

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Eagle Bulk Shipping Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Eagle Bulk Shipping Inc. and subsidiaries (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income/(loss), changes in stockholders' equity and cash flows, for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, effective January 1, 2019, the Company adopted FASB Accounting Standards Update 2016-02, *Leases*, using the modified retrospective approach.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Determination of Vessel Asset Impairment Indicators — Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company's evaluation of vessel assets for impairment involves an initial assessment of each vessel asset to determine whether events or changes in circumstances exist that may indicate that the carrying amounts of vessel assets are no longer recoverable. Total Vessels and vessel improvements, at cost, net of accumulated depreciation as of December 31, 2021 and 2020, were \$908 million and \$811 million, respectively.

Possible indications of impairment may include events or changes in circumstances affecting the legal environment, the business climate, employment, charter hire rates, market value, useful economic life and physical condition of the vessel assets. When events or changes in circumstances exist, the Company evaluates its vessel assets for impairment by comparing undiscounted future cash flows expected to be generated over the life of each vessel asset to the respective carrying amount. If the Company's estimate of undiscounted future cash flows for any vessel asset for which indicators of impairment exist is lower than the vessel asset's carrying value, and the vessel's carrying value is greater than its fair market value, the carrying value is written down, by recording a charge to operations, to the vessel asset's fair market value.

The Company makes significant assumptions to evaluate vessel assets for possible indications of impairment. Changes in these assumptions could have a significant impact on the vessel assets identified for further analysis. For the years ended December 31, 2021, 2020, and 2019, no impairment loss has been recognized on vessel assets.

We identified the determination of impairment indicators for vessel assets as a critical audit matter because of the significant assumptions management makes when determining whether events or changes in circumstances have occurred indicating that the carrying amounts of vessel assets may not be recoverable. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate whether management appropriately identified impairment indicators.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the evaluation of vessel assets for possible indications of impairment included the following, among others:

- We tested the effectiveness of the controls over management's identification of possible circumstances that may indicate that the carrying amounts of vessel assets are no longer recoverable, including controls over management's estimates of the legal environment, the business climate, employment, charter hire rates, market value, useful economic life and physical condition of the vessel assets.
- We evaluated management's impairment analysis by:
 - Testing vessel assets for possible indications of impairment, including searching for adverse asset-specific and/or market conditions.
 - Developing an independent expectation of impairment indicators and comparing such expectation to management's analysis.
 - Obtained from the Company's management the vessel assets impairment indicators analysis and the assumptions used in the legal environment, the business climate, employment, charter hire rates, market value, and physical condition of the vessel assets, and considered the consistency of the assumptions used with evidence obtained in other areas of the audit. This included, among others, 1) internal communications by management to the board of directors, and 2) external communications by management to analysts and investors.

/s/ DELOITTE & TOUCHE LLP

New York, New York

March 11, 2022

We have served as the Company's auditor since 2015.

EAGLE BULK SHIPPING INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in U.S. dollars except share data)

| | December 31, 2021 | December 31, 2020 |
|--|-------------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 86,146,552 | \$ 69,927,594 |
| Restricted cash - current | — | 18,846,177 |
| Accounts receivable, net of a reserve of \$1,818,482 and \$2,357,191, respectively | 28,456,036 | 13,843,480 |
| Prepaid expenses | 3,361,730 | 3,182,815 |
| Inventories | 17,651,381 | 11,624,833 |
| Collateral on derivatives | 15,080,567 | — |
| Fair value of derivative assets - current | 4,668,873 | — |
| Other current assets | 667,677 | 839,881 |
| Total current assets | 156,032,816 | 118,264,780 |
| Noncurrent assets: | | |
| Vessels and vessel improvements, at cost, net of accumulated depreciation of \$218,669,885 and \$177,771,755, respectively | 908,075,913 | 810,713,959 |
| Advances for vessel purchases | — | 3,250,000 |
| Operating lease right-of-use assets | 17,017,429 | 7,540,871 |
| Other fixed assets, net of accumulated depreciation of \$1,402,584 and \$1,137,562, respectively | 257,228 | 489,179 |
| Restricted cash - noncurrent | 75,000 | 75,000 |
| Deferred drydock costs, net | 37,093,531 | 24,153,776 |
| Fair value of derivative assets - noncurrent | 3,112,091 | — |
| Advances for scrubbers and ballast water systems and other assets | 4,994,416 | 2,639,491 |
| Total noncurrent assets | 970,625,608 | 848,862,276 |
| Total assets | \$ 1,126,658,424 | \$ 967,127,056 |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 20,781,295 | \$ 10,589,970 |
| Accrued interest | 2,957,241 | 4,690,135 |
| Other accrued liabilities | 17,993,299 | 11,747,064 |
| Fair value of derivative liabilities - current | 4,253,155 | 481,791 |
| Current portion of operating lease liabilities | 15,728,107 | 7,615,371 |
| Unearned charter hire revenue | 12,087,586 | 8,072,295 |
| Current portion of long-term debt | 49,800,000 | 39,244,297 |
| Total current liabilities | 123,600,683 | 82,440,923 |
| Noncurrent liabilities: | | |
| Norwegian Bond Debt, net of debt discount and debt issuance costs | — | 169,290,230 |
| Super Senior Facility, net of debt issuance costs | — | 14,896,357 |
| New Ultraco Debt Facility, net of debt issuance costs | — | 132,083,949 |
| Global Ultraco Debt Facility, net of debt issuance costs | 229,289,860 | — |
| Convertible Bond Debt, net of debt discount and debt issuance costs | 100,953,744 | 96,660,485 |
| Noncurrent portion of operating lease liabilities | 1,282,553 | 686,422 |
| Other noncurrent accrued liabilities | 265,365 | — |

| | | |
|---|-------------------------|-----------------------|
| Fair value of derivative liabilities - noncurrent | — | 650,607 |
| Total noncurrent liabilities | 331,791,522 | 414,268,050 |
| Total liabilities | 455,392,205 | 496,708,973 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$0.01 par value, 25,000,000 shares authorized, none issued as of December 31, 2021 and 2020 | — | — |
| Common stock, \$0.01 par value, 700,000,000 shares authorized, 12,917,027 and 11,661,797 shares issued and outstanding as of December 31, 2021 and 2020, respectively | 129,170 | 116,618 |
| Additional paid-in capital | 982,745,562 | 943,571,685 |
| Accumulated deficit | (313,494,798) | (472,137,822) |
| Accumulated other comprehensive income/(loss) | 1,886,285 | (1,132,398) |
| Total stockholders' equity | 671,266,219 | 470,418,083 |
| Total liabilities and stockholders' equity | \$ 1,126,658,424 | \$ 967,127,056 |

The accompanying notes are an integral part of these Consolidated Financial Statements.

EAGLE BULK SHIPPING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in U.S. dollars except share data)

| | For the Years Ended | | |
|--|---------------------|-------------------|-------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
| Revenues, net | \$ 594,537,654 | \$ 275,133,547 | \$ 292,377,638 |
| Voyage expenses | 104,643,078 | 89,548,796 | 87,701,407 |
| Vessel operating expenses | 103,876,600 | 86,527,915 | 82,342,123 |
| Charter hire expenses | 37,101,692 | 21,280,224 | 42,168,642 |
| Depreciation and amortization | 53,517,372 | 50,157,147 | 40,545,904 |
| General and administrative expenses | 35,160,889 | 31,532,109 | 35,041,996 |
| Impairment of operating lease right-of-use assets | — | 352,368 | — |
| Other operating expense | 2,812,415 | — | 1,125,000 |
| (Gain)/loss on sale of vessels | (3,966,370) | 489,772 | (5,978,566) |
| Total operating expenses, net | 333,145,676 | 279,888,331 | 282,946,506 |
| Operating income/(loss) | 261,391,978 | (4,754,784) | 9,431,132 |
| Interest expense | 32,256,787 | 35,392,623 | 30,577,489 |
| Interest income | (91,533) | (257,165) | (1,867,326) |
| Realized and unrealized loss/(gain) on derivative instruments, net | 38,243,746 | (4,826,774) | 149,632 |
| Loss on debt extinguishment | 6,085,094 | — | 2,268,452 |
| Total other expense, net | 76,494,094 | 30,308,684 | 31,128,247 |
| Net income/(loss) | \$ 184,897,884 | \$ (35,063,468) | \$ (21,697,115) |
| Weighted average shares outstanding*: | | | |
| Basic* | 12,399,509 | 10,310,246 | 10,195,088 |
| Diluted* | 15,684,392 | 10,310,246 | 10,195,088 |
| Per share amounts: | | | |
| Basic net income/(loss) * | \$ 14.91 | \$ (3.40) | \$ (2.13) |
| Diluted net income/(loss) * | \$ 11.79 | \$ (3.40) | \$ (2.13) |

* Adjusted to give effect for the 1-for-7 Reverse Stock Split that became effective as of September 15, 2020, see Note 1, General Information.

The accompanying notes are an integral part of these Consolidated Financial Statements.

EAGLE BULK SHIPPING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(in U.S. dollars)

| | For the Years Ended | | |
|--|-----------------------|------------------------|------------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
| Net income/(loss) | \$ 184,897,884 | \$ (35,063,468) | \$ (21,697,115) |
| Other comprehensive income/(loss): | | | |
| Net unrealized gain/(loss) on cash flow hedges | 3,018,683 | (1,132,398) | — |
| Comprehensive income/(loss) | <u>\$ 187,916,567</u> | <u>\$ (36,195,866)</u> | <u>\$ (21,697,115)</u> |

The accompanying notes are an integral part of these Consolidated Financial Statements.

EAGLE BULK SHIPPING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in U.S. dollars except share data)

| | Common Shares* | Common Shares Amount* | Additional paid-in Capital* | Accumulated Deficit | Accumulated other comprehensive income/(loss) | Total Stockholders' Equity |
|---|-------------------|-----------------------------|--------------------------------|-------------------------|---|-------------------------------|
| Balance at January 1, 2019 | 10,150,771 | \$ 101,508 | \$ 894,881,580 | \$ (415,377,239) | \$ — | \$ 479,605,849 |
| Net loss | — | — | — | (21,697,115) | — | (21,697,115) |
| Proceeds received from the Share Lending Agreement | — | — | 35,829 | — | — | 35,829 |
| Issuance of shares due to vesting of restricted shares | 63,829 | 638 | (638) | — | — | — |
| Equity component of Convertible Bond Debt, net of equity issuance costs | — | — | 20,175,803 | — | — | 20,175,803 |
| Cash used to settle net share equity awards | — | — | (1,443,753) | — | — | (1,443,753) |
| Stock-based compensation | — | — | 4,826,324 | — | — | 4,826,324 |
| Balance at December 31, 2019 | 10,214,600 | 102,146 | 918,475,145 | (437,074,354) | — | 481,502,937 |
| Net loss | — | — | — | (35,063,468) | — | (35,063,468) |
| Issuance of shares due to vesting of restricted shares | 65,982 | 660 | (660) | — | — | — |
| Issuance of common shares for Equity Offerings | 1,381,215 | 13,812 | 23,803,693 | — | — | 23,817,505 |
| Fees for Equity Offerings | — | — | (579,651) | — | — | (579,651) |
| Cash used to settle net share equity awards | — | — | (1,162,609) | — | — | (1,162,609) |
| Cash used to settle fractional shares in the Reverse Stock Split | — | — | (12,513) | — | — | (12,513) |
| Unrealized loss on cash flow hedges | — | — | — | — | (1,132,398) | (1,132,398) |
| Stock-based compensation | — | — | 3,048,280 | — | — | 3,048,280 |
| Balance at December 31, 2020 | 11,661,797 | 116,618 | 943,571,685 | (472,137,822) | (1,132,398) | 470,418,083 |
| Net income | — | — | — | 184,897,884 | — | 184,897,884 |
| Dividends declared | — | — | — | (26,254,860) | — | (26,254,860) |
| Issuance of shares due to vesting of restricted shares | 81,281 | 813 | (813) | — | — | — |
| Issuance of shares upon exercise of stock options | 50,641 | 506 | 55,072 | — | — | 55,578 |
| Issuance of shares upon conversion of Convertible Bond Debt | 25 | — | 982 | — | — | 982 |
| Issuance of shares upon conversion of warrants | 541,898 | 5,419 | 10,674,569 | — | — | 10,679,988 |
| Issuance of shares from ATM Offering, net of commissions and issuance costs | 581,385 | 5,814 | 27,132,524 | — | — | 27,138,338 |
| Fees for Equity Offerings | — | — | (232,971) | — | — | (232,971) |
| Cash used to settle net share equity awards | — | — | (1,936,581) | — | — | (1,936,581) |
| Unrealized gain on cash flow hedges | — | — | — | — | 3,018,683 | 3,018,683 |
| Stock-based compensation | — | — | 3,481,095 | — | — | 3,481,095 |
| Balance at December 31, 2021 | 12,917,027 | \$ 129,170 | \$ 982,745,562 | \$ (313,494,798) | \$ 1,886,285 | \$ 671,266,219 |

* Adjusted retroactively to give effect for the 1-for-7 Reverse Stock Split that became effective as of September 15, 2020, see Note 1, General Information.

The accompanying notes are an integral part of these Consolidated Financial Statements.

EAGLE BULK SHIPPING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in U.S. dollars)

| | For the Years Ended | | |
|---|----------------------|--------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
| Cash flows from operating activities: | | | |
| Net income/(loss) | \$ 184,897,884 | \$ (35,063,468) | \$ (21,697,115) |
| <i>Adjustments to reconcile net income/(loss) to net cash provided by operating activities:</i> | | | |
| Depreciation | 44,861,755 | 42,778,395 | 34,318,053 |
| Amortization of deferred drydocking costs | 8,655,617 | 7,378,752 | 6,227,851 |
| Amortization of operating lease right-of-use assets | 16,364,248 | 12,516,798 | 12,764,596 |
| Amortization of debt discount and debt issuance costs | 7,082,655 | 6,272,309 | 3,783,939 |
| Loss on debt extinguishment | 6,085,094 | — | 2,268,452 |
| (Gain)/loss on sale of vessels | (3,966,370) | 489,772 | (5,978,566) |
| Impairment of operating lease right-of-use assets | — | 352,368 | — |
| Net unrealized loss/(gain) on fair value of derivatives | 68,153 | (536,935) | (75,537) |
| Stock-based compensation expense | 3,481,095 | 3,048,280 | 4,826,324 |
| Drydocking expenditures | (21,906,358) | (14,293,562) | (11,903,474) |
| <i>Changes in operating assets and liabilities:</i> | | | |
| Accounts payable | 10,066,523 | (4,170,779) | 3,199,113 |
| Accounts receivable | (14,966,819) | 1,917,765 | (6,902) |
| Accrued interest | (1,732,894) | (630,954) | 3,585,458 |
| Inventories | (6,026,548) | 4,199,445 | 313,507 |
| Operating lease liabilities current and noncurrent | (17,131,939) | (13,255,978) | (13,475,534) |
| Collateral on derivatives | (15,080,567) | — | — |
| Fair value of derivatives, other current and noncurrent assets | (1,622,099) | (228,992) | 1,503,904 |
| Other accrued liabilities | 6,204,957 | (3,006,946) | 4,261,774 |
| Prepaid expenses | (178,915) | 1,448,601 | 4,463 |
| Unearned charter hire revenue | 4,015,291 | 3,380,036 | (2,234,580) |
| Net cash provided by operating activities | 209,170,763 | 12,594,907 | 21,685,726 |
| Cash flows from investing activities: | | | |
| Purchase of vessels and vessel improvements | (128,253,515) | (979,612) | (143,477,720) |
| Advances for vessel purchases | — | (3,250,000) | — |
| Purchase of scrubbers and ballast water treatment systems | (6,712,172) | (28,376,566) | (58,196,164) |
| Proceeds from hull and machinery insurance claims | 354,263 | 3,943,667 | 3,845,967 |
| Proceeds from sale of vessels | 9,163,354 | 23,224,650 | 29,560,746 |
| Purchase of other fixed assets | (33,071) | (53,794) | (351,434) |
| Net cash used in investing activities | (125,481,141) | (5,491,655) | (168,618,605) |
| Cash flows from financing activities: | | | |
| Proceeds from the revolver loan under New First Lien Facility | — | — | 5,000,000 |
| Payment of revolver under New First Lien Facility | — | — | (5,000,000) |
| Proceeds from Convertible Bond Debt, net of debt discount | — | — | 112,482,586 |

| | | | |
|---|----------------------|----------------------|----------------------|
| Proceeds from New Ultraco Debt Facility | 16,500,000 | 22,550,000 | 187,760,000 |
| Proceeds from Share Lending Agreement | — | — | 35,829 |
| Proceeds from the revolver loan under New Ultraco Debt Facility | 55,000,000 | 55,000,000 | — |
| Proceeds from the Super Senior Facility | — | 15,000,000 | — |
| Proceeds from Holdco Revolving Credit Facility | 24,000,000 | — | — |
| Proceeds from the Global Ultraco Debt Facility | 300,000,000 | — | — |
| Proceeds from the revolver loan under the Global Ultraco Debt Facility | 50,000,000 | — | — |
| Proceeds from issuance of shares under ATM Offering, net of commissions | 27,138,338 | — | — |
| Repayment of New First Lien Facility - term loan | — | — | (60,000,000) |
| Repayment of Norwegian Bond Debt | (184,356,000) | (8,000,000) | (8,000,000) |
| Repayment of Original Ultraco Debt Facility | — | — | (82,600,000) |
| Repayment of term loan under New Ultraco Debt Facility | (182,929,593) | (28,734,393) | (15,146,013) |
| Repayment of term loan under Global Ultraco Debt Facility | (12,450,000) | — | — |
| Repayment of revolver loan under New Ultraco Debt Facility | (55,000,000) | (55,000,000) | — |
| Repayment of revolver loan under Super Senior Facility | (15,000,000) | — | — |
| Repayment of revolver loan under Holdco Revolving Credit Facility | (24,000,000) | — | — |
| Repayment of revolver loan under Global Ultraco Debt Facility | (50,000,000) | — | — |
| Financing costs paid to lenders | (6,351,489) | (381,471) | (3,533,770) |
| Other financing costs | (730,711) | (141,634) | (1,655,353) |
| (Payments on)/proceeds from Equity Offerings, net of issuance costs | (492,972) | 23,497,854 | — |
| Cash received from exercise of stock options | 55,578 | — | — |
| Cash used to settle fractional shares | (23) | (12,513) | — |
| Dividends paid | (25,763,388) | — | — |
| Cash used to settle net share equity awards | (1,936,581) | (1,162,609) | (1,443,753) |
| Net cash (used in)/provided by financing activities | (86,316,841) | 22,615,234 | 127,899,526 |
| Net (decrease)/increase in cash, cash equivalents and restricted cash | (2,627,219) | 29,718,486 | (19,033,353) |
| Cash, cash equivalents and restricted cash at beginning of year | 88,848,771 | 59,130,285 | 78,163,638 |
| Cash, cash equivalents and restricted cash at end of year | \$ 86,221,552 | \$ 88,848,771 | \$ 59,130,285 |

Supplemental cash flow information:

| | | | |
|---|---------------|---------------|---------------|
| Accruals for vessel purchases and vessel improvements included in Other accrued liabilities | \$ 72,597 | \$ — | \$ — |
| Accruals for scrubbers and ballast water treatment systems in Accounts payable and Other accrued liabilities | \$ 3,306,853 | \$ 3,154,693 | \$ 16,380,168 |
| Accruals for dividends payable included in Other accrued liabilities and Other noncurrent accrued liabilities | \$ 491,472 | \$ — | \$ — |
| Fair value of warrants issued as consideration for vessel purchases included in Vessels and vessel improvements | \$ 10,679,988 | \$ — | \$ — |
| Accruals for equity issuance costs included in Accounts payable and Other accrued liabilities | \$ — | \$ 260,000 | \$ — |
| Cash paid during the period for interest | \$ 25,966,735 | \$ 29,603,965 | \$ 23,208,093 |

The accompanying notes are an integral part of these Consolidated Financial Statements.

EAGLE BULK SHIPPING INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. General Information

The accompanying consolidated financial statements include the accounts of Eagle Bulk Shipping Inc. and its wholly-owned subsidiaries (collectively, the "Company," "we" or "our" or similar terms). The Company is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership, charter and operation of drybulk vessels. The Company's fleet is comprised of Supramax and Ultramax drybulk carriers and the Company operates its business in one business segment.

Each of the Company's vessels serve the same type of customer, have similar operation and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, the Company has determined that it operates in one reportable segment, which is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels.

The Company is a holding company incorporated in 2005, under the laws of the Republic of the Marshall Islands and is the sole owner of all of the outstanding shares of its wholly-owned subsidiaries formed in the Republic of the Marshall Islands. The primary activity of each of the subsidiaries is the ownership of a vessel. The operations of the vessels are managed by a directly wholly-owned subsidiary of the Company, Eagle Bulk Management LLC, a Republic of the Marshall Islands limited liability company.

As of December 31, 2021, the Company owned and operated a modern fleet of 53 ocean-going vessels, including 27 Supramax and 26 Ultramax vessels, with a combined carrying capacity of 3.19 million deadweight tons ("dwt") and an average age of approximately 9.3 years. Additionally, the Company chartered-in four Ultramax vessels for remaining lease term of less than one year. The Company also charters-in third-party vessels on a short to medium term basis. For the years ended December 31, 2021, 2020 and 2019, the Company had no charterers which individually accounted for more than 10% of the Company's gross charter revenue.

In March 2021, the Company entered into an at market issuance sales agreement with B. Riley Securities, Inc., BTIG, LLC and Fearnley Securities, Inc., as sales agents (each, a "Sales Agent" and collectively, the "Sales Agents"), to sell shares of common stock, par value \$0.01 per share, of the Company with aggregate gross sales proceeds of up to \$50.0 million, from time to time through an "at-the-market" offering program (the "ATM Offering"). During the second quarter of 2021, the Company sold and issued an aggregate of 581,385 shares at a weighted-average sales price of \$47.97 per share under the ATM Offering for aggregate net proceeds of \$27.1 million after deducting sales agent commissions and other offering costs. The proceeds were used for partial financing of vessel acquisitions and other corporate purposes.

Effective as of September 15, 2020, the Company completed a 1-for-7 reverse stock split (the "Reverse Stock Split") of the Company's issued and outstanding shares of common stock, par value \$0.01 per share. Proportional adjustments were made to the Company's issued and outstanding common stock and to the exercise price and the number of shares issuable upon exercise of all of the Company's outstanding warrants, the exercise price and number of shares issuable upon exercise of the options outstanding under the Company's equity incentive plans, and the number of shares subject to restricted stock awards under the Company's equity incentive plans. Furthermore, the conversion rate set forth in the indenture governing the Company's Convertible Bond Debt was adjusted to reflect the Reverse Stock Split. No fractional shares of common stock were issued in connection with the Reverse Stock Split. Furthermore, if a shareholder held less than seven shares prior to the Reverse Stock Split, then such shareholder received cash in lieu of the fractional share. All references herein to common stock and per share data for all periods presented in these consolidated financial statements and notes thereto, have been retrospectively adjusted to reflect the Reverse Stock Split.

On March 11, 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) outbreak a pandemic. In response to the pandemic, many countries, ports and organizations, including those where the Company conducts a large part of its operations, have implemented measures to combat the pandemic, such as quarantines, mask and vaccine mandates, and travel restrictions. Such measures have caused and may continue to cause severe trade disruptions. The ongoing pandemic resulted in the decline in charter hire rates which impacted our revenues and cash flow from operations for the year ended December 31, 2020. The Company experienced some delays in cargo operations due to port restrictions and additional protocols and cancellation of a few cargo contracts. However, the Company was able to secure alternative business for its vessels upon cancellation at the prevailing charter rates. As a result of the spread of COVID-19, the Company has incurred some additional crewing expenses relating to procurement of personal protective equipment, COVID-19 testing, and crew travel, which is included in our Vessel operating expenses in our Consolidated Statements of Operations for the years ended December 31, 2021 and 2020. Additionally, the Company experienced some delays in drydocking and BWTS installations, operations and crew changes due to quarantine regulations and COVID-19 testing and resulting off-hire days.

Although the disruption from COVID-19 may only be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time but could materially affect our business, results of operations and financial condition.

Note 2. Significant Accounting Policies

- (a) **Principles of Consolidation:** The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP” or “GAAP”) and include the accounts of Eagle Bulk Shipping Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions were eliminated upon consolidation.
- (b) **Use of Estimates:** The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include vessel impairment, vessel valuations, residual value of vessels, the useful lives of vessels, the value of stock-based compensation, fair value of the Convertible Bond Debt (as defined below) and its equity component, estimated losses on our trade receivables, fair value of right-of-use assets and lease liabilities and the fair value of derivatives. Actual results could differ from those estimates.
- (c) **Cash, Cash Equivalents and Restricted Cash:** The Company considers highly liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less at the time of purchase to be cash equivalents. The Restricted cash - current balance as of December 31, 2020 relates to the proceeds from the sale of vessels, which were restricted pursuant to the terms under the Norwegian Bond Debt. Please see Note 6, Debt, for additional information. Additionally, the Company also had Restricted cash - noncurrent of \$0.1 million for collateralizing a letter of credit on our office lease as of December 31, 2021 and 2020.

The following table provides a reconciliation of cash, cash equivalents and restricted cash within the Consolidated Balance Sheets that sum to the total amounts shown in the Consolidated Statements of Cash Flows:

| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
|------------------------------|----------------------|----------------------|----------------------|
| Cash and cash equivalents | \$ 86,146,552 | \$ 69,927,594 | \$ 53,583,898 |
| Restricted cash - current | — | 18,846,177 | 5,471,470 |
| Restricted cash - noncurrent | 75,000 | 75,000 | 74,917 |
| | <u>\$ 86,221,552</u> | <u>\$ 88,848,771</u> | <u>\$ 59,130,285</u> |

- (d) **Accounts Receivable and Credit Losses:** Accounts receivable includes receivables from charterers for time and voyage charterers. On January 1, 2020, the Company adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, (or "ASC 326"). At each balance sheet date, the Company maintains an allowance for credit losses for expected uncollectible accounts receivable. The Company wrote off \$0.9 million and \$0.8 million for the years ended December 31, 2021 and 2020, respectively, related to previously reserved amounts in the allowance for doubtful accounts. The Company recorded a provision of \$0.4 million and \$0.7 million respectively, for doubtful accounts for the years ended December 31, 2021 and 2020.

The Company maintains an allowance for credit losses for expected uncollectible accounts receivable, which is recorded as an offset to accounts receivable and changes in such are classified as voyage expense in the Consolidated Statements of Operations for the years ended December 31, 2021, 2020 and 2019. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when we identify specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considered historical collectability based on past due status and made judgments about the creditworthiness of customers based on ongoing credit evaluations. The Company also considers customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. For the years ended December 31, 2021 and 2020, our assessment considered business and market disruptions caused by COVID-19 and estimates of expected emerging credit and collectability trends. The continued volatility in market conditions and evolving shifts in credit trends are difficult to predict causing variability and volatility that may have a material impact on our allowance for credit losses in future periods. The allowance for credit losses on accounts receivable was \$1.8 million as of December 31, 2021 and \$2.4 million as of December 31, 2020.

- (e) **Insurance Claims:** Insurance claims are recorded net of any deductible amounts for insured damages, which are recognized when recovery is virtually certain under the related insurance policies and where the Company can make an estimate of the amount to be reimbursed following the insurance claim. Insurance claims are included in accounts receivable on the consolidated balance sheets.
- (f) **Inventories:** Inventories, which consist of bunkers, are stated at cost which is determined on a first-in, first-out method. Lubes and spares are expensed as incurred.
- (g) **Vessels and Vessel Improvements, At Cost:** Vessels are stated at cost, which consists of the contract price, and other direct costs relating to acquiring and placing the vessels in service. Major vessel improvements such as scrubbers and ballast water systems are capitalized and depreciated over the remaining useful lives of the vessels. Depreciation is calculated on a straight-line basis over the estimated useful lives of the vessels based on the cost of the vessels reduced by the estimated scrap value of the vessels as discussed below.
- (h) **Vessel Useful Economic Life and Impairment of Long-Lived Assets:** The Company estimates the useful life of the Company's vessels to be 25 years from the date of initial delivery from the shipyard to the original owner. The useful lives of the Company's vessels are evaluated to determine if events have occurred which would require modification to their useful lives. In addition, the Company estimates the scrap value of the vessels to be \$300 per light weight ton ("lwt").

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When the estimate of undiscounted cash flows, excluding interest charges, expected to be generated by the use of the asset is less than its carrying amount, the Company will evaluate the asset for an impairment loss. Measurement of the impairment loss is based on the fair value of the asset as provided by third parties. The Company reviews on an annual basis all the assumptions used in the calculation of undiscounted cash flows. The Company uses the 15 year average of one and three year time charter rates as published by a reputable independent

third party shipping broker in its calculation of undiscounted cash flows. We did not recognize any vessel impairment charges for the years ended December 31, 2021, 2020 and 2019.

- (i) **Accounting for Drydocking Costs:** The Company follows the deferral method of accounting for drydocking costs whereby actual costs incurred are deferred and are amortized on a straight-line basis over the period through the date the next drydocking is required to become due, generally 30 months if the vessels are 15 years old or more and 60 months for the vessels younger than 15 years. Costs deferred as part of the drydocking include direct costs that are incurred as part of the drydocking to meet regulatory requirements. Certain costs are capitalized during drydocking if they are expenditures that add economic life to the vessel, increase the vessel's earnings capacity or improve the vessel's efficiency. Direct costs that are deferred include the shipyard costs, parts, inspection fees, steel, blasting and painting. Expenditures for normal maintenance and repairs, whether incurred as part of the drydocking or not, are expensed as incurred. Unamortized drydocking costs of vessels that are sold are written off and included in the calculation of the resulting gain or loss in the year of the vessels' sale. Unamortized drydocking costs are written off as drydocking expense if the vessels are drydocked before the expiration of the applicable amortization period.
- (j) **Deferred Financing Costs:** Fees incurred for obtaining new loans or refinancing existing ones are deferred and amortized to interest expense over the life of the related debt using the effective interest method. Unamortized deferred financing costs are written off when the related debt is repaid or refinanced and such amounts are expensed in the period the repayment or refinancing is made. Such amounts are classified as a reduction of the long-term debt balance on the consolidated balance sheets.
- (k) **Other Fixed Assets:** Other fixed assets are stated at cost less accumulated depreciation. Depreciation is based on a straight-line basis over the estimated useful life of the asset. Other fixed assets consist principally of leasehold improvements, computers and software and are depreciated over three years. Depreciation expense for other fixed assets for each of the years ended December 31, 2021, 2020 and 2019 was \$0.3 million.
- (l) **Leases:** On January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") 842, *Leases*, ("ASC 842"), which revised the accounting for leases. Under the revised lease standard, lessees are required to recognize a right-of-use asset and a lease liability for substantially all leases. The standard continues to classify leases as either financing or operating, with classification affecting the pattern of expense recognition. For operating leases, ASC 842 requires recognition in an entity's income statement of a single lease expense, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis. Right-of-use assets represent a right to use an underlying asset for the lease term and the related lease liability represents an obligation to make lease payments pursuant to the contractual terms of the lease agreement. Operating lease right-of-use assets are assessed for any potential impairment on each balance sheet date. The accounting applied by a lessor under ASC 842 is substantially equivalent to the prior lease accounting guidance.

At lease commencement, a lessee must develop a discount rate to calculate the present value of the lease payments so that it can determine lease classification and measure the lease liability. When determining the discount rate to be used at lease commencement, a lessee must use the rate implicit in the lease unless that rate cannot be readily determined. When the rate implicit in the lease cannot be readily determined, the lessee should use its incremental borrowing rate. The incremental borrowing rate is the rate that reflects the interest a lessee would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment.
- (m) **Accounting for Revenues and Expenses:** Revenues generated from time charters and/or revenues generated from profit sharing arrangements are recognized on a straight-line basis over the term of the respective time charter agreements as service is provided and the profit sharing is fixed and determinable.

Under voyage charters, voyage revenues for cargo transportation are recognized ratably over the estimated relative transit time of each voyage. Voyage revenue is deemed to commence upon the loading of the charterer's cargo and is deemed to end upon the completion of discharge, provided an agreed non-cancellable charter between the Company and the charterer is in existence, the charter rate is fixed and determinable, and collectability is reasonably assured.

Under voyage charters, voyage expenses include costs such as bunkers, port charges, canal tolls and cargo handling operations, whereas, under time charters, such voyage costs are the responsibility of the Company's customers. Vessel operating expenses include crewing, vessel maintenance and vessel insurance. Brokerage commissions under voyage or time charters are included in voyage expenses. All voyage and vessel operating expenses are expensed as incurred on an accrual basis, except for commissions. Commissions are recognized over the related time or voyage charter period since commissions are earned as the Company's revenues are earned. Probable losses on voyages are provided for in full at the time such loss can be estimated.

At the inception of a time charter, the Company records the difference between the cost of bunker from previous charterer and the bunker sold to the current charterer as a gain or loss within voyage expenses. Additionally, the Company records lower of cost and net realizable value adjustments to re-value the bunker fuel on a quarterly basis for certain time charter agreements where the inventory is subject to gains and losses. These differences in bunkers, including any lower of cost and net realizable value adjustments, resulted in a net (gain) or loss of (\$6.3 million), (\$0.6 million) and \$0.2 million during the years ended December 31, 2021, 2020 and 2019, respectively. Additionally, voyage expenses include the cost of bunkers consumed during the ballast period for time charter voyages. The ballast period starts from the completion of the previous voyage and ends on the delivery of the vessel to the current charterers.

- (n) **Unearned Charter Hire Revenue:** Unearned charter hire revenue represents cash received from charterers prior to the time such amounts are earned. These amounts are recognized as revenue as services are provided in future periods.
- (o) **Repairs and Maintenance:** All repair and maintenance expenses are expensed as incurred and are recorded in vessel operating expenses.
- (p) **Protection and Indemnity Insurance:** The Company's Protection and Indemnity Insurance is subject to additional premiums referred to as "back calls" or "supplemental calls" which are accounted for on an accrual basis and are recorded in vessel operating expenses.
- (q) **Earnings Per Share:** Basic earnings per share is computed by dividing the net income or loss by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the impact of stock options, restricted stock and warrants, if any, under the treasury stock method unless their impact is anti-dilutive. The Convertible Bond Debt is included in diluted earnings per share based on the if-converted method.
- (r) **Interest Rate Risk Management:** The Company is exposed to the impact of interest rate changes for outstanding debt under the revolver facility on the Global Ultraco Debt Facility. The Company's objective is to manage the impact of interest rate changes on its earnings and cash flows. During October 2021, the Company entered into four interest rate swaps to hedge the three month LIBOR based on floating interest rate exposure of the term loan under the Global Ultraco Debt Facility for the full notional amount of \$300.0 million ranging between 0.83% and 1.06%.
- (s) **Federal Taxes:** The Company is a Republic of the Marshall Islands Corporation. For the years ended December 31, 2021, 2020 and 2019, the Company believes that its operations qualify for Internal Revenue Code Section 883 exemption and therefore are not subject to United States federal taxes on United States source shipping income.

- (t) **Stock-Based Compensation:** The Company issues stock-based compensation utilizing both stock options and stock grants. In accordance with ASC 718, *Stock Compensation*, ("ASC 718"), stock-based compensation is measured at the fair value of the award at the date of grant and recognized over the period of vesting on a straight-line basis using the graded vesting method. The grant-date fair value of stock options is estimated using the Black-Scholes option pricing model. Additionally, the Company granted performance-based restricted stock grants in September 2021 to certain members of its senior management team under the 2016 Plan, which are contingent on certain performance criteria such as earnings per share and the total shareholder return. The fair value of such grants is valued using the Monte Carlo simulation model. Please see Note 13, Stock-Based Compensation, for additional information. Forfeitures are recognized as they occur.
- (u) **Collateral on Derivatives:** The Company does not offset fair value amounts recognized for derivatives by the right to reclaim cash collateral or the obligation to return cash collateral. The amount of collateral to be posted is defined in the terms of respective master agreement executed with counterparties or exchanges and is required when agreed upon threshold limits are exceeded. As of December 31, 2021 and 2020, the Company posted cash collateral related to derivative instruments under its collateral security arrangements of \$15.1 million and \$0.1 million, respectively, which is recorded within Collateral on derivatives for the year ended December 31, 2021 and recorded within Other current assets for the year ended December 31, 2020 in the consolidated balance sheets.

Recently Issued Accounting Pronouncements Not Yet Effective

The Financial Accounting Standards Board ("FASB") has issued accounting standards that had not yet become effective as of December 31, 2021 and may impact the Company's consolidated financial statements or related disclosures in future periods. Those standards and their potential impact are discussed below.

In March 2020, the FASB issued ASU 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, ("ASU 2020-04"). ASU 2020-04 addresses concerns about certain accounting consequences that could result from the anticipated transition away from the use of LIBOR and other interbank offered rates to alternative reference rates. ASU 2020-04 is elective and applies "to all entities, subject to meeting certain criteria, that have contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform." ASU 2020-04 establishes (1) a general contract modification principle that entities can apply in other areas that may be affected by reference rate reform and (2) certain elective hedge accounting expedients. ASU 2020-04 is optional and effective for all entities as of March 12, 2020 and may be applied prospectively to contract modifications made on or before December 31, 2022. In January 2021, the FASB issued ASU 2021-01, *Rate Reference Reform (Topic 848), Scope*, ("ASU 2021-01"), which clarifies certain provisions in Topic 848, if elected by an entity, to apply to derivative instruments that use interest rate for margining, discounting, or contract price alignment that is modified as a result of rate reference reform. The Company is currently evaluating the adoption of ASU 2020-04 on its debt under the Global Ultraco Debt Facility as it bears interest on outstanding borrowings at LIBOR plus a margin rate. Additionally, the Company is also evaluating the adoption of ASU 2021-01 on its interest rate swaps related to the Global Ultraco Debt Facility.

In August 2020, the FASB issued ASU 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. ASU 2020-06 removes from U.S. GAAP the separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature. As a result, after adopting the ASU's guidance, entities will not separately present in equity an embedded conversion feature in such debt. Instead, the entity will account for a convertible debt instrument wholly as debt, and for convertible preferred stock wholly as preferred stock (i.e., as a single unit of account), unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC 815, *Derivatives and Hedging*, or (2) a convertible debt instrument was issued at a substantial premium. ASU 2020-06 is effective for all public entities for fiscal years beginning after December 15, 2021, with early adoption permitted in fiscal years beginning after December 15, 2020. The Company is finalizing its evaluation of the adoption of ASU 2020-06 on its Convertible Bond Debt but has initially concluded

it will adopt this ASU under the modified retrospective approach and that the debt instrument will no longer require bifurcation and separate accounting of the equity component. Under this conclusion, the resulting debt discount will no longer be amortized to interest expense over the life of the bond.

Note 3. Vessels and Vessel Improvements

As of December 31, 2021, the Company's owned fleet consisted of 53 drybulk vessels.

During the fourth quarter of 2020, the Company entered into a series of memorandum of agreements to purchase three high specification scrubber-fitted Ultramax bulk carriers for a total purchase price of \$51.5 million including direct expenses of acquisition. The Company paid a deposit of \$3.3 million on these vessels as of December 31, 2020. The Company took delivery of the vessels during the first quarter of 2021.

During the first quarter of 2021, the Company entered into another series of memorandum of agreements to purchase four vessels. The first vessel is a high-specification scrubber-fitted Ultramax bulk carrier for a total purchase price of \$15.3 million and a warrant convertible into 212,315 common shares of the Company. The remaining three vessels are 2011-built, Crown-58 Supramax bulk carriers that were purchased for a total purchase price of \$20.5 million and a warrant convertible into 329,583 common shares of the Company. The above mentioned prices include direct expenses of acquisition. Common shares were issuable upon exercise of warrants on a pro-rata basis in connection with each vessel delivery. The warrants were measured at fair value on the date of the memorandum of agreement and recorded as Vessels and vessel improvements on the Consolidated Balance Sheets when the Company took delivery of the vessels. The fair value of the warrants for the total of 541,898 common shares was approximately \$10.7 million as of the date of the memorandum of agreements for each vessel. The Company took delivery of the four vessels during the second and third quarters of 2021 and issued 541,898 shares of common stock upon conversion of outstanding warrants.

During the second quarter of 2021, the Company entered into memorandum of agreements to acquire two high-specification 2015-built, scrubber-fitted Ultramax bulk carriers. This acquisition was partially financed with cash on hand, which included proceeds raised from equity issued under the Company's ATM Offering. The total cost of the vessels acquired including the direct costs of acquisition was \$42.2 million. The Company took delivery of the two vessels in each of the third and fourth quarters of 2021.

In the second quarter of 2021, the Company signed a memorandum of agreement to sell the vessel Tern for a total net consideration of \$9.2 million after commissions and associated selling expenses. The vessel was delivered to the buyer during the third quarter of 2021. The Company recorded a gain of \$4.0 million in its Consolidated Statements of Operations for the year ended December 31, 2021. Additionally, the Company wrote off \$0.3 million of unamortized drydock costs upon sale of the vessel.

During the third quarter of 2018, the Company entered into a contract for the purchase of ballast water treatment systems ("BWTS") on 39 of our owned vessels. The projected costs, including installation, are approximately \$0.5 million per BWTS. The Company intends to complete the installations during scheduled drydockings. The Company completed installation of BWTS on 23 vessels and recorded \$11.5 million in Vessels and vessel improvements in the Consolidated Balance Sheet as of December 31, 2021. Additionally, the Company recorded \$4.4 million as advances paid towards installation of BWTS on the remaining vessels as a noncurrent asset in its Consolidated Balance Sheet as of December 31, 2021.

The Vessels and vessel improvements activity for the years ended December 31, 2021 and 2020 is below:

| | December 31, 2021 | December 31, 2020 |
|---|-------------------|-------------------|
| Vessels and vessel improvements | \$ 810,713,959 | \$ 835,959,084 |
| Transfer from advances paid for vessel purchases | 3,250,000 | — |
| Purchase of vessels and vessel improvements | 128,326,112 | 979,612 |
| Fair value of warrants issued as consideration for vessel purchases | 10,679,988 | — |
| Sale of vessels | (4,885,998) | (23,458,118) |
| Scrubbers and BWTS | 4,588,585 | 39,706,507 |
| Depreciation expense | (44,596,733) | (42,473,126) |
| Vessels and vessel improvements | \$ 908,075,913 | \$ 810,713,959 |

Note 4. Deferred Drydock Costs

Drydocking activity is summarized as follows:

| | December 31, 2021 | December 31, 2020 |
|----------------------------------|-------------------|-------------------|
| Beginning Balance | \$ 24,153,776 | \$ 17,495,270 |
| Payments for drydocking | 21,906,358 | 14,293,562 |
| Drydock amortization | (8,655,617) | (7,378,752) |
| Write-off due to sale of vessels | (310,986) | (256,304) |
| Ending Balance | \$ 37,093,531 | \$ 24,153,776 |

Note 5. Other Accrued Liabilities

Other accrued liabilities consists of:

| | December 31, 2021 | December 31, 2020 |
|-------------------------------------|-------------------|-------------------|
| Vessel and voyage expenses | \$ 7,467,901 | \$ 4,625,539 |
| Scrubber, BWTS and drydocking costs | 1,743,255 | 1,178,695 |
| General and administrative expenses | 8,556,036 | 5,942,830 |
| Dividends payable | 226,107 | — |
| Total | \$ 17,993,299 | \$ 11,747,064 |

Note 6. Debt

Long-term debt consists of the following:

| | December 31, 2021 | December 31, 2020 |
|---|-----------------------|-----------------------|
| Convertible Bond Debt | \$ 114,119,000 | \$ 114,120,000 |
| Debt discount and debt issuance costs - Convertible Bond Debt | (13,165,256) | (17,459,515) |
| Convertible Bond Debt, net of debt discount and debt issuance costs | 100,953,744 | 96,660,485 |
| Global Ultraco Debt Facility | 287,550,000 | — |
| Debt issuance costs - Global Ultraco Debt Facility | (8,460,140) | — |
| Less: Current portion - Global Ultraco Debt Facility | (49,800,000) | — |
| Global Ultraco Debt Facility, net of debt issuance costs | 229,289,860 | — |
| Norwegian Bond Debt | — | 180,000,000 |
| Debt discount and debt issuance costs - Norwegian Bond Debt | — | (2,709,770) |
| Less: Current portion - Norwegian Bond Debt | — | (8,000,000) |
| Norwegian Bond Debt, net of debt discount and debt issuance costs | — | 169,290,230 |
| New Ultraco Debt Facility | — | 166,429,594 |
| Debt issuance costs - New Ultraco Debt Facility | — | (3,101,348) |
| Less: Current portion - New Ultraco Debt Facility | — | (31,244,297) |
| New Ultraco Debt Facility, net of debt issuance costs | — | 132,083,949 |
| Super Senior Facility | — | 15,000,000 |
| Debt issuance costs - Super Senior Facility | — | (103,643) |
| Super Senior Facility, net of debt issuance costs | — | 14,896,357 |
| Total long-term debt | \$ 330,243,604 | \$ 412,931,021 |

Convertible Bond Debt

On July 29, 2019, the Company issued \$114.1 million in aggregate principal amount of 5.0% Convertible Senior Notes due 2024 (the “Convertible Bond Debt”). After deducting debt discount of \$1.6 million, the Company received net proceeds of approximately \$112.5 million. Additionally, the Company incurred \$1.0 million of debt issuance costs relating to the transaction. The Company used the proceeds to partially finance the purchase of six Ultramax vessels and for general corporate purposes, including working capital. The Company took delivery of the vessels in the third and fourth quarters of 2019.

The Convertible Bond Debt bears interest at a rate of 5.0% per annum on the outstanding principal amount thereof, payable semi-annually in arrears on February 1 and August 1 of each year, which commenced on February 1, 2020. The Convertible Bond Debt may bear additional interest upon certain events, as set forth in the indenture governing the Convertible Bond Debt (the “Indenture”).

The Convertible Bond Debt will mature on August 1, 2024 (the “Maturity Date”), unless earlier repurchased, redeemed or converted pursuant to its terms. The Company may not otherwise redeem the Convertible Bond Debt prior to the Maturity Date.

Each holder has the right to convert any portion of the Convertible Bond Debt, provided such portion is of \$1,000 or a multiple thereof, at any time prior to the close of business on the business day immediately preceding the Maturity Date. The conversion rate of the Convertible Bond Debt after adjusting for the Reverse Stock Split effected on September 15, 2020 and the Company's payment of a cash dividend of \$2.00 per share on November 24, 2021 to shareholders of record as of November 15, 2021 is 26.747 shares of the Company's common stock per \$1,000 principal amount of Convertible Bond Debt, which is equivalent to a conversion price of approximately \$37.39 per share of its common stock (subject to further adjustments for future dividends).

Upon conversion, the Company will pay or deliver, as the case may be, either cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election, to the holder (subject to shareholder approval requirements in accordance with the listing standards of the Nasdaq Global Select Market).

If the Company undergoes a fundamental change, as set forth in the Indenture, each holder may require the Company to repurchase all or part of their Convertible Bond Debt for cash in principal amounts of \$1,000 or a multiple thereof. The fundamental change repurchase price will be equal to 100% of the principal amount of the Convertible Bond Debt to be repurchased, plus accrued and unpaid interest. If, however, the holders elect to convert their Convertible Bond Debt in connection with the fundamental change, the Company will be required to increase the conversion rate of the Convertible Bond Debt at a rate determined by a combination of the date the fundamental change occurs and the stock price of the Company's common stock on such date.

The Convertible Bond Debt is the general, unsecured senior obligation of the Company. It ranks: (i) senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the Convertible Bond Debt; (ii) equal in right of payment to any of the Company's unsecured indebtedness that is not so subordinated; (iii) effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) structurally junior to all indebtedness and other liabilities of current or future subsidiaries of the Company.

The indenture also provides for customary events of default. Generally, if an event of default occurs and is continuing, then the trustee or the holders of at least 25% in aggregate principal amount of the Convertible Bond Debt then outstanding may declare 100% of the principal of and accrued and unpaid interest, if any, on all the Convertible Bond Debt then outstanding to be due and payable.

In accordance with ASC 470, *Debt*, ("ASC 470") the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) is to be separately accounted for in a manner that reflects the issuer's non-convertible debt borrowing rate. The guidance requires the initial proceeds received from the sale of convertible debt instruments to be allocated between a liability component and equity component in a manner that reflects the interest expense at the interest rate of similar non-convertible debt that could have been issued by the Company at the time of issuance. The Company accounted for the Convertible Bond Debt based on the above guidance and attributed a portion of the proceeds to the equity component. The resulting debt discount is amortized using the effective interest method over the expected life of the Convertible Bond Debt as interest expense. Additionally, the debt discount and issuance costs were allocated based on the total amount incurred to the liability and equity components using the same proportions as the proceeds from the Convertible Bond Debt. See Note 2, Significant Accounting Policies, for discussion of the impact of ASU 2020-06 on the accounting for the Convertible Bond Debt upon adoption on January 1, 2022.

Share Lending Agreement

In connection with the issuance of the Convertible Bond Debt, certain persons entered into an arrangement (the "Share Lending Agreement") to borrow up to 511,840 shares of the Company's common stock through share lending arrangements from Jefferies LLC ("JCS"), an initial purchaser of the Convertible Bond Debt, which in turn entered into an arrangement to borrow the shares from an entity affiliated with Oaktree Capital Management, L.P., one of the Company's shareholders. The number of shares under the Share Lending Agreement have been adjusted for the Reverse Stock Split. As of December 31, 2021, the fair value of the 511,840 outstanding loaned shares was \$23.3 million based on the closing price of the common stock on December 31, 2021. In connection with the Share Lending Agreement, JCS paid \$0.03 million representing a nominal fee per borrowed share, equal to the par value of the Company's common stock.

While the share lending agreement does not require cash payment upon return of the shares, physical settlement is required (i.e., the loaned shares must be returned at the end of the arrangement). In view of this share return provision and other contractual undertakings of JCS in the share lending agreement, which have the effect of substantially eliminating the economic dilution that otherwise would result from the issuance of borrowed shares,

the loaned shares are not considered issued and outstanding for accounting purposes and for the purpose of computing and reporting the Company's basic and diluted weighted average shares or earnings per share. If JCS were to file bankruptcy or commence similar administrative, liquidating or restructuring proceedings, the Company will have to consider 511,840 shares lent to JCS as issued and outstanding for the purposes of calculating earnings per share.

Global Ultraco Debt Facility

On October 1, 2021, Eagle Bulk Ultraco LLC ("Eagle Ultraco"), a wholly-owned subsidiary of the Company, along with certain of its vessel-owning subsidiaries as guarantors, entered into a new senior secured credit facility (the "Global Ultraco Debt Facility") with the lenders party thereto (the "Lenders") Credit Agricole Corporate and Investment Bank ("Credit Agricole"), Skandinaviska Enskilda Banken AB (PUBL), Danish Ship Finance A/S, Nordea Bank ABP, Filial I Norge, DNB Markets Inc., Deutsche Bank AG, and ING Bank N.V., London Branch. The Global Ultraco Debt Facility provides for an aggregate principal amount of \$400.0 million, which consists of (i) a term loan facility in an aggregate principal amount of \$300.0 million (the "Term Facility") and (ii) a revolving credit facility in an aggregate principal amount of \$100.0 million (the "Revolving Facility") to be used for refinancing the outstanding debt including accrued interest and commitment fees under the Holdco Revolving Credit Facility, New Ultraco Debt Facility and Norwegian Bond Debt (the "Previous Debt Facilities"), which are discussed below, and for general corporate purposes. The Company paid fees of \$5.8 million to the Lenders in connection with the transaction.

The Global Ultraco Debt Facility has a maturity date of five years from the date of borrowing on the Term Facility, which is October 1, 2026. Outstanding borrowings bear interest at a rate of LIBOR plus 2.10% to 2.80% per annum, depending certain metrics such as the Company's financial leverage ratio and meeting sustainability linked criteria. Repayments of \$12.45 million are due quarterly beginning on December 15, 2021, with a final balloon payment of all outstanding principal and accrued interest due upon maturity. The loan is repayable in whole or in part without premium or penalty prior to the maturity date subject to certain requirements stipulated in the Global Ultraco Debt Facility.

The Global Ultraco Debt Facility is secured by 49 of the Company's vessels. The Global Ultraco Debt Facility contains certain standard affirmative and negative covenants along with financial covenants. The financial covenants include: (i) minimum consolidated liquidity based on the greater of (a) \$0.6 million per vessel owned directly or indirectly by the Company or (b) 7.5% of the Company's total debt; (ii) debt to capitalization ratio not greater than 0.60:1.00; and (iii) maintaining positive working capital.

Pursuant to the Global Ultraco Debt Facility, the Company borrowed \$350.0 million and together with cash on hand repaid the outstanding debt, accrued interest and commitment fees under the Holdco Revolving Credit Facility and New Ultraco Debt Facility. Concurrently, the Company issued a 10 day call notice to redeem the outstanding bonds under the Norwegian Bond Debt (see details below). Additionally, in October 2021, the Company entered into four interest rate swaps for the notional amount of \$300.0 million of the Term Facility under the Global Ultraco Debt Facility at a fixed interest rate ranging between 0.83% and 1.06% to hedge the LIBOR based floating interest rate (see Note 7, Derivative Instruments, for additional details).

Holdco Revolving Credit Facility

On March 26, 2021, Eagle Bulk Holdco LLC ("Holdco"), a wholly-owned subsidiary of the Company entered into a Credit Agreement ("Holdco Revolving Credit Facility") made by and among (i) Holdco, as borrower, (ii) the Company and certain wholly-owned vessel-owning subsidiaries of Holdco, as joint and several guarantors, (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the "RCF Lenders"), (iv) Crédit Agricole Corporate and Investment Bank and Nordea Bank ABP, New York Branch, as mandated lead arrangers, and (v) Crédit Agricole Corporate and Investment Bank, as arranger, facility agent and security trustee for the RCF Lenders. Borrowings under the Holdco Revolving Credit Facility were repaid in full on October 1, 2021 from the proceeds of the Global Ultraco Debt Facility. Certain of the lenders in the Holdco Revolving Credit Facility were also lenders in the Global Ultraco Debt Facility, and therefore, under the guidance in

ASC 470 with certain other criteria met, the Company accounted for the repayment as a debt modification. Unamortized debt issuance costs of \$0.2 million related to the Holdco Revolving Debt Facility were deferred and will be amortized over the term of the Global Ultraco Debt Facility.

New Ultraco Debt Facility

On January 25, 2019, Ultraco Shipping LLC ("Ultraco"), a wholly-owned subsidiary of the Company, entered into a senior secured credit facility, (the "New Ultraco Debt Facility"), which provided for a term loan facility and a revolving credit facility. The proceeds from the New Ultraco Debt Facility were used to repay the outstanding debt including accrued interest under the Original Ultraco Debt Facility (as defined below) and the New First Lien Facility (as defined below) in full and for general corporate purposes. Subsequent to amendments on each of October 1, 2019, April 20, 2020 and June 9, 2020, which provided incremental commitments along with certain other amendments, and an agency resignation and appointment and further amendments providing incremental commitments on April 5, 2021, the Company repaid the New Ultraco Debt Facility in full from the proceeds of the Global Ultraco Debt Facility on October 1, 2021. Certain of the lenders in the New Ultraco Debt Facility were also lenders in the Global Ultraco Debt Facility, and therefore, under the guidance in ASC 470 with certain other criteria met, the Company accounted for the repayment as a debt modification. Unamortized debt issuance costs of \$2.8 million related to the New Ultraco Debt Facility were deferred and will be amortized over the term of the Global Ultraco Debt Facility.

New First Lien Facility

On December 8, 2017, Eagle Shipping LLC, a wholly-owned subsidiary of the Company ("Eagle Shipping") entered into a credit agreement (the "New First Lien Facility"), which was repaid in full from the proceeds of the New Ultraco Debt Facility on January 25, 2019. The Company accounted for the above transaction as a debt extinguishment. As a result, the Company recognized \$1.1 million, representing the outstanding balance of debt issuance costs, as Loss on debt extinguishment in the Consolidated Statement of Operations for the year ended December 31, 2019.

Super Senior Facility

On December 8, 2017, Eagle Bulk Shipco LLC, a wholly-owned subsidiary of the Company ("Shipco") entered into a revolving credit facility in an aggregate amount of up to \$15.0 million (the "Super Senior Facility").

During the third quarter of 2021, the Company cancelled the Super Senior Facility. There were no outstanding amounts under the facility, and the Company recorded \$0.1 million as Loss on debt extinguishment in its Consolidated Statements of Operations for the year ended December 31, 2021.

Norwegian Bond Debt

On November 28, 2017, Shipco issued \$200.0 million in aggregate principal amount of 8.25% Senior Secured Bonds (the "Bonds" or the "Norwegian Bond Debt"). After giving effect to an original issue discount of approximately 1% and deducting offering expenses of \$3.1 million, the net proceeds from the issuance of the Bonds was approximately \$195.0 million. Interest on the Bonds accrued at a rate of 8.25% per annum and the Bonds were to mature on November 28, 2022.

During the year ended December 31, 2021, the Company sold one vessel for net proceeds of \$9.2 million; during the year ended December 31, 2020, the Company sold five vessels for combined net proceeds of \$23.2 million; and during the years ended December 31, 2019 and 2018, the Company sold five vessels for combined net proceeds of \$40.4 million. Pursuant to the bond terms governing the Norwegian Bond Debt, the proceeds from the sale of vessels were to be held in a restricted account to be used for the financing of the acquisition of additional vessels by Shipco and for the partial financing of the scrubbers. As a result, the Company recorded the proceeds from the sale of these vessels as Restricted cash - current in the Consolidated Balance Sheets as of December 31, 2020. The proceeds were used to purchase two Ultramax vessel for \$36.1 million and partial financing of scrubbers for

\$23.6 million. During the third quarter of 2021, the Company transferred the remaining proceeds from sale of vessels of \$13.8 million along with cash on hand of \$11.8 million into a Shipco defeasance account to be used towards redemption of the bonds in October 2021.

The Company issued a 10 day call notice to redeem the outstanding bonds under the Norwegian Bond Debt at a redemption price of 102.475% of the nominal amount of each bond. Pursuant to the bond terms, the Company paid \$185.6 million consisting of \$176.0 million par value of the outstanding bonds, accrued interest of \$5.2 million and \$4.4 million of a call premium into a defeasance account to be further credited to the bondholders upon expiry of the notice period. The bonds outstanding under the Norwegian Bond Debt were repaid in full on October 18, 2021 after the expiry of the requisite notice period.

The repayment of the Norwegian Bond Debt was considered a debt extinguishment under ASC 470, and therefore, the call premium of \$4.4 million and the unamortized debt discount and debt issuance costs of \$1.6 million were record as Loss on debt extinguishment in the Consolidated Statement of Operations for the year ended December 31, 2021.

Original Ultraco Debt Facility

On June 28, 2017, Ultraco, a wholly-owned subsidiary of the Company, entered into a credit agreement (the “Original Ultraco Debt Facility”), which was repaid in full from the proceeds of the New Ultraco Debt Facility on January 25, 2019. The Company accounted for the above transaction as a debt extinguishment. As a result, the Company recognized \$1.2 million representing the outstanding balance of debt issuance costs as Loss on debt extinguishment in the Consolidated Statement of Operations for the year ended December 31, 2019.

Interest rates

2021

For the year ended December 31, 2021, the interest rate on the Convertible Bond Debt was 5.00%. The weighted average effective interest rate including the amortization of debt discount and debt issuance costs for the year was 10.14%.

For the year ended December 31, 2021, the interest rate on the Global Ultraco Debt Facility ranged from 2.35% to 2.57%, including a margin over LIBOR applicable under the terms of the Global Ultraco Debt Facility and commitment fees of 40% of the margin on the undrawn portion of the revolver credit facility of the Global Ultraco Debt Facility. The weighted average effective interest rate including the amortization of debt issuance costs for the year was 3.04%.

For the year ended December 31, 2021, the interest rate on the Holdco Revolving Credit Facility, which was repaid on October 1, 2021, ranged from 2.55% to 2.60%, including a margin over LIBOR applicable under the terms of the Holdco Revolving Credit Facility and commitment fees of 40% of the margin on the undrawn portion of the revolver credit facility of the Holdco Revolving Credit Facility. The weighted average effective interest rate including the amortization of debt issuance costs for the year was 5.61%.

For the year ended December 31, 2021, the interest rate on the New Ultraco Debt Facility, which was repaid on October 1, 2021, ranged from 2.60% to 2.72%, including a margin over LIBOR applicable under the terms of the New Ultraco Debt Facility and commitment fees of 40% of the margin on the undrawn portion of the revolver credit facility of the New Ultraco Debt Facility. The weighted average effective interest rate including the amortization of debt issuance costs for the year was 3.28%.

For the year ended December 31, 2021, the interest rate on the Super Senior Facility was 2.24%. The weighted average effective interest rate including the amortization of debt issuance costs for the year was 2.58%. The outstanding revolver loan under the Super Senior Facility was repaid in the first quarter of 2021. The facility was cancelled during the third quarter of 2021.

For the year ended December 31, 2021, the interest rate on the Norwegian Bond Debt, which was repaid on October 18, 2021, was 8.25%. The weighted average effective interest rate including the amortization of debt discount and debt issuance costs for the year was 8.96%.

2020

For the year ended December 31, 2020, the interest rate on the Convertible Bond Debt was 5.00%. The weighted average effective interest rate including the amortization of debt discount and debt issuance costs for the year was 10.14%.

For the year ended December 31, 2020, the interest rate on the New Ultraco Debt Facility ranged from 2.73% to 4.68% including a margin over LIBOR applicable under the terms of the New Ultraco Debt Facility and commitment fees of 40% of the margin on the undrawn portion of the revolver credit facility of the New Ultraco Debt Facility. The weighted average effective interest rate including the amortization of debt discount and debt issuance costs for the year was 3.98%.

For the year ended December 31, 2020, the interest rate on our outstanding debt under the Super Senior Facility ranged between 2.24% and 2.89%. The weighted average effective interest rate including the amortization of debt issuance costs for the year was 3.00%. Additionally, we pay commitment fees of 40% of the margin on the undrawn portion of the Super Senior Revolver Facility.

For the year ended December 31, 2020, the interest rate on the Norwegian Bond Debt was 8.25%. The weighted average effective interest rate including the amortization of debt discount and debt issuance costs for the year was 8.75%.

2019

For the year ended December 31, 2019, the interest rate on the Convertible Bond Debt was 5.00%. The weighted average effective interest rate including the amortization of debt discount and debt issuance costs for the year was 10.14%.

For the year ended December 31, 2019, the interest rate on the New Ultraco Debt Facility ranged from 4.51% to 5.26% including a margin over LIBOR applicable under the terms of the New Ultraco Debt Facility and commitment fees of 40% of the margin on the undrawn portion of the revolver credit facility of the New Ultraco Debt Facility. The weighted average effective interest rate including the amortization of debt discount and debt issuance costs for the year was 4.54%.

For the year ended December 31, 2019, the interest rate on the New First Lien Facility, which was repaid on January 25, 2019, ranged from 5.89% to 6.01% including a margin over LIBOR applicable under the terms of the New First Lien Facility and commitment fees of 40% of the margin on the undrawn portion of the revolver credit facility of the New First Lien Facility. The weighted average effective interest rate including the amortization of debt discount and debt issuance costs for the year was 6.45%.

For the year ended December 31, 2019, the interest rate on the Norwegian Bond Debt was 8.25%. The weighted average effective interest rate including the amortization of debt discount and debt issuance costs for the year was 9.04%.

For the year ended December 31, 2019, the interest rate on the Original Ultraco Debt Facility, which was repaid on January 25, 2019, was 5.28% including a margin over LIBOR and commitment fees of 40% of the margin on the undrawn portion of the facility. The weighted average effective interest rate for the year was 6.80%.

Interest expense consisted of:

| | For the Years Ended | | |
|---|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
| Amortization of debt discount and debt issuance costs | \$ 7,082,655 | \$ 6,272,309 | \$ 3,783,939 |
| Convertible Bond Debt interest | 5,737,654 | 5,737,650 | 2,377,550 |
| Global Ultraco Debt Facility interest | 2,473,924 | — | — |
| Holdco RCF interest | 313,918 | — | — |
| Original Ultraco Debt Facility interest | — | — | 362,257 |
| Norwegian Bond Debt interest | 11,710,417 | 15,298,250 | 15,930,750 |
| New Ultraco Debt Facility interest | 4,335,026 | 7,612,342 | 7,172,442 |
| New First Lien Facility interest | — | — | 293,545 |
| Super Senior Facility interest | 29,818 | 215,804 | — |
| Commitment fees on revolver facilities | 573,375 | 256,268 | 657,006 |
| Total Interest expense | <u>\$ 32,256,787</u> | <u>\$ 35,392,623</u> | <u>\$ 30,577,489</u> |

Scheduled Debt Maturities

The following table presents the scheduled maturities of principal amounts of our debt obligations for the next five years.

| | Global Ultraco Debt Facility | Convertible Bond Debt (1) | Total |
|------|------------------------------|---------------------------|-----------------------|
| 2022 | \$ 49,800,000 | \$ — | \$ 49,800,000 |
| 2023 | 49,800,000 | — | 49,800,000 |
| 2024 | 49,800,000 | 114,119,000 | 163,919,000 |
| 2025 | 49,800,000 | — | 49,800,000 |
| 2026 | \$ 88,350,000 | \$ — | \$ 88,350,000 |
| | <u>\$ 287,550,000</u> | <u>\$ 114,119,000</u> | <u>\$ 401,669,000</u> |

(1) This amount represents the total amount of the Convertible Bond Debt that would be paid in cash at the election of the Company upon maturity.

Note 7. Derivative Instruments

Interest rate swaps

During October 2021, the Company entered into four interest rate swaps for the notional amount of \$300.0 million of the Term Facility under the Credit Agreement for the Global Ultraco Debt Facility at a fixed interest rate ranging between 0.83% and 1.06% to hedge the LIBOR-based floating interest rate.

On March 31, 2020, the Company entered into an interest rate swap to effectively convert a portion of its debt under the New Ultraco Debt Facility from a floating to a fixed-rate basis. The Company entered into two additional interest rate swap agreements during the second quarter of 2020 to convert the remaining portion of its outstanding debt under the New Ultraco Debt Facility excluding the revolver facility. In August 2021, the Company cancelled the interest rate swaps with a notional amount of \$150.8 million and incurred a \$0.2 million loss, which will be amortized as interest expense over the original life of the cancelled swaps. Concurrent with the cancellation, the Company entered into an interest rate swap with a notional amount of \$143.0 million, which was subsequently

cancelled on October 1, 2021 upon repayment of the debt. The Company incurred an additional \$0.2 million loss, which will be amortized as interest expense over the original life of the cancelled swaps.

The interest rate swaps were designated and qualified as cash flow hedges. The Company uses interest rate swaps for the management of interest rate risk exposure, as an interest rate swap effectively converts a portion of the Company's debt from a floating to a fixed rate. The interest rate swap is an agreement between the Company and counterparties to pay, in the future, a fixed-rate payment in exchange for the counterparties paying the Company a variable payment. The amount of the net payment obligation is based on the notional amount of the interest rate swap and the prevailing market interest rates. The Company may terminate the interest rate swaps prior to their expiration dates, at which point a realized gain or loss would be recognized. The value of the Company's commitment would increase or decrease based primarily on the extent to which interest rates move against the rate fixed for each swap.

Tabular disclosure of derivatives location

The following table summarizes the interest rate swaps in place as of December 31, 2021 and 2020:

| Interest Rate Swap Detail | | | | Notional Amount Outstanding | |
|---------------------------------|------------|------------------|-------------------|-----------------------------|-----------------------|
| Trade date | Fixed rate | Start date | End date | December 31, 2021 | December 31, 2020 |
| October 7, 2021 ⁽¹⁾ | 0.83% | October 12, 2021 | December 15, 2025 | \$ 215,662,500 | \$ — |
| October 13, 2021 ⁽¹⁾ | 0.94% | October 15, 2021 | December 15, 2025 | 23,962,500 | — |
| October 14, 2021 ⁽¹⁾ | 0.93% | October 18, 2021 | December 15, 2025 | 23,962,500 | — |
| October 22, 2021 ⁽¹⁾ | 1.06% | October 26, 2021 | December 15, 2025 | 23,962,500 | — |
| March 31, 2020 ⁽²⁾ | 0.64% | July 27, 2020 | January 26, 2024 | — | 72,452,297 |
| April 15, 2020 ⁽²⁾ | 0.58% | July 27, 2020 | January 26, 2024 | — | 36,226,149 |
| June 25, 2020 ⁽²⁾ | 0.50% | July 27, 2020 | January 26, 2024 | — | 57,751,148 |
| | | | | <u>\$ 287,550,000</u> | <u>\$ 166,429,594</u> |

⁽¹⁾ Interest rate swap associated with Global Ultraco Debt Facility.

⁽²⁾ Interest rate swap associated with New Ultraco Debt Facility.

Under these swap contracts, exclusive of applicable margins, the Company will pay fixed rate interest and receive floating-rate interest amounts based on three-month LIBOR settings.

The Company records the fair value of the interest rate swap as an asset or liability on its balance sheet. The effective portion of the swap is recorded in Accumulated other comprehensive income/(loss). As of December 31, 2021, the effective portion of the swap recorded in Accumulated other comprehensive income/(loss) was \$3.0 million. The estimated loss that is currently recorded in Accumulated other comprehensive income/(loss) as of December 31, 2021 that is expected to be reclassified into earnings within the next twelve months is \$0.6 million. No portion of the cash flow hedges was ineffective during the year ended December 31, 2021.

The effect of derivative instruments on the Consolidated Statements of Operations for the years ended December 31, 2021 and 2020 is below:

| Derivatives in Cash Flow Hedging Relationships | Amount of Gain or (Loss) Recognized in OCI on Derivatives | | Location of Gain or (Loss) Reclassified from Accumulated OCI into Income | Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income | |
|--|---|-------------------|--|--|-------------------|
| | For the Years Ended | | | For the Years Ended | |
| | December 31, 2021 | December 31, 2020 | | December 31, 2021 | December 31, 2020 |
| Interest rate swaps | \$ 2,105,718 | \$ (1,021,453) | Interest expense | \$ (912,965) | \$ 110,945 |

The following table shows the interest rate swap asset and liabilities as of December 31, 2021 and 2020:

| Derivatives designated as hedging instruments | Balance Sheet location | December 31, 2021 | December 31, 2020 |
|---|---|-------------------|-------------------|
| Interest rate swap | Fair value of derivative assets - noncurrent | \$ 3,112,091 | \$ — |
| Interest rate swap | Fair value of derivative liabilities - current | \$ 884,725 | \$ 481,791 |
| Interest rate swap | Fair value of derivative liabilities - noncurrent | \$ — | \$ 650,607 |

Forward freight agreements and bunker swaps

The Company trades in forward freight agreements (“FFAs”) and bunker swaps, with the objective of utilizing this market as economic hedging instruments that reduce the risk of specific vessels to changes in the freight market. The Company’s FFAs and bunker swaps have not qualified for hedge accounting treatment. As such, unrealized and realized gains are recognized as a component of Realized and unrealized loss/(gain) on derivative instruments, net in the Consolidated Statement of Operations and Other current assets and Fair value of derivatives in the Consolidated Balance Sheets. Derivatives are considered to be Level 2 instruments in the fair value hierarchy.

For our bunker swaps, the Company may enter into master netting, collateral and offset agreements with counterparties. As of December 31, 2021, the Company has International Swaps and Derivatives Association (“ISDA”) agreements with five applicable banks and financial institutions which contain netting provisions. In addition to a master agreement with the Company supported by a primary parent guarantee on either side, the Company also has associated credit support agreements in place with the two counterparties which, among other things, provide the circumstances under which either party is required to post eligible collateral, when the market value of transactions covered by these agreements exceeds specified thresholds. The Company does not anticipate non-performance by any of the counterparties. As of December 31, 2021, no collateral had been received or pledged related to these bunker swaps.

As of December 31, 2021, the Company had outstanding bunker swap agreements to purchase 21,660 metric tons of low sulphur fuel oil with prices ranging between \$272 and \$583 per metric ton, that are expiring in 2022.

The following table shows our open positions on FFAs as of December 31, 2021:

| FFA Period | Average FFA Contract Price | Number of Hedged |
|-----------------------------------|----------------------------|------------------|
| Quarter ending March 31, 2022 | \$ 26,352 | |
| Quarter ending June 30, 2022 | 24,809 | |
| Quarter ending September 30, 2022 | 21,638 | |
| Quarter ending December 31, 2022 | 20,259 | |

The Company will realize a gain or loss on these FFAs based on the price differential between the average daily BSI rate and the FFA contract price. The gains or losses are recorded in Realized and unrealized loss/(gain) on derivative instruments, net in the Consolidated Statement of Operations.

The effect of non-designated derivative instruments on the Consolidated Statements of Operations:

| Derivatives not designated as hedging instruments | Location of loss/(gain) recognized | For the Years Ended | |
|---|--|---------------------|-------------------|
| | | December 31, 2021 | December 31, 2020 |
| FFAs - realized loss | Realized and unrealized loss/(gain) on derivative instruments, net | \$ 41,138,509 | \$ 3,822,049 |
| FFAs - unrealized loss | Realized and unrealized loss/(gain) on derivative instruments, net | 58,747 | 711,708 |
| Bunker swaps - realized gain | Realized and unrealized loss/(gain) on derivative instruments, net | (2,962,916) | (8,347,947) |
| Bunker swaps - unrealized loss/(gain) | Realized and unrealized loss/(gain) on derivative instruments, net | 9,406 | (1,012,584) |
| Total | | \$ 38,243,746 | \$ (4,826,774) |

| Fair value of derivatives | | | | |
|---|----------------------------------|---------------|-------------------|-------------------|
| Derivatives not designated as hedging instruments | Location | Balance Sheet | December 31, 2021 | December 31, 2020 |
| FFAs - Unrealized loss | derivative liabilities - current | Fair value of | \$ 3,368,430 | \$ — |
| FFAs - Unrealized gain | derivative assets - current | Fair value of | 4,325,880 | — |
| Bunker Swaps - Unrealized gain | derivative assets - current | Fair value of | 342,993 | 352,399 |

See Note 2, Significant Accounting Policies, for a discussion of the Company's policy on its collateral on derivatives.

Note 8. Fair Value Measurements

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

Cash, cash equivalents and restricted cash—the carrying amounts reported in the consolidated balance sheets for interest-bearing deposits approximate their fair value due to their short-term nature thereof.

Debt—the carrying values approximates fair values for bonds issued under the Convertible Bond Debt, which is traded on NASDAQ. The carrying amount of our term loan borrowing under the Global Ultraco Debt Facility approximates its fair value, due to its variable interest rates.

The Company defines fair value, establishes a framework for measuring fair value and provides disclosures about fair value measurements. The fair value hierarchy for disclosure of fair value measurements is as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities. Our Level 1 non-derivatives include cash, money-market accounts and restricted cash accounts.
- Level 2 – Quoted prices for similar assets and liabilities in active markets or inputs that are observable. Our Level 2 non-derivatives include our debt balances under the Convertible Bond Debt and the Global Ultraco

Debt Facility. Freight forward agreements, bunker swaps and interest rate swaps are considered to be a Level 2 item as the Company, using the income approach to value the derivatives, uses observable Level 2 market inputs at measurement date and standard valuation techniques to convert future amounts to a single present amount assuming that participants are motivated, but not compelled to transact. See Note 7 Derivative Instruments.

- Level 3 – Inputs that are unobservable (for example cash flow modeling inputs based on assumptions).

Assets and liabilities measured at fair value:

| | | Fair Value | |
|--|-------------------------------|---------------|-------------|
| | Carrying Value ⁽⁸⁾ | Level 1 | Level 2 |
| December 31, 2021 | | | |
| Assets | | | |
| Cash and cash equivalents ⁽¹⁾ | \$ 86,221,552 | \$ 86,221,552 | \$ — |
| Collateral on derivatives | 15,080,567 | 15,080,567 | — |
| Fair value of derivative assets - current ⁽²⁾ | 4,668,873 | — | 4,668,873 |
| Fair value of derivative assets - noncurrent ⁽³⁾ | 3,112,091 | — | 3,112,091 |
| Liabilities | | | |
| Global Ultraco Debt Facility ⁽⁴⁾ | 287,550,000 | — | 287,550,000 |
| Convertible Bond Debt ⁽⁵⁾ | 114,119,000 | — | 147,498,808 |
| Fair value of derivative liabilities - current ⁽⁶⁾ | 4,253,155 | — | 4,253,155 |
| | | Fair Value | |
| | Carrying Value ⁽⁸⁾ | Level 1 | Level 2 |
| December 31, 2020 | | | |
| Assets | | | |
| Cash and cash equivalents ⁽¹⁾ | \$ 88,848,771 | \$ 88,848,771 | \$ — |
| Other current assets ⁽²⁾ | 483,739 | 131,340 | 352,399 |
| Liabilities | | | |
| Norwegian Bond Debt ⁽⁷⁾ | 180,000,000 | — | 173,250,000 |
| New Ultraco Debt Facility ⁽⁴⁾ | 166,429,594 | — | 166,429,594 |
| Super Senior Facility ⁽⁴⁾ | 15,000,000 | — | 15,000,000 |
| Convertible Bond Debt ⁽⁵⁾ | 114,120,000 | — | 92,748,748 |
| Fair value of derivative liabilities - current and noncurrent ⁽⁶⁾ | 1,132,398 | — | 1,132,398 |

- (1) Includes restricted cash (current and non-current) of \$0.1 million at December 31, 2021 and \$18.9 million at December 31, 2020.
- (2) Relates to unrealized mark-to-market gains on FFAs and bunker swaps as of December 31, 2021 and December 31, 2020. Includes \$0.1 million of collateral on derivatives as of December 31, 2020.
- (3) Includes \$3.1 million of unrealized gains on our interest rate swaps as of December 31, 2021.
- (4) The fair value of the liabilities is based on the required repayment to the lenders if the debt was discharged in full on December 31, 2021 and December 31, 2020.
- (5) The fair value of the Convertible Bond Debt is based on the last trade on December 16, 2021 and the last trade on December 21, 2020 on Bloomberg.com.
- (6) Includes \$3.4 million of unrealized mark-to-market losses on FFAs and \$0.9 million of unrealized losses on our interest rate swaps as of December 31, 2021 and \$1.1 million of unrealized losses on our interest rate swaps as of December 31, 2020.
- (7) The fair value of the bond is based on the last trade on December 14, 2020 on Bloomberg.com.
- (8) The outstanding debt balances represent the face value of the debt excluding debt discount and debt issuance costs.

Note 9. Commitments and Contingencies

Legal Proceedings

The Company is involved in legal proceedings and may become involved in other legal matters arising in the ordinary course of its business. The Company evaluates these legal matters on a case-by-case basis to make a determination as to the impact, if any, on its business, liquidity, results of operations, financial condition or cash flows.

In March 2021, the U.S. government began investigating an allegation that one of the Company's vessels may have improperly disposed of ballast water that entered the engine room bilges during a repair. The investigation of this alleged violation of environmental laws is ongoing, and although at this time we do not believe that this matter will have a material impact on the Company, our financial condition or results of operations, we cannot determine what penalties, if any, will be imposed. We have posted a surety bond as security for any fines, penalties or associated costs that may be issued, and the Company is cooperating fully with the U.S. government in its investigation of this matter. For the year ended December 31, 2021, the Company incurred and recorded \$2.8 million as Other operating expense in our Consolidated Statement of Operations, relating to this incident, which includes legal fees, surety bond expenses, vessel off-hire, crew changes and travel costs.

We have not been involved in any legal proceedings, other than as disclosed above, which we believe may have, or have had, a significant effect on our business, financial position, results of operations or liquidity, nor are we aware of any proceedings that are pending or threatened, other than as described above, which we believe may have a significant effect on our business, financial position, and results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Note 10. Leases

The following are the types of contracts the Company has, which are accounted for under lease guidance, ASC 842:

Time charter out contracts

The Company's shipping revenues are principally generated from time charters and voyage charters. In a time charter contract, the vessel is hired by the charterer for a specified period of time in exchange for consideration

which is based on a daily hire rate. The charterer has the full discretion over the ports visited, shipping routes and vessel speed. The contract/charter party generally provides typical warranties regarding the speed and performance of the vessel. The charter party generally has some owner protective restrictions such that the vessel is sent only to safe ports by the charterer, subject always to compliance with applicable sanction laws, and carry only lawful or non-hazardous cargo. In a time charter contract, the Company is responsible for all the costs incurred for running the vessel such as crew costs, vessel insurance, repairs and maintenance and lubes. The charterer bears the voyage related costs such as bunker expenses, port charges and canal tolls during the hire period. The performance obligations in a time charter contract are satisfied over the term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. The charterer generally pays the charter hire in advance of the upcoming contract period. The Company determined that all time charter contracts are considered operating leases and therefore fall under the scope of ASC 842 because: (i) the vessel is an identifiable asset; (ii) the Company does not have substantive substitution rights; and (iii) the charterer has the right to control the use of the vessel during the term of the contract and derives the economic benefits from such use.

Under ASC 842, the Company elected not to separate the lease and non-lease components included in the time charter revenue because the pattern of revenue recognition for the lease and non-lease components (included in the daily hire rate) is the same. The daily hire rate represents the hire rate for a bare boat charter as well as the compensation for expenses incurred running the vessel such as crewing expense, repairs, insurance, maintenance and lubes. Both the lease and non-lease components are earned by passage of time.

The revenue generated from time charter out contracts is recognized on a straight-line basis over the term of the respective time charter agreements, which are recorded as part of Revenues, net in our Consolidated Statements of Operations for the years ended December 31, 2021, 2020 and 2019.

Time charter-in contracts

The Company charters in vessels to supplement our own fleet and employs them both on time charters and voyage charters. The time charter-in contracts range in lease terms from 30 days to 2 years. Time charter-in contracts with an initial lease term of less than 12 months are excluded from the operating lease right-of-use assets and lease liabilities recognized on our Consolidated Balance Sheet but recognizes the operating lease right-of-use assets and the corresponding lease liabilities on the Consolidated Balance sheet for time charter-in contracts greater than 12 months. The Company recognizes the lease payments for all vessel operating leases as charter hire expenses on the Consolidated Statements of Operations on a straight-line basis over the lease term.

The Company determined that the time charter-in contracts do not contain an implicit borrowing rate. Therefore, the Company arrived at the incremental borrowing rate by determining the Company's implied credit rating and the yield curve for debt as of January 1, 2019. The Company then interpolated the yield curve to determine the incremental borrowing rate for each lease based on the remaining lease term on the specific lease. Based on the above methodology, the Company's incremental borrowing rates ranged from 2.81% to 6.08% for the five lease contracts (three time charter-in contracts and two office leases) for which the Company recorded operating lease right-of-use assets and corresponding lease liabilities.

The Company has time charter-in contracts for Ultramax vessels which are greater than 12 months as of the date of lease commencement. A description of each of these contracts is below:

(i) The Company entered into an agreement effective April 28, 2017, to charter-in a 61,400 dwt, 2013 built Japanese vessel for approximately four years with options for two additional years. The hire rate for the first four years is \$12,800 per day and the hire rate for the first optional year is \$13,800 per day and \$14,300 per day for the second optional year. The Company has determined that it will not exercise the existing options under this contract and therefore the options are not included in the calculation of the operating lease right-of-use asset. In addition, the Company's fair value below contract value of time charters acquired of \$1.8 million as of December 31, 2018, which related to the unamortized value of a prior charter with the same counterparty that had been recorded at the time of the Company's emergence from bankruptcy, was offset against the corresponding right of use asset on this lease as of January 1, 2019. On July 8, 2021, the Company exercised its option to extend the charter for another year

at a hire rate of \$13,800 per day. The Company has increased the lease liability and the corresponding right-of-use asset by \$5.0 million to reflect the extended lease term in its Consolidated Balance Sheet as of December 31, 2021. The discount rate utilized in the measurement of lease liability and the corresponding right-of-use asset based on the Company's implied credit rating and the yield curve for debt as of July 8, 2021 was 1.36%.

(ii) On May 4, 2018, the Company entered into an agreement to charter-in a 61,425 dwt, 2013 built Ultramax vessel for three years with an option for an additional two years. The hire rate for the first three years is \$12,700 per day and \$13,750 per day for the first year option and \$14,750 per day for the second year option. The Company took delivery of the vessel in the third quarter of 2018. During the second quarter of 2021, the Company decided to extend the lease term to its maximum redelivery date allowed under the charter party. Additionally, on June 28, 2021, the Company exercised its option to extend the charter for another year until October 19, 2022 at a hire rate of \$13,750 per day. The Company has increased the lease liability and the corresponding right-of-use asset by \$5.8 million to reflect the extended lease term in its Consolidated Balance Sheet as of December 31, 2021. The discount rate utilized in the measurement of lease liability and the corresponding right-of-use asset based on the Company's implied credit rating and the yield curve for debt as of June 28, 2021 was 1.34%.

(iii) On December 9, 2018, the Company entered into an agreement to charter-in a 62,487 dwt, 2016 built Ultramax vessel for two years. The hire rate for the vessel until March 2020 is \$14,250 per day and \$15,250 per day thereafter. The Company took delivery of the vessel in the fourth quarter of 2018. On December 25, 2019, the Company renegotiated the lease terms for another year at a hire rate of \$11,600 per day. The Company accounted for this as a lease modification on December 25, 2019 and increased its lease liability and right-of-use asset on its balance sheet as of December 31, 2019 by \$4.5 million. During the first quarter of 2021, the Company decided to extend the lease term to its maximum redelivery date allowed under the charter party. Therefore, the lease liability and the corresponding right-of-use asset as of March 31, 2021 have been increased by \$1.0 million to reflect the change in lease term from minimum redelivery date to maximum redelivery date allowed under the charter party. On May 4, 2021, the Company exercised its option to extend the charter for another year until July 31, 2022 at a hire rate of \$12,600 per day. The Company has increased the lease liability and the corresponding right-of-use asset by \$4.3 million to reflect the extended lease term in its Consolidated Balance Sheet as of December 31, 2021. The discount rate utilized in the measurement of lease liability and the corresponding right-of-use asset based on the Company's implied credit rating and the yield curve for debt as of May 4, 2021 was 1.38%.

(iv) On December 22, 2020, the Company entered into an agreement to charter-in a 63,634 dwt, 2021 built Ultramax vessel for twelve months with an option for an additional three months at a hire rate of \$5,900 per day plus 57% of the Baltic Supramax Index ("BSI") 58 average of 10 time charter routes as published by the Baltic Exchange each business day. Additionally, following the initial fifteen month period the Company has an additional option to extend for a period of eleven to thirteen months at an increased rate of \$6,500 per day with no change in the rest of the terms. Also, the Company shall share the scrubber benefit with the owners 50% calculated as the price differential between the high sulfur and low sulfur fuel oil based on actual bunker consumption during the lease period. On July 7, 2021, the Company took delivery of the vessel and recorded \$9.1 million as lease liability and corresponding right-of-use asset in its Consolidated Balance Sheet as of December 31, 2021. The discount rate utilized in the measurement of lease liability and the corresponding right-of-use asset based on the Company's implied credit rating and the yield curve for debt as of July 7, 2021 was 1.33%.

(v) On September 6, 2021, the Company entered into an agreement to charter-in a 2021 built Ultramax vessel for a period of a minimum of twelve months and a maximum of fifteen months at a hire rate of \$11,250 per day plus 57.5% of the BSI 58 average of 10 time charter routes published by the Baltic Exchange each business day. The Company has the option to extend the lease term for another year, during which time the fixed hire rate decreases to \$10,750 per day with no change to the remaining terms. The vessel is expected to be delivered to the Company in the second quarter of 2022. No right-of-use asset or corresponding liability has been recognized in the Consolidated Balance Sheet as of December 31, 2021 since the Company did not take delivery of the vessel and as such lease term has not begun yet.

Office leases

On October 15, 2015, the Company entered into a commercial lease agreement as a sublessee for office space in Stamford, Connecticut. The lease is effective from January 2016 through June 2023, with an average annual rent of

\$0.4 million. The lease is secured by a letter of credit backed by cash collateral of \$0.1 million and is recorded as Restricted cash - noncurrent in the accompanying Consolidated Balance Sheets as of December 31, 2021 and 2020.

In November 2018, the Company entered into an office lease agreement in Singapore, which was originally set to expire in October 2021, with an average annual rent of \$0.3 million. On August 17, 2021, the Company renewed the lease on the existing office space for an additional 5 years with an average annual rent of \$0.4 million. The Company increased the lease liability and the corresponding right-of-use asset by \$1.3 million in its Consolidated Balance Sheets as of December 31, 2021. The discount rate utilized in the measurement of lease liability and the corresponding right-of-use asset based on the Company's implied credit rating as of August 17, 2021 was 3.09%.

Additionally, the Company entered into a new lease agreement for an additional office space in Singapore for 4.9 years beginning in the second quarter of 2022 with an average annual rent of \$0.2 million. The Company took possession of the unit in February 2022. No right-of-use asset or corresponding liability has been recognized in the Consolidated Balance Sheets as of December 31, 2021 since the Company did not take possession of the office space and the lease term has not yet commenced.

The Company determined the two office leases to be operating leases and recorded the lease expense as part of General and administrative expenses in the Consolidated Statement of Operations for the years ended December 31, 2021, 2020 and 2019.

Operating lease right-of-use assets and lease liabilities as of December 31, 2021 and 2020 are as follows:

| Description | Location in Balance Sheet | December 31, 2021 ⁽¹⁾ | | December 31, 2020 ⁽¹⁾ | |
|--|---|----------------------------------|------------|----------------------------------|-----------|
| Non current assets: | | | | | |
| Chartered-in contracts greater than 12 months ⁽²⁾ | Operating lease right-of-use assets | \$ | 15,039,060 | \$ | 6,207,253 |
| Office leases | Operating lease right-of-use assets | | 1,978,369 | | 1,333,618 |
| | | \$ | 17,017,429 | \$ | 7,540,871 |
| Liabilities: | | | | | |
| Chartered-in contracts greater than 12 months | Current portion of operating lease liabilities | \$ | 15,039,060 | \$ | 6,974,943 |
| Office leases | Current portion of operating lease liabilities | | 689,047 | | 640,428 |
| Lease liabilities - current portion | | \$ | 15,728,107 | \$ | 7,615,371 |
| | | | | | |
| Office leases | Noncurrent portion of operating lease liabilities | | 1,282,553 | | 686,422 |
| Lease liabilities - non current portion | | \$ | 1,282,553 | \$ | 686,422 |

⁽¹⁾ The Operating lease right-of-use assets and Operating lease liabilities represent the present value of lease payments for the remaining term of the lease. The discount rates used ranged from 1.33% to 6.08%. The weighted average discount rate used to calculate the lease liability was 1.67%.

⁽²⁾ During the second quarter of 2020, the Company determined that there were impairment indicators present for one of our chartered-in vessel contracts and, as a result, we recorded an operating lease impairment of \$0.4 million. The operating lease impairment was included as component of Operating income/(loss) in our Consolidated Statements of Operations for the year ended December 31, 2020.

The table below presents the components of the Company's lease expenses and sub-lease income on a gross basis earned from chartered-in contracts greater than 12 months for the year ended December 31, 2021 and 2020:

| Description | Location in Statement of Operations | For the Year Ended December 31, 2021 | | For the Year Ended December 31, 2020 | |
|---|-------------------------------------|--------------------------------------|------------|--------------------------------------|------------|
| Lease expense for chartered-in contracts less than 12 months | Charter hire expenses | \$ | 20,553,368 | \$ | 8,731,978 |
| Lease expense for chartered-in contracts greater than 12 months | Charter hire expenses | | 16,548,324 | | 12,548,246 |
| | Total charter hire expenses | \$ | 37,101,692 | \$ | 21,280,224 |
| Lease expense for office leases | General and administrative expenses | \$ | 642,020 | \$ | 733,874 |
| Sub lease income from chartered-in contracts greater than 12 months * | Revenues, net | \$ | 25,372,314 | \$ | 8,589,156 |

* The sub-lease income represents only time charter revenue earned on the chartered-in contracts greater than 12 months. There is additional revenue earned from voyage charters on the same chartered-in contracts which is recorded in Revenues, net in our Consolidated Statements of Operations for the years ended December 31, 2021 and 2020. Additionally, there is revenue earned from time charters from chartered-in contracts less than 12 months which is included in Revenues, net in our Consolidated Statements of Operations for the years ended December 31, 2021 and 2020.

The cash paid for operating leases with terms greater than 12 months is \$18.1 million and \$14.0 million for the years ended December 31, 2021 and 2020, respectively.

The weighted average remaining lease term on our operating leases greater than 12 months is 12.82 months.

The table below provides the total amount of lease payments on an undiscounted basis on our time chartered-in contracts and office leases greater than 12 months as of December 31, 2021:

| Supplemental Disclosure Information | Chartered-in contracts greater than 12 months | Office leases | Total Operating leases |
|--|---|---------------|------------------------|
| Discount rate upon adoption ⁽¹⁾ | 5.37 % | 5.80 % | 5.48 % |
| Year: | | | |
| 2022 | 15,096,117 | 748,243 | 15,844,360 |
| 2023 | — | 510,074 | 510,074 |
| 2024 | — | 265,922 | 265,922 |
| 2025 | — | 265,195 | 265,195 |
| 2026 | — | 265,195 | 265,195 |
| 2027 | — | 53,766 | 53,766 |
| | 15,096,117 | 2,108,395 | 17,204,512 |
| Present value of lease liability | | | |
| Lease liabilities - short term | 15,039,060 | 689,047 | 15,728,107 |
| Lease liabilities - long term | — | 1,282,553 | 1,282,553 |
| Total lease liabilities | 15,039,060 | 1,971,600 | 17,010,660 |
| Discount based on incremental borrowing rate | \$ 57,057 | \$ 136,795 | \$ 193,852 |

⁽¹⁾ Discount rate upon adoption does not include the discount rate on the lease modification on December 25, 2019. The discount rate used for calculation of the right-of-use asset and the related lease liability on December 25, 2019 was 2.806%.

Note 11. Revenue

Voyage charters

In a voyage charter contract, the charterer hires the vessel to transport a specific agreed-upon cargo for a single voyage which may contain multiple load ports and discharge ports. The consideration in such a contract is determined on the basis of a freight rate per metric ton of cargo carried or occasionally on a lump sum basis. The charter party generally has a minimum amount of cargo. The charterer is liable for any short loading of cargo or “dead” freight. The voyage contract generally has standard payment terms of 95% freight paid within three days after completion of loading. The voyage charter party generally has a “demurrage” or “despatch” clause. As per this clause, the charterer reimburses the Company for any potential delays exceeding the allowed laytime as per the charter party clause at the ports visited which is recorded as demurrage revenue. Conversely, the charterer is given credit if the loading/discharging activities happen within the allowed laytime known as despatch, resulting in a reduction in revenue. In a voyage charter contract, the performance obligations begin to be satisfied once the vessel begins loading the cargo. The Company determined that its voyage charter contracts consist of a single performance obligation of transporting the cargo within a specified time period. Therefore, the performance obligation is met evenly as the voyage progresses and the revenue is recognized on a straight line basis over the voyage days from the commencement of the loading of cargo to the completion of discharge.

The voyage contracts are considered service contracts which fall under the provisions of ASC 606, *Revenue Recognition*, (“ASC 606”) because the Company, as the shipowner, retains the control over the operations of the

vessel such as directing the routes taken or the vessel speed. The voyage contracts generally have variable consideration in the form of demurrage or despatch. The amount of revenue earned as demurrage or paid by the Company as despatch for the years ended December 31, 2021, 2020 and 2019 was \$20.7 million, \$6.3 million and \$10.7 million, respectively.

The following table shows the revenues earned from time charters and voyage charters for the years ended December 31, 2021, 2020 and 2019:

| | For the Years Ended | | |
|-----------------|-----------------------|-----------------------|-----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
| Time charters | \$ 299,613,590 | \$ 105,028,131 | \$ 128,142,708 |
| Voyage charters | 294,924,064 | 170,105,416 | 164,234,930 |
| | <u>\$ 594,537,654</u> | <u>\$ 275,133,547</u> | <u>\$ 292,377,638</u> |

Contract costs

In a voyage charter contract, the Company bears all voyage related costs such as fuel costs, port charges and canal tolls. These costs are considered contract fulfillment costs because the costs are direct costs related to the performance of the contract and are expected to be recovered. The costs incurred during the period prior to commencement of loading the cargo, primarily bunkers, are deferred as they represent setup costs and recorded as a current asset and are amortized on a straight-line basis as the related performance obligations are satisfied. As of December 31, 2021 and 2020, the Company recognized \$0.7 million and \$0.5 million, respectively, of deferred costs which represents bunker expenses and charter hire expenses incurred prior to commencement of loading. These costs are recorded in Other current assets on the Consolidated Balance Sheets.

Note 12. Net Income/(Loss) per Common Share

The computation of basic net income/(loss) per share is based on the weighted average number of common shares outstanding for the years ended December 31, 2021, 2020 and 2019. Diluted net income/(loss) per share gives effect to stock awards, stock options and restricted stock units using the treasury stock method, unless the impact is anti-dilutive.

Diluted net income per share for the year ended December 31, 2021 includes 200,145 stock awards and 47,568 stock options as their effect was dilutive. Additionally, the Convertible Bond Debt is not considered a participating security and therefore not included in the computation of Basic net income per share for the year ended December 31, 2021. The Company determined that it does not overcome the presumption of share settlement of outstanding debt, and therefore, the Company applied the if-converted method and included the potential shares to be issued upon conversion of Convertible Bond Debt in the calculation of Diluted net income per share for the year ended December 31, 2021 as their effect was dilutive.

Diluted net loss per share for the year ended December 31, 2020 does not include 218,013 stock awards, 325,591 stock options and outstanding warrants convertible to 21,718 shares of common stock as their effect was anti-dilutive. Additionally, the Convertible Bond Debt is not considered a participating security and therefore not included in the computation of Basic net loss per share for the year ended December 31, 2020. The Company determined that it does not overcome the presumption of share settlement of outstanding debt and therefore the Company applied the if-converted method and did not include the potential shares to be issued upon conversion of Convertible Bond Debt in the calculation of Diluted net loss per share for the year ended December 31, 2020 as their effect was anti-dilutive.

Diluted net loss per share for the year ended December 31, 2019 does not include 222,786 stock awards, 326,399 stock options and outstanding warrants convertible to 21,718 shares of common stock as their effect was anti-

dilutive. Additionally, the Convertible Bond Debt is not considered a participating security and therefore not included in the computation of Basic net loss per share for the year ended December 31, 2019. The Company determined that it does not overcome the presumption of share settlement of outstanding debt, and therefore, the Company applied the if-converted method and did not include the potential shares to be issued upon conversion of Convertible Bond Debt in the calculation of Diluted net loss per share for the year ended December 31, 2019 as their effect was anti-dilutive.

| | For the Years Ended | | |
|---|---------------------|-------------------|---------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2019 * |
| Net income/(loss) | \$ 184,897,884 | \$ (35,063,468) | \$ (21,697,115) |
| Weighted Average Shares - Basic | 12,399,509 | 10,310,246 | 10,195,088 |
| Dilutive effect of stock options, warrants and restricted stock units | 3,284,883 | — | — |
| Weighted Average Shares - Diluted | 15,684,392 | 10,310,246 | 10,195,088 |
| Basic net income/(loss) per share | \$ 14.91 | \$ (3.40) | \$ (2.13) |
| Diluted net income/(loss) per share | \$ 11.79 | \$ (3.40) | \$ (2.13) |

* Adjusted to give effect for the 1-for-7 Reverse Stock Split that became effective on September 15, 2020. See Note 1, General Information.

Note 13. Stock Incentive Plans

As a result of the Reverse Stock Split, proportional adjustments were made to the Company's issued and outstanding common stock and to its common stock underlying stock options and other common stock-based equity grants outstanding immediately prior to the effectiveness of the Reverse Stock Split. No fractional shares were issued in connection with the Reverse Stock Split. All references herein to common stock and per share data presented in this footnote have been retrospectively adjusted to reflect the Reverse Stock Split.

2014 Management Incentive Plan

On October 15, 2014, in accordance with the Plan of Reorganization, the Company adopted the post-emergence Management Incentive Program (the "2014 Plan" or "MIP"), which provided for the distribution of New Eagle MIP Primary Equity in the form of shares of New Eagle Common Stock, and New Eagle MIP Options, to the participating senior management and other employees of the reorganized Company with 2% of the New Eagle Common Stock (on a fully diluted basis) on the Effective Date, and two tiers of options to acquire 5.5% of the New Eagle Common Stock (on a fully diluted basis) with different strike prices based on the equity value for the reorganized Company.

There are no unvested restricted stock awards outstanding as of December 31, 2021 and 2020 under the 2014 Plan.

There are no unvested and unexercised options as of December 31, 2021. There were 40,000 options vested but not exercised and no unvested options as of December 31, 2020. The 40,000 vested options were exercised in November 2021 at an exercise price of \$29.96 per share and 5,351 shares were issued after tax.

2016 Equity Compensation Plan

On December 15, 2016, the Company's shareholders approved the 2016 Equity Compensation Plan (the "2016 Plan") and the Company registered 764,087 shares of common stock, which can be issued under the 2016 Plan. The 2016 Plan replaced the 2014 Plan and no other awards will be granted under the 2014 Plan. Under the terms of the 2016 Plan, awards for up to a maximum of 428,571 shares may be granted under the 2016 Plan to any one employee of the Company and its subsidiaries during any one calendar year, and awards in the form of options and stock appreciation rights for up to a maximum of 428,571 shares may be granted under the 2016 Plan. The total number of

shares of common stock with respect to which awards may be granted under the 2016 Plan to any non-employee director during any one calendar year shall not exceed 71,428, subject to adjustment as provided in the 2016 Plan. Any Director, officer, employee or consultant of the Company or any of its subsidiaries (including any prospective officer or employee) is eligible to be designated to participate in the 2016 Plan. The Company withheld shares related to restricted stock awards that vested in 2021 at the fair market value equivalent to the maximum statutory tax withholding obligation and remitted that amount in cash to the appropriate taxation authorities. On June 7, 2019, the Company's shareholders approved an amendment and restatement of the 2016 Plan, which increased the number of shares reserved under the 2016 Plan by an additional 357,142 shares to a maximum of 1,121,229 shares of common stock.

On February 19, 2021, the Company granted 92,327 restricted shares as a Company-wide grant under the 2016 Plan. The aggregate fair value of the grant is \$2.8 million based on the closing share price of \$29.96 on February 19, 2021. The shares will vest in equal installments on each of the next three grant date anniversaries over a three-year term. Additionally, on February 19, 2021, the Company granted 4,341 shares of fully vested common stock to its board of directors. The aggregate fair value of the director grant is \$0.1 million based on the closing share price of \$29.96 on February 19, 2021. The amortization of the above grants is \$1.8 million for the year ended December 31, 2021, which is included in General and administrative expenses in the Consolidated Statements of Operations.

On September 3, 2021, the Company granted 17,727 shares of time-based restricted share awards to certain members of its senior management team under the 2016 Plan. The shares will vest in equal installments on each of the next three grant date anniversaries over a three-year term. The aggregate fair value of these awards is \$0.9 million based on the closing share price of \$49.77 on September 3, 2021. The amortization of the above grant is \$0.2 million for the year ended December 31, 2021, which is included in General and administrative expenses in the Consolidated Statements of Operations.

Additionally, on September 3, 2021, the Company granted performance-based restricted stock grants to certain members of its senior management team under the 2016 Plan, which are contingent on certain performance criteria. The maximum number of performance-based stock awards that can be issued are 53,182.

Of the maximum 53,182 performance-based stock awards granted, 35,454 shares were granted on September 3, 2021 based on earnings per share ("EPS performance") for the year ended December 31, 2021 (with targets set forth earlier in 2021). These performance-based restricted shares will vest in equal installments on each of the next three grant-date anniversaries over a three-year term, subject to achievement of the EPS performance criteria. The aggregate fair value of these awards is \$1.8 million based on the closing share price of \$49.77 on September 3, 2021. The EPS performance is considered to be a performance condition under ASC 718, and therefore, the stock-based compensation expense is initially recorded based on the probable outcome that the performance condition will be achieved as of the grant date with subsequent adjustments to the probable outcome over time. The ultimate expense recognized is based on the actual performance outcome at the end of the performance period. As of December 31, 2021, the Company achieved the maximum EPS performance target (100%) and recorded \$0.4 million as stock-based compensation expense which is included in General and administrative expenses in its Consolidated Statement of Operations for the year ended December 31, 2021.

Of the maximum 53,182 performance-based stock awards granted, 17,728 shares were granted on September 3, 2021, based on relative total shareholder return ("TSR performance") for the year ended December 31, 2021. These market-based restricted shares will vest in equal installments on each of the next three grant-date anniversaries over a three-year term, subject to achievement of the relative TSR market condition. All the vested TSR performance shares are subject to a one-year holding period after vesting. The TSR performance is based on the Company's total shareholder return compared to seven peer companies over the performance period which ranges between January 1, 2021 and December 31, 2021. The TSR performance is calculated based on average daily closing stock price over a 20-trading-day period at each of the beginning and end of the performance period. The aggregate fair value of the TSR performance awards, which was calculated using a Monte Carlo simulation model, was \$0.5 million. The assumptions used in the model were the closing stock price of \$49.77 on September 3, 2021; the risk-free rate of return of 0.05% based on 4-month treasury rates as of September 3, 2021; expected volatility of 55.66% based on 1-year historical daily volatility of the closing share prices for the Company; and 8.1% discount applied for the 1-year

holding period using the Finnerty model. Volatility for each of the peer companies as well as the correlation of returns between each of the companies was also determined as inputs into the Monte Carlo model. As of December 31, 2021, the Company determined that the TSR performance achievement will be 64.1% of the total maximum shares under the market criteria and recorded \$0.2 million as stock-based compensation expense, which is included in General and administrative expenses in its Consolidated Statement of Operations for the year ended December 31, 2021.

The following schedule represents outstanding stock awards granted under the 2016 Plan, excluding the performance-based shares described above:

| | Restricted shares | Weighted Average Fair value on grant date | Aggregate fair value (in millions) | Vesting Terms |
|---|-------------------|---|--|--|
| Unvested restricted stock outstanding as of December 31, 2019 | 222,786 | \$ 32.63 | \$ 7.27 | 33% vesting annually over three-year term |
| Issued during 2020 | 107,930 | 22.12 | 2.39 | |
| Vested during 2020 | (65,981) | 32.63 | (2.15) | |
| Forfeitures and cancellations due to settlement of tax liability on vested shares during 2020 | (46,722) | 32.63 | (1.52) | |
| Unvested restricted stock outstanding as of December 31, 2020 | 218,013 | 27.48 | 5.99 | 33% vesting annually over three-year term |
| Issued during 2021 | 114,395 | 33.40 | 3.82 | |
| Vested during 2021 | (81,734) | 27.48 | (2.25) | |
| Forfeitures and cancellations due to settlement of tax liability on vested shares during 2021 | (50,529) | 27.48 | (1.39) | |
| Unvested restricted stock outstanding as of December 31, 2021 | 200,145 | \$ 30.83 | \$ 6.17 | |

The following schedule represents unvested options outstanding granted under the 2016 Plan:

| Options | Weighted Average Exercise Price | Fair Value of Options on grant date | Aggregate fair value (in millions) |
|--|------------------------------------|---|---------------------------------------|
| Unvested options outstanding as of December 31, 2019 | 26,000 \$ 38.92 | \$ 18.20 | \$ 0.47 |
| Vested and unexercised during 2020 | (13,000) | 38.92 | (9.10) |
| Unvested options outstanding as of December 31, 2020 | 13,000 \$ 38.92 | \$ 9.10 | \$ 0.23 |
| Vested and unexercised during 2021 | (13,000) | 38.92 | (9.10) |
| Unvested options outstanding as of December 31, 2021 | — | \$ — | \$ — |

There are 47,568 options vested but not exercised as of December 31, 2021. The Company issues new shares upon exercise of any vested options. All options expire within five years from the grant date. The vested but not exercised options expire on March 1, 2022 and June 1, 2022 at exercise prices ranging between \$32.97 and \$38.92 per share. All 47,568 options were exercised prior to March 1, 2022.

The stock-based compensation expense for the above stock awards and options under the 2016 Plan and 2014 Plan included in General and administrative expenses:

| | For the Years Ended | | |
|--|---------------------|-------------------|-------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
| Stock awards / stock option plans | \$ 3,481,095 | \$ 3,048,280 | \$ 4,826,324 |
| Total stock-based compensation expense | \$ 3,481,095 | \$ 3,048,280 | \$ 4,826,324 |

The future compensation expense to be recognized for all grants for the years ending December 31, 2022, 2023 and 2024 is estimated to be \$2.5 million, \$1.0 million and \$0.2 million.

Note 14. Employee Benefit Plan

In October 2010, the Company established a safe harbor 401(k) plan, which is available to full-time office employees who meet the plan's eligibility requirements. The plan allows participants to contribute to the plan a percentage of pre-tax compensation, but not in excess of the maximum allowed under the Internal Revenue Code. The Company was matching contributions amounting to 100% of the first 3% and 50% of the next 2% of each employee's salary. The matching contribution vests immediately. The Company revised its matching contributions to 100% up to 6% of each employee's salary beginning January 1, 2019. The total matching contribution incurred by the Company and included in general and administrative expenses for the years ended December 31, 2021, 2020 and 2019 was \$433,048, \$447,574 and \$435,142, respectively.

The Company has a discretionary profit sharing contribution program under which employees may receive profit sharing contributions based on the Company's annual operating performance. For the years ended December 31, 2021, 2020 and 2019, the Company did not make a profit sharing contribution.

Note 15. Subsequent events

On February 22, 2022, the Company's Board of Directors declared a cash dividend of \$2.05 per share to be paid on March 25, 2022 to shareholders of record at the close of business on March 15, 2022. The aggregate amount of the dividend is expected to be approximately \$27.0 million, which the Company anticipates will be funded from cash on hand.

**DESCRIPTION OF THE REGISTRANT’S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

The following description of the terms of the capital stock of Eagle Bulk Shipping, Inc. (the "Company," "we," "us" and "our") is not complete and is qualified in its entirety by reference to our Third Amended and Restated Articles of Incorporation, as amended (our "Charter"), our Second Amended and Restated Bylaws, as amended (our "Bylaws" and, together with our Charter, our "Governing Documents"), both of which are exhibits to our Annual Reports on Form 10-K, and the Business Corporations Act of 1990, as amended, of the Republic of the Marshall Islands (the "BCA"). Our Common Stock (as defined below) is listed on the Nasdaq Global Select Market under the symbol "EGLE."

Authorized Capital Stock

Under our Charter, our authorized capital stock consists of 700 million shares of Common Stock, par value \$0.01 per share (our "Common Stock"), and 25 million shares of preferred stock, par value \$0.01 per share (the "Preferred Stock" and, together with Common Stock, "Capital Stock"). There are no shares of Preferred Stock issued and outstanding. All of our shares of stock are in registered form. Holders of Common Stock do not have conversion, redemption or preemptive rights to subscribe to any of our securities. The rights, preferences and privileges of holders of Common Stock are subject to the rights of the holders of any shares of Preferred Stock, which we may issue in the future.

Dividend Rights

Subject to preferences that may be applicable to any outstanding shares of Preferred Stock, if any, holders of shares of Common Stock are entitled to receive ratably all dividends, if any, declared by our Board out of assets or funds legally available for dividends.

Voting Rights

Our Governing Documents provide that, except as may otherwise be provided in the Governing Documents (including any designation relating to any outstanding series of Preferred Stock) or by applicable law, each holder of shares of our Common Stock, as such, shall be entitled to one vote for each share of our Common Stock held of record by such holder on all matters on which shareholders generally are entitled to vote. Under our Bylaws, those nominees who, in an election of directors, receive a plurality of the votes cast by the shareholders present in person or represented by proxy at the meeting and entitled to vote thereon shall be elected. All other matters properly submitted to a vote of the shareholders shall be decided by the vote of the holders of a majority of the voting power of the shares entitled to vote thereon present in person or by proxy at the meeting, unless otherwise provided by law, rule or regulation, including any stock exchange rule or regulation, applicable to the Company. Under the Charter, holders of our Common Stock are prohibited from having cumulative voting rights.

Liquidation Rights

Upon our liquidation, dissolution or winding up, after payment in full of all amounts required to be paid to creditors and to the holders of Preferred Stock having liquidation preferences, if any, the holders of our Common Stock will be entitled to receive pro rata our remaining assets and funds available for distribution.

Preferred Stock

Our Charter authorizes our Board to establish one or more series of Preferred Stock and to determine, with respect to any series of Preferred Stock, the terms and rights of that series, including:

- the designation of the series;
- the number of shares in the series;
- the designations, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions of such series; provided that the total shares of Preferred Stock shall in no event have an aggregate liquidation preference of more than \$300 million; and
- the voting rights, if any, of the holders of the series.

It is not possible to state the actual effect of the authorization and issuance of one or more series of Preferred Stock upon the rights of holders of Common Stock until our Board determines the specific terms, rights and preferences of a series of Preferred Stock.

Convertible Notes

In July 2019, the Company issued \$114.12 million in aggregate principal amount of 5.00% Convertible Senior Notes due 2024 (the “Convertible Bond Debt”) in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and to certain non-U.S. persons in offshore transactions outside of the United States in reliance on Regulation S under the Securities Act, pursuant to an indenture (the “Indenture”), dated as of July 29, 2019, between the Company and Deutsche Bank Trust Company Americas, as trustee (the “Trustee”). Each holder of Convertible Bond Debt has the right to convert any portion of the Convertible Bond Debt, provided such portion is of \$1,000 or a multiple thereof, at any time prior to the close of business on the business day immediately preceding the Maturity Date (as defined in the Indenture). The conversion rate is subject to adjustment upon the occurrence of certain specified corporate events, but will not be adjusted for any accrued and unpaid interest. As of March 11, 2022, the conversion rate of the Convertible Bond Debt is 26.747 shares of our Common Stock per \$1,000 principal amount of Convertible Bond Debt (which is equivalent to a conversion price of approximately \$37.39 per share of our Common Stock).

Upon conversion, the Company will pay or deliver, as the case may be, either cash, shares of Common Stock or a combination of cash and shares of Common Stock, at the Company's election, to the holder. However, without first obtaining shareholder approval in accordance with the listing standards of the Nasdaq Global Select Market, the Company may not issue shares of Common Stock in excess of 19.9% of Common Stock outstanding at the time the Convertible Bond Debt was initially issued.

Directors

Our directors are elected by a majority of the votes cast by shareholders entitled to vote.

Our Board is elected annually, and each director elected holds office for a one-year term and until his successor shall have been duly elected and qualified, except in the event of his death, resignation, removal, or the earlier termination of his term of office. Our Board has the authority to fix the amounts which shall be payable to the members of the Board for attendance at any meeting or for services rendered to us and for the reimbursement of reasonable and documented expenses.

Shareholder Meetings

Under our Bylaws, annual shareholder meetings will be held at a time and place selected by our Board. The meetings may be held in or outside of the Marshall Islands. Our Governing Documents provide that, except as otherwise required by law, special meetings of shareholders may be called at any time only by (i) the lead director (if any), (ii) the chairman of the Board, (iii) the Board pursuant to a resolution duly adopted by a majority of the board stating the purpose or purposes thereof, or (iv) any one or more shareholders who beneficially owns, in the aggregate, 15% or more of the aggregate voting power of all then-outstanding shares of Common Stock and any other class or series of capital stock of the Company entitled to vote generally in the election of directors. The notice of any such special meeting is to include the purpose or purposes thereof, and the business transacted at the special meeting is limited to the purpose or purposes stated in the notice (or any supplement thereto). These provisions may impede the ability of shareholders to bring matters before a special meeting of shareholders. Our Board may set a record date between 15 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting.

Dissenters' Rights of Appraisal and Payment

Under the BCA, our shareholders have the right to dissent from various corporate actions, including any merger or consolidation sale of all or substantially all of our assets not made in the usual course of our business, and receive payment of the fair value of their shares. In the event of any further amendment of our Charter, a shareholder also has the right to dissent and receive payment for his or her shares if the amendment alters certain rights in respect of those shares. The dissenting shareholder must follow the procedures set forth in the BCA to receive payment. In the event that we and any dissenting shareholder fail to agree on a price for the shares, the BCA procedures involve, among other things, the institution of proceedings in the high court of the Marshall Islands or in any appropriate court in any jurisdiction in which the Company's shares are primarily traded on a local or national securities exchange.

Shareholders' Derivative Actions

Under the BCA, any of our shareholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the shareholder bringing the action is a holder of Common Stock both at the time the derivative action is commenced and at the time of the transaction to which the action relates.

Anti-Takeover Provisions

Several provisions of our Governing Documents, which are summarized below, may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our Board to maximize shareholder value in connection with any unsolicited offer to acquire us. However, these anti-takeover provisions could also discourage, delay or prevent (1) the merger or acquisition of the Company by means of a tender offer, a proxy contest or otherwise that a shareholder may consider to be in its best interest and (2) the removal of incumbent officers and directors.

Election and Removal of Directors

Our Bylaws require parties other than the Board to give advance written notice of nominations for the election of directors. Our Charter also provides that our directors may only be removed for cause upon the affirmative vote of a majority of the outstanding shares of our capital stock entitled to vote for the election of directors. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in our Board for any reason may only be filled by a vote of a majority of the directors then in office, even if less than a quorum (except that a quorum is required if the vacancy results from an increase in the number of directors).

Certain Voting Requirements

Our Charter provides that a two-thirds vote is required to amend or repeal certain provisions of our Charter and Bylaws, including those provisions relating to: the number and election of directors; filling of board vacancies; resignations and removals of directors; director liability and indemnification of directors; the power of shareholders to call special meetings; advance notice of director nominations and shareholders proposals; and amendments to our Charter and Bylaws. These supermajority provisions may discourage, delay or prevent the changes to our Charter or Bylaws.

Advance Notice Requirements for Shareholder Proposals and Director Nominations

Our Bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. To be timely, a shareholder's notice will have to be received at our principal executive office not less than 60 days nor more than 90 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days

before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever occurs first, in order for such notice by a shareholder to be timely. Our Bylaws also specify requirements as to the form and content of a shareholder's notice. These advance notice requirements, particularly the 60 to 90 day requirement, may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

Blank Check Preferred Stock

Under the terms of our Charter, our Board has authority, without any further vote or action by our shareholders, to issue shares of blank check Preferred Stock; provided that the total shares of blank check Preferred Stock shall in no event have an aggregate liquidation preference of more than \$300 million. Our Board may issue shares of Preferred Stock on terms calculated to discourage, delay or prevent a change of control of our Company or the removal of our management.

The BCA does not require shareholder approval for any issuance of authorized shares. However, the listing requirements of the Nasdaq Global Select Market, which will apply so long as our Common Stock is listed on the NASDAQ, require shareholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of our Common Stock.

Action by Written Consent

Our Bylaws provide that any action required or permitted to be taken by the shareholders may be effected only at a duly called annual or special meeting of the shareholders. Except as otherwise mandated by law, the ability of shareholders to consent in writing to the taking of any action is specifically denied by our Bylaws.

Limitations on Liability and Indemnification of Officers and Directors

The BCA authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their shareholders for monetary damages for breaches of directors' fiduciary duties. Our Bylaws include a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent permitted by law.

Our Bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by law. We are also expressly authorized to advance certain expenses (including attorneys' fees) to our directors and officers and carry directors' and officers' insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive offices.

The limitation of liability and indemnification provisions in our Governing Documents may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duties. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, our shareholders investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the claim has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

CREDIT AGREEMENT

for Loans of up to \$400,000,000 dated as of

October 1, 2021 By and among

EAGLE BULK ULTRACO LLC
as Borrower,

the INITIAL GUARANTORS,
as Guarantors,

EAGLE BULK SHIPPING INC.,
as Parent and as Guarantor, the LENDERS party

hereto,

the SWAP BANKS party hereto, and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,

as Security Trustee and Facility Agent together with

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,

DANISH SHIP FINANCE A/S,

DNB MARKETS, INC,

NORDEA BANK ABP, FILIAL I NORGE,

and

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),

as Mandated Lead Arrangers and Bookrunners,

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,

as Structurer and Sustainability Coordinator, and

DNB BANK ASA, NEW YORK BRANCH,

as Swap Coordinator

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This CREDIT AGREEMENT, dated as of October 1, 2021 (this “Agreement”), is by and among EAGLE BULK ULTRACO LLC as Borrower, the INITIAL GUARANTORS, as Guarantors, EAGLE BULK SHIPPING INC., as Parent and Guarantor, the LENDERS party hereto, the SWAP BANKS party hereto, CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, DANISH SHIP FINANCE A/S, DNB MARKETS, INC, NORDEA BANK ABP, FILIAL I NORGE and SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), as Mandated Lead Arrangers and Bookrunners, and CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Structurer and Sustainability Coordinator, DNB Bank ASA, New York Branch, as Swap Coordinator, CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Security Trustee and CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Facility Agent.

PRELIMINARY STATEMENTS:

1. The Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels, as identified in Schedule IV, to consist of (i) the Term Facility (in the aggregate amount of up to \$300,000,000), for the purposes of refinancing the Existing Facilities and for general corporate purposes and (ii) the Revolving Facility (in the aggregate amount of up to \$100,000,000), for the purposes of refinancing the Existing Facilities and for general corporate purposes.

2. As a condition to the obligation of the Lenders to make the credit facilities available to the Borrower hereunder, the Guarantors have agreed to guarantee, on the terms and conditions set forth herein, the obligations of the Borrower under this Agreement and any Secured Swap Contract.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“Account Bank” means the Dutch Account Bank, the French Account Bank, any bank or financial institution listed on Schedule VI or such other bank agreed to from time to time between the Facility Agent and the Borrower.

“Account Pledge” means any first priority pledge of any of the Upstream Guarantor Operating Accounts, the Borrower Operating Account and the Debt Service Account in substantially the form of Exhibit A-1 (with respect to the Dutch Account Bank) or Exhibit A-2 (with respect to the French Account Bank), or any other form approved by the Facility Agent, with the consent of the Required Lenders (such consent not to be unreasonably withheld or delayed), in writing.

“Acquisition” means, as to any Person, the purchase or other acquisition (in one transaction or a series of transactions, including through a merger) of all of the equity interests of another Person or all or substantially all of the property, assets or business of another Person or of the assets constituting a business unit, line of business or division of another Person.

“Additional Guarantor” means any Wholly-Owned Subsidiary of the Borrower that is acceptable to the Facility Agent that shall become a party hereto as an Upstream Guarantor by executing

and delivering to the Facility Agent a Guarantor Accession Agreement, including (a) any such Person that is or shall be the owner of any Additional Vessel or Additional Young Vessel financed or to be financed by any Incremental Commitment pursuant to Section 2.21(a), and (b) any such Person providing additional Collateral to secure the Obligations, and includes without limitation, collectively, the Persons listed on Schedule II hereto under the heading "Additional Guarantors".

"Additional Vessels" means, other than any Additional Young Vessel, any supramax or ultramax bulk carriers with an age of no older than twelve (12) years, owned or to be owned by an Additional Guarantor and financed pursuant to any Incremental Commitments, and "Additional Vessel" means any of them.

"Additional Young Vessels" means any supramax or ultramax bulk carriers with an age of younger than five (5) years, owned or to be owned by an Additional Guarantor and financed pursuant to any Incremental Commitments, and "Additional Young Vessel" means any of them.

"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Facility Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent Parties" has the meaning specified in Section 11.01(d)(ii).

"Agreement" has the meaning specified in the introductory paragraph hereof.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus 1/2 of 1% and (c) the Eurodollar Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Rate or the Eurodollar Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Rate or the Eurodollar Rate, respectively. If the Facility Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Rate or the Eurodollar Rate for any reason, including the inability of the Facility Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Alternate Base Rate shall be determined without regard to clause (b) or (c), as applicable, above until the circumstances giving rise to such inability no longer exist; provided that at no time will the Alternate Base Rate be deemed to be less than 0% per annum. Any change in the Alternate Base Rate due to a change in the Eurodollar Rate, the Federal Funds Rate or the Prime Rate shall be effective on the effective date of such change in the Eurodollar Rate, the Federal Funds Rate or the Prime Rate, respectively. For the avoidance of doubt, the Alternate Base Rate shall only be applicable in accordance with the terms of Section 2.17(a).

"Annex VI" means Annex VI of the Protocol of 1997 (as subsequently amended from time to time) to amend the International Convention for the Prevention of Pollution from Ships 1973 (Marpol), as modified by the Protocol of 1978 relating thereto.

"Applicable Law" means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

“Applicable Margin” means, with respect to any Term Facility Borrowing or Revolving Facility Borrowing, (a) until the delivery of financial statements pursuant to Section 5.01(a) and 5.01(b) and the related Compliance Certificate pursuant to Section 5.02(a) for the period ending on September 30, 2021, a percentage per annum equal to 2.45% and (b) at any time thereafter, a percentage per annum set forth in the table below under the appropriate caption based on the Consolidated Net Leverage Ratio set forth in the most recent Compliance Certificate received by the Facility Agent pursuant to Section 5.02(a) as the case may be:

| PRICING LEVEL | APPLICABLE MARGIN | CONSOLIDATED NET LEVERAGE RATIO |
|---------------|-------------------|---------------------------------|
| I | 2.15% | <3.00:1.00 |
| II | 2.45% | ≥3.00:1.00 and <5.00:1.00 |
| III | 2.75% | ≥5.00:1.00 |

Any increase or decrease in the Applicable Margin resulting from a change in the Consolidated Net Leverage Ratio shall become effective as of the first Business Day immediately following the final date on which the applicable Compliance Certificate is required to be delivered pursuant to Section 5.02(a); provided that if notification is provided to the Borrower by the Facility Agent that the Required Lenders have so elected, “Pricing Level III” (such level, the “Highest Applicable Margin”) shall apply (x) in the event that the Compliance Certificate pursuant to Section 5.02(a) was not delivered, as of the fifth (5th) Business Day after the final date on which the Compliance Certificate was so required to be delivered, and shall continue to so apply to and including the date on which such Compliance Certificate is so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply), (y) in the event of an Event of Default under Sections 9.01(a), (e), (f), (g) or (h), as of the first (1st) Business Day after such Event of Default shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and (z) upon direction of the Required Lenders, as of the first (1st) Business Day after any other Event of Default under Section 9.01 shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply); provided that the Required Lenders shall not be required to take any acceleration action in connection with an election to apply the Highest Applicable Margin following any such other Event of Default; provided further that the Highest Applicable Margin shall apply if Consolidated EBITDA is negative.

In addition, upon the delivery of a Sustainability Certificate pursuant to Section 5.02(g), the Applicable Margin shall be adjusted for the next applicable Interest Period in accordance with the Sustainability Pricing Adjustment Schedule.

“Applicable Percentage” means with respect to any Lender, the percentage of the Total Commitments represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

“Approved Broker” means (a) the Persons listed on Schedule III, and (b) any other Person proposed by the Borrower which the Facility Agent may, with the consent of the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed), approve from time to time.

“Approved Flag” means the flag of the Marshall Islands, Liberia, Singapore, the United Kingdom, Bermuda, the Isle of Man, Hong Kong or such other flag as the Facility Agent may, with the consent of the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed), approve from time to time in writing as the flag on which a Vessel shall be registered.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Approved Manager” means (a) the Parent, (b) any of the Parent’s Affiliates including Eagle Bulk Management LLC and any of its Affiliates and (c) any other reputable manager proposed by the Borrower which the Facility Agent may, with the consent of the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed), approve from time to time as the technical and/or commercial manager of a Vessel, including with respect to the technical manager of a Vessel, without limitation, V-Ships, Wilhelmsen Ship Management, Fleet Management Limited and Anglo-Eastern, including with respect to the commercial manager of a Vessel internationally recognized pool operators with the consent of the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed).

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.04), and accepted by the Facility Agent, in substantially the form of Exhibit B or any other form approved by the Facility Agent.

“Assignment of Earnings” means, in relation to a Vessel, an assignment of the Earnings and any Requisition Compensation of that Vessel, in substantially the form of Exhibit C, or any other form approved by the Facility Agent.

“Assignment of Insurances” means, in relation to a Vessel, an assignment of the Insurances of that Vessel, in substantially the form of Exhibit D, or any other form approved by the Facility Agent.

“Attributable Indebtedness” means, as of any date of determination, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP (as applicable on the date of this Agreement), and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP (as applicable on the date of this Agreement) if such lease were accounted for as a capital lease.

“Audited Financial Statements” means the audited consolidated balance sheet of the Parent and its Subsidiaries for the fiscal year ended December 31, 2020 and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such fiscal year of the Parent and its Subsidiaries.

“Bail-in Action” has the meaning specified in Section 11.17.

“Balloon Installment” has the meaning specified in Section 2.06.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Bookrunner” means Crédit Agricole Corporate and Investment Bank, Skandinaviska Enskilda Banken AB (publ), Danish Ship Finance A/S, DNB Markets, Inc and Nordea Bank Abp, Filial i Norge, each in its capacity as bookrunner.

“Bond Terms” means the bond terms for 8.250% senior secured USD 200,000,000 bonds, dated November 22, 2017, made by, among others, Eagle Bulk Shipco LLC, as issuer, and Nordic Trustee AS, as bond trustee.

“Borrower” means Eagle Bulk Ultraco LLC, a limited liability company formed and existing under the laws of the Republic of the Marshall Islands.

“Borrower Operating Account” means an account in the name of the Borrower with an Account Bank designated Eagle Bulk Ultraco LLC Borrower Operating Account”, which shall not be a blocked account.

“Borrowing” means a borrowing consisting of simultaneous Loans made by the Lenders under this Agreement.

“Borrowing Request” means a request for a Borrowing which shall be in substantially the form of Exhibit E, or any other form approved by the Facility Agent.

“Business Day” means any day that is not a Saturday, Sunday or other day that is a legal holiday under the laws of the State of New York, France, England, Sweden, Denmark, Hamburg, Frankfurt am Main, Norway, any jurisdiction where an Operating Account is held or the Republic of the Marshall Islands or is a day on which banking institutions in such jurisdiction are authorized or required by Law to close; provided that, when used in connection with LIBOR, the term “Business Day” means any such day that is also a day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

“Capitalization” means, as of any date of determination, as to the Parent and its Subsidiaries on a consolidated basis at any time, the sum of Consolidated Net Debt and Consolidated Net Worth.

“Capitalized Lease” means each lease that has been or is required to be, in accordance with GAAP (as applicable on the date of this Agreement), recorded as a capitalized lease.

“Casualty Event” means any involuntary loss of title to, damage to or any destruction of, or any condemnation or other taking (including by any governmental authority) of, any Collateral of any Obligor having a value greater than \$1,500,000, including, without limitation, pursuant to any Total Loss.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means: (a) in respect of the Upstream Guarantors, the occurrence of any act, event or circumstance that without prior written consent of all Lenders results in the Borrower owning directly less than 100% of the issued and outstanding Equity Interests in an Upstream Guarantor (unless such Upstream Guarantor has been released as an Upstream Guarantor in accordance with the terms hereof); (b) in respect of the Borrower, the occurrence of any act, event or circumstance that without prior written consent of the Lenders results in the Parent owning directly less than 100% of the issued and outstanding Equity Interests in the Borrower; and (c) in respect of the Parent, (i) a “person” or “group” (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act), other than Permitted Holders, becomes the ultimate “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act and including by reason of any change in the ultimate “beneficial ownership” of the Equity Interests of the Parent) of more than 35% of the total voting power of the voting stock of the Parent (calculated on a fully diluted basis); or (ii) any person, other than Permitted Holders, obtains the power (whether or not exercised) to elect a majority of the Board of Directors or equivalent governing body of the Parent.

“Charter Assignment” means, in relation to a Vessel, an assignment of any demise charter and any time or consecutive voyage charter for an initial term which exceeds thirteen (13) months for the Vessel entered into by the Borrower or an Upstream Guarantor (other than a charter pursuant to any pool agreement or pooling arrangement), in substantially the form of Exhibit F, or any other form approved by the Facility Agent.

“Classification Society” means, in relation to a Vessel, American Bureau of Shipping, DNV-GL, Lloyd’s Register of Shipping or Nippon Kaiji Kyokai or such other first-class vessel classification society that is a member of IACS that the Facility Agent may, with the prior consent of the Required Lenders, approve from time to time in writing.

“Closing Date” means the date of this Agreement.

“Code” means the Internal Revenue Code of 1986.

“Collateral” means all property (whether real or personal, including, without limitation, any proceeds thereof) with respect to which any security interests have been granted (or purport to be granted) pursuant to any Security Document.

“Commitment” means a Revolving Facility Commitment or a Term Facility Commitment, as applicable.

“Commitment Termination Dates” means each of the Term Facility Commitment Termination Date and the Revolving Facility Commitment Termination Date.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning specified in Section 11.01(d)(ii).

“Compliance Certificate” means a certificate in substantially the form of Exhibit N, or in any other form approved by the Facility Agent.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Current Assets” means, at a particular date with respect to the Parent and all of its Subsidiaries, all amounts which would, in conformity with GAAP, be included under current assets on a consolidated balance sheet of the Parent and its consolidated Subsidiaries as at such date but excluding, without duplication, fair value of any acquired time charter and any intangible assets.

“Consolidated Current Liabilities” means, at a particular date with respect to the Parent and all of its Subsidiaries, all amounts which would, in conformity with GAAP, be included under current liabilities on a consolidated balance sheet of the Parent and its consolidated Subsidiaries as at such date but excluding, without duplication, the current portion of any long-term Indebtedness, fair value of any acquired time charter, the current portion of operating lease liabilities and any intangible liabilities.

“Consolidated EBITDA” means, for any period (in each case based on the Parent on a consolidated basis), Consolidated Net Income for such period plus, without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (a) all federal, state, local and foreign income taxes and tax distributions; (b) Consolidated Interest Expense; (c) extraordinary and unusual items (in accordance with GAAP); (d) depreciation, depletion, amortization of intangibles and other non-cash charges or non-cash losses (including any drydocking expenses, non-cash transaction expenses and the amortization of debt discounts); (e) all stock-based compensation; (f) any write-off for financing costs; (g) losses on sale of vessels; and (k) reasonable fees, costs and expenses, without duplication, incurred in connection with (i) this Agreement and the other Loan Documents, including any future amendment, restatement, supplement or other modification of this Agreement or any of the other Loan Documents, and (ii) the acquisition or disposition of Vessels (irrespective of whether such transaction is actually consummated), minus, to the extent included in determining Consolidated Net Income for such period, (a) any non-cash income or non-cash gains (including any unrealized gain/loss on freight forward agreements and bunker swaps); (b) any extraordinary gains on asset sales not incurred in the ordinary course of business; and (c) gains on any sale of vessels.

“Consolidated Interest Expense” means, for any period, total interest expense net of total interest income of the Parent and its Subsidiaries determined on a consolidated basis in accordance with GAAP for such period with respect to all outstanding Indebtedness of the Parent and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Swap Contracts in respect of interest rates to the extent that such net costs are allocable to such period).

“Consolidated Net Debt” means, as of any date of determination, as to the Parent and its Subsidiaries on a consolidated basis at any time, the aggregate sum of Consolidated Total Debt less cash and cash equivalents (as construed in conformity with GAAP) then held by the Parent and its Subsidiaries on a consolidated basis.

“Consolidated Net Income” means, for any period, the consolidated net income (or loss) of the Parent and its Subsidiaries determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Parent or is merged into or consolidated with the Parent or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Parent) in which the Parent or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Parent or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Parent (other than an Obligor) to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or requirement of Law applicable to such Subsidiary.

“Consolidated Net Leverage Ratio” means, as of any date of determination, for the Test Period most recently ended, the ratio of (x) Consolidated Net Debt to (y) Consolidated EBITDA.

“Consolidated Net Worth” means, as of any date of determination, as to the Parent and its Subsidiaries on a consolidated basis at any time, the Shareholders’ Equity of the Parent and its Subsidiaries on a consolidated basis determined in accordance with GAAP.

“Consolidated Total Debt” means, as of any date of determination, the aggregate stated balance sheet amount of all Indebtedness of the Parent and its Subsidiaries (or, if higher, the par value or stated face amount of all such Indebtedness (other than zero coupon Indebtedness)) on a consolidated basis on such date (to the extent such Indebtedness would be included on a balance sheet prepared in accordance with GAAP).

“Contractual Obligation” means, as to any Person, any provision of any material agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Corresponding Liabilities” means all present and future liabilities and contractual and non-contractual obligations of an Obligor under or in connection with this Agreement, the other Loan Documents and any Secured Swap Contract, but excluding its Parallel Liability.

“Credit Rating Agency” means (a) Standard & Poor’s Financial Services LLC (“S&P”), (b) Moody’s Investors Service, Inc. (“Moody’s”), (c) Fitch Ratings Inc., and (d) any other nationally recognized credit rating agency that evaluates the financial condition of issuers of debt instruments and then assigns a rating that reflects its assessment of the issuer’s ability to make debt payments, to the extent consented to by the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed).

“Debt Service Account” means an account in the name of the Borrower with the French Account Bank designated “Eagle Bulk Ultraco LLC – Debt Service Account”.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Debtor Relief Plan” means a plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws.

“Debt to Capitalization Ratio” means, as of any date of determination, the ratio of (x) Consolidated Net Debt to (y) Capitalization.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means an interest rate (before as well as after judgment) equal to the applicable interest rate plus 2.00% per annum.

“Defaulting Lender” means, subject to Section 2.20(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Facility Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Facility Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Facility Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Facility Agent or the Borrower, to confirm in writing to the Facility Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Facility Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Facility Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Delisting Event” means the failure of the Parent at any time to cause its common Equity Interests to remain listed on the NASDAQ Stock Market or, if applicable, the New York Stock Exchange or another nationally recognized stock exchange approved in writing by the Required Lenders.

“Delivered Vessels” means each of the Vessels identified as “Delivered Vessels” in Schedule IV.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition of any property by any Person (including any sale and leaseback transaction and any issuance of Equity Interests by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Disqualified Equity Interest” means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for

scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one days after the Maturity Date; provided that if such Equity Interests are issued pursuant to a plan for the benefit of employees of the Parent or any Subsidiary or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Parent or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"Dollar" and "\$" mean lawful money of the United States.

"Dutch Account Bank" means ABN AMRO Bank N.V., acting through its office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

"Early Termination Date" shall have the meaning given to that term in any relevant Master Agreement.

"Earnings" means, in relation to a Vessel, all moneys whatsoever which are now, or later become, payable (actually or contingently) to the Upstream Guarantor owning that Vessel or the Security Trustee and which arise out of the use or operation of that Vessel, including (but not limited to):

(a) except to the extent that they fall within paragraph (b) or are otherwise agreed with the prior written consent of the Facility Agent: (i) all freight, hire and passage moneys, (ii) compensation payable to the Upstream Guarantor owning that Vessel or the Security Trustee in the event of requisition of that Vessel for hire, (iii) remuneration for salvage and towage services, (iv) demurrage and detention moneys, (v) damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Vessel, and (vi) all moneys which are at any time payable under Insurances in respect of loss of hire; and

(b) if and whenever that Vessel is employed on terms whereby any moneys falling within paragraphs (a)(i) to (vi) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Vessel.

"Electronic Signature" means an electronic sound, symbol, or process attached to, or logically associated with, a contract or other record and adopted by a person with the intent to sign such contract or record.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.04(b)(i), (iii) and (iv) (subject to such consents, if any, as may be required under Section 11.04(b)(i)).

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, Laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions, including all common law, relating to pollution or the protection of health, safety or the environment or the release of any materials into the environment, including those related to Hazardous Materials, air emissions, discharges to waste or public systems and health and safety matters.

"Environmental Liability" means any liability or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly, resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or permitting or arranging for the

disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by the Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules; (c) the incurrence by the Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan; (g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is in at-risk status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate; (j) the engagement by the Borrower or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon the Borrower pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

“Estate” has the meaning specified in Section 10.01(b).

“Eurodollar Rate” means, for any Interest Period, a fluctuating rate *per annum* equal to (x) the rate *per annum* determined by the Facility Agent at approximately 11:00 a.m. (London time) on the date that is two (2) Business Days prior to the beginning of such Interest Period to be the London interbank offered rate for such Interest Period, as currently published on the applicable Bloomberg screen page (or such other commercially available source providing such quotation of such rate as may be designated by the Facility Agent from time to time) for a period equal to such Interest Period, or (y) if the rate in clause (x) above does not appear on such page or service or if such page or service is not available, the rate per

annum determined by the Facility Agent at approximately 11:00 a.m. (London time) on the date that is two

(2) Business Days prior to the beginning of such Interest Period to be the offered rate for a period equal to such Interest Period on such other page or other service which displays an average London interbank offered rate; provided that at no time will the Eurodollar Rate be deemed to be less than 0% *per annum*.

“Event of Default” has the meaning specified in Section 9.01.

“Excluded Swap Obligations” means with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such related Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case,

(i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender,

U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which

(i) such Lender acquires such interest in the Loans or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.16(g) and (d) any withholding Taxes imposed under FATCA.

“Existing Facilities” means, collectively, (i) the 8.250% senior secured \$200,000,000 bonds pursuant to the Bond Terms, (ii) the credit agreement, originally dated as of January 25, 2019 and amended and restated as of April 5, 2021, as further amended, made by, among others, Eagle Bulk Ultraco LLC, as borrower, the banks and financial institutions party thereto and Crédit Agricole Corporate and Investment Bank, as security trustee and facility agent, in the principal amount of up to \$283,370,000, and

(iii) the credit agreement, dated as of March 26, 2021, made by, among others, Eagle Bulk Holdco LLC as borrower, the banks and financial institutions party thereto and Crédit Agricole Corporate and Investment Bank, as security trustee and facility agent, in the principal amount of up to \$35,000,000, each as amended from time to time.

“Facility” means, collectively, the Term Facility and the Revolving Facility.

“Facility Agent” means Crédit Agricole Corporate and Investment Bank, in its capacity as facility agent under any of the Loan Documents, or any successor facility agent.

“Facility Period” means the period from and including the date of this Agreement to and including the date on which the Total Commitments have reduced to zero and all indebtedness of the Obligors under the Loan Documents has been fully paid and discharged.

“Facility Agent’s Office” means the Facility Agent’s address and, as appropriate, account as set forth in Section 11.01(a), or such other address or account as the Facility Agent may from time to time notify to the Borrower and the Lenders.

“Fair Market Value” means, in relation to a Vessel, the market value of such Vessel at any date that is shown by the average of two (2) valuations each prepared for and addressed to the Facility Agent at the cost of the Borrower: (a) as at a date not more than forty-five (45) days prior to the date such valuation is delivered to the Facility Agent; (b) by Approved Brokers selected by the Borrower; (c) on a “desk-top” basis without physical inspection of that Vessel; and (d) on the basis of a sale for prompt delivery for cash on normal arm’s length commercial terms as between a willing seller and a willing buyer, free of any existing charter or other contract of employment or encumbrances (and with no value to be given to any pooling arrangements); provided that (i) if a range of market values is provided in a particular appraisal, then the market value in such appraisal shall be deemed to be the mid-point within such range, and (ii) if there is a difference of, or in excess of, 10% between the two appraisals obtained, the Borrower should, at its sole expense, obtain a third appraisal from an Approved Broker appointed by the Facility Agent, with the value of such Vessel to be deemed the average of the three valuations obtained; provided further that any additional valuations in relation to any Vessel ordered by the Facility Agent pursuant to Section 5.03 shall be included in the calculation of the Fair Market Value of such Vessel.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

“FCPA” has the meaning specified in Section 3.16(c).

“Federal Funds Rate” shall mean for any day the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption “OPEN” (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Facility Agent (an “Alternate Source”) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate reasonably determined by Facility Agent at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Rate for such day shall be the “open” rate on the immediately preceding Business Day.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States.

“Fee Letters” means, collectively, the Upfront Fee Letter and any other fee letters to be entered into in connection with this Agreement, and “Fee Letter” means any of them.

“Finance Party” means the Facility Agent, any Bookrunner, the Sustainability Coordinator, any Mandated Lead Arranger, the Security Trustee, any Lender and any Swap Bank, whether as at the date of this Agreement or at any later time.

“Financial Covenants” has the meaning specified in Section 7.01.

“Financial Officer” means, as to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

“First Repayment Date” means December 15, 2021 (except that if such date is not a Business Day, the First Repayment Date shall be the next proceeding Business Day).

“Foreign Lender” means any Lender that is organized under the Laws of a jurisdiction other than the United States (or, in the case of a Lender that is classified for U.S. federal income tax purposes as an entity that is disregarded from another Person, such Lender if such Person is organized under the Laws of a jurisdiction other than the United States). For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Plan” means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any Subsidiary with respect to employees employed outside the United States (other than any governmental arrangement).

“French Account Bank” means Crédit Agricole Corporate and Investment Bank, a French *société anonyme*, with a share capital of EUR 7,851,636,342.00 acting through its registered office at 12 Place des Etats Unis – 92547 Montrouge Cedex – France, with single identification number 304 187 701 R.C.S. Nanterre.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

“GAAP” means, subject to Section 1.03, United States generally accepted accounting principles as in effect as of the date of determination thereof.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Green Passport” means a green passport statement of compliance or an equivalent document (i.e. an inventory of hazardous materials) issued by a classification society being a member of the International Association of Classification Societies (“IACS”) which includes a list of any and all materials known to be potentially hazardous utilized in the construction of a vessel.

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness

or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning specified in Section 8.01.

“Guarantor Accession Agreement” means an agreement providing for the accession of a Person to this Agreement as a Guarantor in substantially the form of Exhibit G hereto, or in any other form approved by the Facility Agent;

“Guarantors” means, collectively, the Upstream Guarantors and the Parent.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and other substances or wastes of any nature regulated under or with respect to which liability or standards of conduct are imposed pursuant to any Environmental Law.

“Incremental Commitment” has the meaning specified in Section 2.21(a).

“Incremental Commitment Effective Date” has the meaning specified in Section 2.21(c).

“Incremental Lender” has the meaning specified in Section 2.21(b).

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under (i) letters of credit (including standby and commercial), bankers’ acceptances and bank guaranties and (ii) surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness;

(g) all obligations of such Person in respect of Disqualified Equity Interests; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Indebtedness of any Person for purposes of clause (e) that is expressly made non-recourse or limited-recourse (limited solely to the assets securing such Indebtedness) to such Person shall be deemed to be equal to the lesser of (i) the aggregate principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnitee” has the meaning specified in Section 11.03(b).

“Information” has the meaning specified in Section 11.12.

“Initial Borrowing Date” means the date of the first Borrowing to occur, in any event,

(a) with respect to the Term Facility Borrowing, prior to the Term Facility Commitment Termination Date and (b) with respect to a Revolving Facility Borrowing, prior to the Revolving Facility Commitment Termination Date.

“Initial Guarantors” means, collectively, the Persons listed on Schedule II hereto under the heading “Initial Guarantors”.

“Insurances” means, in relation to a Vessel:

(a) all policies and contracts of insurance, including entries of that Vessel in any protection and indemnity or war risks association and excluding loss of hire, effected in respect of that Vessel, or otherwise in relation to that Vessel whether before, on or after the date of this Agreement; and

(b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement.

“Intangible Assets” means intangible assets under GAAP, including customer lists, goodwill, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

“Interest Period” means a period determined in accordance with Section 2.05.

“Interpolated Screen Rate” shall mean, in relation to LIBOR for any Loan or any part of it, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Interest Period of that Loan or relevant part of it; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Interest Period of that Loan or relevant part of it,

each as of 11:00 a.m. London time on the Quotation Day for Dollars.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness of the type referred to in clause (h) of the definition of “Indebtedness” in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in case by such Person with respect thereto.

“IOPPC” means a valid and current International Oil Pollution Prevention Certificate issued under MARPOL.

“IRS” means the United States Internal Revenue Service.

“ISM Code” means the International Safety Management Code (including the guidelines on its implementation), as adopted by the International Maritime Organization, as the same may be amended or supplemented from time to time (and the terms “safety management system”, “Safety Management Certificate” and “Document of Compliance” have the same meanings as are given to them in the ISM Code).

“ISM Code Documentation” includes, in respect of a Vessel:

- (a) the Document of Compliance and Safety Management Certificate issued pursuant to the ISM Code in relation to that Vessel within the periods specified by the ISM Code;
- (b) all other documents and data which are relevant to the safety management system and its implementation and verification which the Facility Agent may require; and
- (c) any other documents which are prepared or which are otherwise relevant to establish and maintain that Vessel’s compliance or the compliance of the Upstream Guarantor that owns that Vessel or the relevant Approved Manager of such Vessel with the ISM Code which the Facility Agent may require.

“ISPS Code” means the International Ship and Port Facility Security Code, as adopted by the International Maritime Organization, as the same may be amended or supplemented from time to time.

“ISPS Code Documentation” includes:

(a) the ISSC; and

(b) all other documents and data which are relevant to the ISPS Code and its implementation and verification which the Facility Agent may require.

“ISSC” means a valid and current International Ship Security Certificate issued under the ISPS Code.

“Joinder Agreement” means a joinder or similar agreement entered into by any Person (including any Lender) under Section 2.21 pursuant to which such Person shall provide an Incremental Commitment hereunder and (if such Person is not then a Lender) shall become a Lender party hereto.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lenders” means the Persons listed on Schedule I, Part A, and any other Person that shall have become party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Letters of Undertaking” has the meaning specified in Section 5.10.

“LIBOR” means, in relation to a Loan or any part of it: (a) the applicable Screen Rate; (b) if no Screen Rate is available for the relevant currency or the relevant Interest Period of a Loan or relevant part of it the Interpolated Screen Rate for a Loan or relevant part of it; or (c) if: (i) no Screen Rate is available for the relevant currency of a Loan or relevant part of it; or (ii) no Screen Rate is available for the relevant Interest Period of a Loan or relevant part of it and it is not possible to calculate an Interpolated Screen Rate for a Loan or relevant part of it, the Reference Bank Rate, as of, in the case of paragraphs (a) and (c) above, 11:00 a.m. London time on the Quotation Day for a period equal in length to the Interest Period of a Loan or relevant part of it and, if that rate is less than zero, LIBOR shall be deemed to be zero.

“Lien” means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means any Revolving Facility Loan or any Term Facility Loan and, unless the context shall require otherwise, the term “Loan” shall also include any loans made pursuant to an Incremental Commitment.

“Loan Documents” means, collectively: (a) this Agreement, (b) any Notes, (c) any Security Document, (d) the Fee Letters, (e) any Guarantor Accession Agreement and (f) any other documents,

certificates, instruments or agreements executed by or on behalf of a Security Party for the benefit of any Finance Party in connection herewith on or after the date hereof that are jointly designated by such Security Party and the Facility Agent as a “Loan Document”. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Manager’s Undertaking” means, in relation to a Vessel, the letter executed and delivered by an Approved Manager, in substantially the form of Exhibit H, or any other form approved by the Facility Agent.

“Mandated Lead Arranger” means Crédit Agricole Corporate and Investment Bank, Skandinaviska Enskilda Banken AB (publ), Danish Ship Finance A/S, DNB Markets, Inc and Nordea Bank Abp, Filial i Norge, each in its capacity as mandated lead arranger.

“Margin Stock” means margin stock within the meaning of Regulations T, U and X.

“MARPOL” means the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978, as the same may be amended or supplemented from time to time.

“MARPOL Documentation” includes:

(a) the IOPPC; and

(b) all other documents and data which are relevant to MARPOL and its implementation and verification which the Facility Agent may require.

“Master Agreement” means the 2002 master agreement published by the International Swaps and Derivatives Association, Inc. or any other similar agreement used to evidence hedging agreements, together with any related schedules and confirmations.

“Master Agreement Assignment” means, in relation to each Master Agreement constituting Collateral, an assignment of such Master Agreement, in substantially the form of Exhibit I, or any other form approved by the Facility Agent.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Obligors taken as a whole, or (b) a material adverse effect on (i) the ability of the Obligors taken as a whole to perform their Obligations, (ii) the legality, validity, binding effect or enforceability against any Obligor of any Loan Document to which it is a party or (iii) the rights, remedies and benefits available to, or conferred upon, any Finance Party under any Loan Documents.

“Maturity Date” means the date falling on the earlier of (i) five (5) years from the date of the Term Facility Borrowing and (ii) December 31, 2026.

“Maximum Rate” has the meaning specified in Section 11.14.

“Membership Interest Pledge” means a pledge of the membership interests of an Upstream Guarantor or of the Borrower, in substantially the form of Exhibit J, or any other form approved by the Facility Agent.

“Miscalculation” has the meaning specified in Section 2.09(a).

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, during the preceding five plan years has made or been obligated to make contributions, or has any liability.

“Multiple Employer Plan” means a Plan with respect to which the Borrower or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 11.02 and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Note” means a promissory note executed by the Borrower, to the order of a Lender in accordance with Section 2.11(b).

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document or any Secured Swap Contract or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by the Borrower under any Loan Document, (b) the obligation of the Borrower to reimburse any amount in respect of any of the foregoing that the Facility Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Borrower in accordance with this Agreement or any other Loan Document, and (c) obligations under a Secured Swap Contract.

“Obligor Materials” has the meaning specified in Section 11.01(e).

“Obligors” means, collectively, the Borrower and the Guarantors, and “Obligor” means any of them as the context may require.

“OFAC” has the meaning specified in Section 3.16(b).

“Operating Accounts” means, collectively, the Borrower Operating Account and each Upstream Guarantor Operating Account.

“Organizational Documents” means (a) as to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with

its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or having sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19(b)).

“Parallel Liability” means an Obligor’s undertaking pursuant to Clause 8.12.

“Parent” means Eagle Bulk Shipping Inc., a corporation incorporated and existing under the laws of the Republic of the Marshall Islands.

“Participant” has the meaning specified in Section 11.04(d).

“Participant Register” has the meaning specified in Section 11.04(d).

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum funding standards and minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is maintained or is contributed to by the Borrower or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

“Permitted Holders” means each of the Persons owning more than fifteen percent (15%) of the voting stock of the Parent on the date hereof, in each case together with their Affiliates, investment advisory clients and manager accounts, specifically being Oaktree Capital Management L.P. and its subsidiaries and affiliates.

“Permitted Lien” has the meaning specified in Section 6.02.

“Permitted Third-Party Hedging Agreement” means any agreement, entered into among the Borrower and a Permitted Third-Party Hedging Provider, documenting hedging, swap or derivative transactions to the extent constituting a swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates, bunkers, fuel, other commodities, forward commitments for bunkers or fuel and forward freight futures, either generally or under specific contingencies, in each case entered into in the ordinary course of business and not for speculative purposes.

“Permitted Third-Party Hedging Obligations” shall mean all obligations of the Borrower from time to time arising under or in respect of the due and punctual payment of all amounts due, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise, pursuant to Permitted Third-Party Hedging Agreements.

“Permitted Third-Party Hedging Provider” means a third-party counterparty to a Permitted Third-Party Hedging Agreement that is not a Swap Bank.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Pertinent Jurisdiction” means, in relation to a Person:

- (a) the jurisdiction under the laws of which the Person is incorporated or formed;
- (b) a jurisdiction in which the Person has the center of its main interests or in which the Person’s central management and control is or has recently been exercised;
- (c) a jurisdiction in which the overall net income of the Person is subject to corporation tax, income tax or any similar tax;
- (d) a jurisdiction in which assets of the Person (other than securities issued by, or loans to, related Persons) having a substantial value are situated, in which the Person maintains a branch or permanent place of business, or in which a Lien created by the Person must or should be registered in order to ensure its validity or priority; or
- (e) a jurisdiction the courts of which have jurisdiction to make a winding up, administration or similar order in relation to the Person whether as a main or territorial or ancillary proceeding or which would have such jurisdiction if their assistance were requested by the courts of a country referred to in paragraphs (a) or (b) above.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of the Borrower or any Subsidiary, or any such plan to which the Borrower or any Subsidiary is required to contribute on behalf of any of its employees or with respect to which the Borrower has any liability.

“Platform” means Debt Domain, Intralinks, Syndtrak, DebtX or a substantially similar electronic transmission system.

“Poseidon Principles” means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published in June 2019 as the same may be amended or replaced to reflect changes in Applicable Law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organization from time to time.

“Prepayment Notice” means a notice by the Borrower to prepay Loans, which shall be in such form as the Facility Agent may approve.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the United States or, if The Wall Street Journal ceases to quote such rate, the highest rate per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Facility Agent) or any similar release by the Federal Reserve Board (as determined by the Facility Agent).

“Prohibited Person” means any Person (whether designated by name or by reason of being included in a class of Persons) against whom Sanctions are directed.

“Public Lender” has the meaning specified in Section 11.01(e).

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Quotation Day” shall mean, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period.

“Recipient” means (a) the Facility Agent, or (b) any Lender, as applicable.

“Reference Bank Rate” shall mean the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facility Agent at its request by the Reference Banks in relation to LIBOR, as the rate at which the relevant Reference Bank could borrow funds in the London interbank eurodollar market, in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

“Reference Banks” shall mean, such money center banks that are not affiliated with the Facility Agent as are identified by the Facility Agent to the Borrower from time to time.

“Register” has the meaning specified in Section 11.04(c).

“Regulation T” means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, insurers and representatives of such Person and of such Person’s Affiliates.

“Relevant Amount” has the meaning specified in Section 2.07(b)(iv).

“Relevant Date” has the meaning specified in Section 2.07(b)(iii).

“Removal Effective Date” has the meaning specified in Section 10.06(b).

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing at least 66 2/3% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Requisition” means: (a) any expropriation, confiscation, requisition or acquisition of a Vessel, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority (excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension) unless it is within 30 days redelivered to the full control of the Upstream Guarantor being the owner thereof; and (b) any arrest, capture or seizure of a Vessel (including any hijacking or theft) unless it is within 75 days redelivered to the full control of the Upstream Guarantor being the owner thereof.

“Requisition Compensation” includes all compensation or other moneys payable by reason of any Requisition.

“Rescindable Amount” has the meaning specified in Section 10.11.

“Resignation Effective Date” has the meaning specified in Section 10.06(a).

“Responsible Officer” means (a) the chief executive officer, president, executive vice president or a Financial Officer of the relevant Obligor, (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions pursuant to Section 4.01, any officer of the relevant Borrower or the Parent and (c) solely for purposes of Borrowing Requests, prepayment notices and notices for Commitment terminations or reductions given pursuant to Article II, any other officer or employee of the relevant Borrower so designated from time to time by one of the officers described in clause (a) in a notice to the Facility Agent (together with evidence of the authority and capacity of each such Person to so act in form and substance satisfactory to the Facility Agent). Any document delivered hereunder that is signed by a Responsible Officer of an Obligor shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Obligor and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Obligor.

“Revolving Facility” means a revolving credit facility in an aggregate principal amount of up to \$100,000,000.

“Revolving Facility Availability Period” means the period from and including the date of the Term Facility Borrowing to but excluding the Revolving Facility Commitment Termination Date.

“Revolving Facility Borrowing” means a borrowing consisting of a Revolving Facility Loan.

“Revolving Facility Commitment” means with respect to each Lender on any date, the commitment of such Lender to make a Revolving Facility Loan if such Revolving Facility Loan is required to be disbursed on such date, as such commitment may be reduced or increased from time to time pursuant to Section 11.04(b). The initial amount of such Lender’s Revolving Facility Commitment is set forth on Schedule I hereto or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Facility Commitment, as applicable.

“Revolving Facility Commitment Termination Date” means the date falling thirty (30) days prior to the Maturity Date.

“Revolving Facility Loan” means a loan made or to be made under the Revolving Facility or the principal amount outstanding for the time being of that loan.

“Sanctions” has the meaning specified in Section 3.16(b).

“Screen Rate” means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other Person which takes over the administration of that rate) for Dollars and the relevant period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of Bloomberg or the Thomson Reuters screen (or any replacement page which displays that rate) or on the appropriate page of such other information service that publishes that page from time to time in place of such pages. If the agreed pages are replaced or service ceases to be available, the Facility Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Secured Swap Contract” means a Swap Contract between the Borrower and a Swap Bank made on or after the date of the Credit Agreement and comprising only Treasury Transactions.

“Security Documents” means, collectively: (a) any Charter Assignment (as applicable), (b) any Account Pledge, (c) any Assignment of Earnings, (d) any Assignment of Insurances, (e) any Manager’s Undertaking, (f) any Master Agreement Assignment, (g) any Membership Interest Pledge, (h) any Vessel Mortgage, (i) any Subordination Agreement (as applicable), and (j) and each other security document or pledge agreement delivered in accordance with applicable local Laws to grant a valid, enforceable, perfected security interest (with the priority required under the Loan Documents) in any property as Collateral for the Obligations, and all Uniform Commercial Code or other financing statements or instruments of perfection required with respect thereto.

“Security Party” means the Obligors and any other person (except a Finance Party and an Approved Manager which is unaffiliated with the Borrower or the Guarantors) who, as a surety, guarantor, mortgagor, assignor or pledgor, as a party to any subordination or priorities arrangement, or in any similar capacity, executes a Loan Document.

“Security Trustee” means Crédit Agricole Corporate and Investment Bank, in its capacity as security trustee pursuant to Section 10.01(b) and under any of the Loan Documents, or any successor security trustee.

“Shareholders’ Equity” means, as of any date of determination, consolidated shareholders’ equity of the Parent and its Subsidiaries as of such date determined in accordance with GAAP.

“Solvent” means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person’s property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Specified Loan Party” means any Security Party that is not then an “eligible contract participant” under the Commodity Exchange Act (determined prior to giving effect to Section 8.11).

“Statement of Compliance” means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

“Structurer” means Crédit Agricole Corporate and Investment Bank in its capacity as structurer.

“Subordination Agreement” has the meaning specified in Section 5.30.

“Subsidiary” of a Person means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Parent or of the Borrower.

“Sustainability Certificate” shall mean a certificate in substantially the form of Exhibit O, or in any other form approved by the Facility Agent, signed by a Responsible Officer of the Borrower, in a form and substance reasonably satisfactory to the Facility Agent and the Sustainability Coordinator delivered pursuant to Section 5.02(g).

“Sustainability Coordinator” means Crédit Agricole Corporate and Investment Bank, in its capacity as sustainability coordinator under any of the Loan Documents, or any successor sustainability coordinator.

“Sustainability Pricing Adjustment” has the meaning specified in Schedule VII.

“Sustainability Pricing Adjustment Schedule” means Schedule VII, as amended from time to time in accordance with Section 11.02 of this Agreement.

“Swap Bank” means any Lender (or its Affiliate) that elects to be a Swap Bank, including those initially listed in Schedule I, Part B, acting on behalf of itself and its Affiliates as a counterparty to a Secured Swap Contract with the Borrower.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or

options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and including without limitation any and all Permitted Third-Party Hedging Agreements and Permitted Third-Party Hedging Obligations, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any Master Agreement, including any such obligations or liabilities under any Master Agreement.

“Swap Coordinator” means DNB Bank ASA in its capacity as swap coordinator.

“Swap Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Swap Termination Value” means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined by the relevant Swap Bank in accordance with its customary practices.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Facility” means a term loan facility in an aggregate principal amount of up to \$300,000,000.

“Term Facility Availability Period” means the period from and including the Closing Date to but excluding the Term Facility Commitment Termination Date.

“Term Facility Borrowing” means a Borrowing consisting of a Term Facility Loan and in the aggregate not to exceed (except as otherwise expressly permitted under Section 2.21(a)) the lower of

(i) 45% of the Fair Market Value of the Delivered Vessels on the date of such Borrowing, less \$100,000,000 (being the maximum aggregate principal amount of the Revolving Facility), and (ii) \$300,000,000.

“Term Facility Commitment” means with respect to each Lender on any date, the commitment of such Lender to make a Term Facility Loan if such Term Facility Loan is required to be disbursed on such date, as such commitment may be reduced or increased from time to time pursuant to Section 11.04(b). The initial amount of such Lender’s Term Facility Commitment is set forth on Schedule I hereto or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Term Facility Commitment, as applicable.

“Term Facility Commitment Termination Date” means the date falling sixty (60) Business Days after the Closing Date, subject to extension as may be agreed between the Borrower and the Facility Agent acting on the instructions of the Lenders (except that, if such date is not a Business Day, the Term Facility Commitment Termination Date shall be the next proceeding Business Day).

“Term Facility Loan” means a loan made or to be made under the Term Facility or the principal amount outstanding for the time being of that loan.

“Test Period” means each period of four (4) consecutive fiscal quarters of the Parent then last ended (in each case taken as one accounting period) for which consolidated financial statements of the Parent have been delivered pursuant to Section 5.01(a) or (b), as the case may be.

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitments and the aggregate principal amount of the outstanding Loans of such Lender at such time.

“Total Commitments” means the aggregate of the Commitments, being a maximum amount of \$400,000,000 on the Closing Date, as may be reduced in accordance with the Term Facility Borrowing, as may be increased pursuant to any Incremental Commitments.

“Total Loss” means: (a) actual, constructive, compromised, agreed or arranged total loss of a Vessel; or (b) any Requisition of a Vessel.

“Total Loss Date” means, in relation to the Total Loss of a Vessel: (a) in the case of an actual loss of a Vessel, the date on which it occurred or, if that is unknown, the date when that Vessel was last heard of; (b) in the case of a constructive, compromised, agreed or arranged total loss of a Vessel, the earlier of: (i) the date on which a notice of abandonment is given to the insurers; and (ii) the date of any compromise, arrangement or agreement made by or on behalf of the Borrower and/or the Upstream Guarantor who owns such Vessel with the Vessel’s insurers in which the insurers agree to treat that Vessel as a total loss; and (c) in the case of any other type of Total Loss, the date (or the most likely date) on which it appears to the Facility Agent that the event constituting the total loss occurred.

“Treasury Transaction” means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate.

“United States” and “U.S.” mean the United States of America.

“Upfront Fee Letter” means the letter agreement, dated October 1, 2021, among the Borrower and the Facility Agent, as may be amended, restated, modified or supplemented from time to time, relating to upfront fees.

“Upstream Guarantors” means, collectively, the Initial Guarantors and any Additional Guarantors that become a party hereto.

“Upstream Guarantor Operating Account” means, in relation to a Vessel, an account in the name of the Upstream Guarantor owning that Vessel with an Account Bank designated “[Vessel Name] Upstream Guarantor Operating Account”, which shall not be a blocked account.

“U.S. Borrower” means the Borrower if it is a U.S. Person.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 2.16(g).

“Vessel Mortgage” means, in relation to a Vessel, the first priority or first preferred mortgage (and, if applicable, a deed of covenants collateral thereto) on that Vessel, in substantially the form of Exhibit K, or any other form approved by the Facility Agent.

“Vessels” means, collectively, each of the Delivered Vessels, and, as the context may require, any Additional Vessel or Additional Young Vessel owned by an Additional Guarantor, and “Vessel” means any of them.

“Wholly-Owned” means, as to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (a) director’s qualifying shares and (b) shares issued to foreign nationals to the extent required by Applicable Law) are owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

“Withholding Agent” means the Borrower and the Facility Agent.

“Working Capital” means Consolidated Current Assets less Consolidated Current Liabilities.

1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise

(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.03 Accounting Terms; Changes in GAAP.

(a) Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by the Borrower to the Lenders pursuant to Sections 5.01(a) and 5.01(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower, the Parent and their Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If the Borrower notifies the Facility Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the

date hereof in GAAP or in the application thereof on the operation of such provision (or if the Facility Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

1.04 Rates. The Facility Agent does not warrant, nor accept responsibility, nor shall the Facility Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "LIBOR" or with respect to any comparable or successor rate thereto.

ARTICLE II

COMMITMENTS

2.01 Commitments.

(a) Subject to the terms and conditions set forth herein, each Lender severally agrees to make the Term Facility Loan to the Borrower in one (1) Borrowing on a Business Day during the Term Facility Availability Period in an aggregate principal amount not to exceed such Lender's Term Facility Commitment. Any amounts repaid, prepaid or cancelled under this Section 2.01(a) may not be reborrowed.

(b) Subject to the terms and conditions set forth herein, each Lender severally agrees to make Revolving Facility Loans to the Borrower from time to time on any Business Day during the Revolving Facility Availability Period in an aggregate principal amount not to exceed such Lender's Revolving Facility Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may from time to time borrow, prepay and reborrow Revolving Facility Loans, unless cancelled pursuant to Section 2.08.

(c) After giving effect to any Loan, the total amount of Loans made shall not exceed the Total Commitments.

2.02 Loans and Borrowings.

(a) Each Borrowing shall be applied as follows:

(i) the Term Facility Borrowing shall be applied to refinance the Existing Facilities and for general corporate purposes; and

(ii) each Revolving Facility Borrowing shall be applied to refinance the Existing Facilities and/or for general corporate purposes.

(b) The Term Facility Loan shall be made in one (1) Borrowing (as described in Section 2.01(a) above) ratably by the Lenders in accordance with their respective Term Facility Commitments.

(c) Each Revolving Facility Loan shall be made as a part of a Borrowing consisting of Revolving Facility Loans made by the Lenders with Revolving Facility Commitments ratably in accordance with their respective Revolving Facility Commitments.

(d) Each Revolving Facility Borrowing shall be in an aggregate amount of not less than \$1,000,000. The Borrower shall make no more than three (3) Revolving Facility Borrowings in any fiscal quarter of the Parent.

2.03 Borrowing Requests.

(a) Notice by Borrower. Each Borrowing shall be made upon the Borrower's irrevocable notice to the Facility Agent. Each such notice shall be in the form of a written Borrowing Request, appropriately completed and signed by a Responsible Officer of the Borrower and must be received by the Facility Agent not later than 10:00 a.m. (New York City time) three (3) Business Days prior to the date of the requested Borrowing or such other period as the Facility Agent after consultation with the Lenders may agree with the Borrower.

(b) Content of Borrowing Requests. Each Borrowing Request for a Borrowing pursuant to this Section shall specify the following information: (i) the aggregate amount of the requested Borrowing; (ii) the date of such Borrowing (which shall be a Business Day); (iii) the Interest Period therefor; and (iv) the location and number of the Borrower's account, or such other account as the Borrower may specify in the relevant Borrowing Request, to which funds are to be disbursed.

(c) Notice by Facility Agent to Lenders. Promptly following receipt of a Borrowing Request, the Facility Agent shall advise each Lender of the details thereof and the amount of such Lender's Loan to be made as part of the requested Borrowing (which shall be the Applicable Percentage of the amount specified in the Borrowing Request).

(d) Failure to Elect. If no Interest Period is specified with respect to any requested Borrowing, the Borrower shall be deemed to have selected an Interest Period of three months' duration.

2.04 Funding of Borrowings.

(a) Funding by Lenders. Each Lender shall make the amount of its Loan available to the Facility Agent in immediately available funds at the Facility Agent's Office not later than 10:00 a.m. (New York time) on the Business Day specified in the applicable Borrowing Request. Upon satisfaction of the applicable conditions set forth in Article IV, the Facility Agent shall make all funds so received available to the Borrower in like funds as received by the Facility Agent either by (i) crediting the Operating Account of the Borrower on the books of the Facility Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with the instructions provided to the Facility Agent by the Borrower. Subject to approval by the Facility Agent for "know-your-customer" purposes, each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan.

(b) Presumption by Facility Agent. Unless the Facility Agent shall have received notice from a Lender, prior to the proposed date of any Borrowing that such Lender will not make available to the Facility Agent such Lender's share of such Borrowing, the Facility Agent may assume that such Lender has made such share available on such date in accordance with Section 2.04(a) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Facility Agent, then the applicable Lender and the Borrower severally agree to pay to the Facility Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Facility Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Facility Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to the respective Borrowing, as determined pursuant to Section 2.09. If the Borrower and such Lender shall pay such interest to the Facility Agent for the same or an overlapping period, the Facility Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Facility Agent, then the amount so paid shall constitute such Lender's Loan included in

such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Facility Agent.

(c) Disbursement of Borrowing to Third Party. To the extent requested in writing by the Borrower, the payment by the Facility Agent to a Person other than the Borrower shall constitute the making of the relevant Borrowing and the Borrower shall at that time become indebted, as principal and direct obligor, to each Lender in an amount equal to that Lender's participation in that Borrowing.

2.05 Interest Periods. The Loans comprising each Borrowing initially shall be specified in the applicable Borrowing Request and shall have the Interest Period specified in such Borrowing Request. The first Interest Period for a Borrowing shall commence on the date of such Borrowing and (a) in the case of the first Borrowing or Borrowings, shall end on the First Repayment Date, and (b) in the case of each subsequent Borrowing, shall end on the last day of the other then subsisting Interest Period. Thereafter, the duration of each Interest Period shall be three or six months as the Borrower may, upon notice received by the Facility Agent not later than 11:00 a.m. (New York City time) three Business Days prior to the first day of such Interest Period, select, or such other period as the Facility Agent may, with the authorization of the Required Lenders agree with the Borrower, provided, however, (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day; (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period; and (iii) any Interest Period selection made by the Borrower shall be irrevocable, and if the Borrower fails to select an Interest Period in accordance with this Section 2.05, then, subject to the above proviso, the Borrower shall be deemed to have selected an Interest Period of three months.

2.06 Repayment.

(a) Term Facility. The Borrower shall repay the aggregate principal amount of the Term Facility Borrowing by:

(i) beginning on the First Repayment Date and occurring every three (3) months thereafter, twenty (20) consecutive quarterly principal repayment installments of an amount equal to \$12,450,000; and

(ii) a final balloon payment (the "Balloon Installment") in an amount equal to the aggregate principal amount of the Term Facility Borrowing outstanding on the Maturity Date.

(b) Revolving Facility. The Borrower shall repay to the Facility Agent for the ratable account of the Lenders on the Maturity Date the aggregate principal amount of all Revolving Facility Loans outstanding on such date.

(c) Maturity Date. On the Maturity Date, the Borrower shall additionally pay to the Facility Agent for the account of the Finance Parties all other sums then accrued and owing under any Loan Document and any Secured Swap Contract.

2.07 Prepayments.

(a) Optional Prepayments. The Borrower may, upon notice to the Facility Agent, at any time and from time to time, prepay the Term Facility Borrowing or any Revolving Facility Borrowing

in whole or in part, or cancel any unused Revolving Facility Commitments, without premium or penalty, subject to the requirements of this Section.

(i) Notices. Each such notice pursuant to this Section shall be in the form of a written Prepayment Notice, appropriately completed and signed by a Responsible Officer of the Borrower, and must be received by the Facility Agent not later than 11:00 a.m. (New York City time) three (3) Business Days before the date of prepayment. Each Prepayment Notice shall specify

(x) the prepayment date and (y) the principal amount of each Borrowing or portion thereof to be prepaid. Promptly following receipt of any such notice relating to a Borrowing, the Facility Agent shall advise the applicable Lenders of the contents thereof. Each Prepayment Notice shall be irrevocable.

(ii) Amounts. Each partial prepayment shall be in the aggregate principal amount of at least \$5,000,000 with respect to the Term Facility or at least \$1,000,000 with respect to the Revolving Facility. Any amounts prepaid with respect to the Term Facility may not be reborrowed.

(b) Mandatory Prepayments.

(i) If a Vessel is sold or becomes a Total Loss, the Borrower shall on the Relevant Date prepay the Relevant Amount plus any additional amount required to comply with Section 5.04 immediately after giving effect to such prepayment (and, for the avoidance of doubt, if a Vessel becomes a Total Loss without any Borrowing having been made in respect of such Vessel, then a portion of the Lenders' Term Facility Commitments shall be cancelled in an amount equal to the Relevant Amount in respect of such Vessel if a Borrowing had been made in respect of such Vessel). At such Relevant Date, if the Revolving Facility Borrowings are repaid such that the aggregate principal amount outstanding under the Revolving Facility exceeds the aggregate commitments thereunder, the Borrower shall additionally prepay the Revolving Borrowings in an amount equal to such excess.

(ii) (A) If a Change of Control occurs in respect of the Borrower or the Parent, or if a Delisting Event occurs, the Borrower shall on the Relevant Date prepay the aggregate principal amount at such time of its outstanding Loans in full; and (B) if, at any time from and including the Initial Borrowing Date, a Change of Control occurs in respect of an Upstream Guarantor, the Borrower shall on the Relevant Date prepay the Relevant Amount relating to the Vessel owned by such Upstream Guarantor as if a sale of such Vessel had been completed on the date such Change of Control occurred plus any additional amount required to comply with Section 5.04 immediately after giving effect to such prepayment.

(iii) In this Section 2.07(b), "Relevant Date" means: (1) in the case of a sale of a Vessel, on the date on which the sale is completed by delivery of the relevant Vessel to its buyer, (2) in the case of a Total Loss of a Vessel, on the earlier of: (x) the date falling 180 days after the Total Loss Date, and (y) the date of receipt by the Security Trustee of the proceeds of insurance relating to such Total Loss, but in any case no later than the Maturity Date, (3) in the case of a Change of Control, the date such Change of Control occurs, and (4) in the case of a Delisting Event, the date such Delisting Event occurs.

(iv) In this section 2.07(b), "Relevant Amount" means, with respect to a Vessel, an amount equal to the product of (x) the sum of the total commitments under the Revolving Facility and the aggregate principal amount outstanding under the Term Facility, and (y) the fraction, the numerator of which is the Fair Market Value (as determined by the most recently obtained appraisals) of such Vessel and the denominator of which is the aggregate Fair Market

Value (as determined by the most recently obtained appraisals) of the Vessels then securing the Facility. Should the Relevant Amount not satisfy Section 5.04, then such related sale or insurance proceeds, to the extent needed to satisfy Section 5.04, shall be applied to prepay the Term Facility and reduce commitments under the Revolving Facility on a pro-rata basis.

(c) Application.

(i) (A) Each optional prepayment of the Term Facility Borrowing pursuant to Section 2.07(a) shall be applied *pro rata* to the repayment installments (including the Balloon Installment) for such Borrowing specified in Section 2.06; (B) each optional prepayment of a Revolving Facility Borrowing pursuant to Section 2.07(a) shall be applied to any Revolving Facility Borrowings.

(ii) Each mandatory prepayment of the Borrowings pursuant to Section 2.07(b) shall be allocated *pro rata* among (x) the remaining repayment installments, (y) the Balloon Installment and (z) the Revolving Facility Commitments, and:

(A) the amount allocated to the remaining installments shall be applied against the remaining repayment installments under the Term Facility Borrowing specified in Section 2.06(a)(i); and

(B) the amounts allocated to the Balloon Installment and Revolving Facility Commitments shall be applied to either the Balloon Installment or the Revolving Facility Commitments as follows:

(1) at all times prior to the prepayment in full of the Balloon Installment, towards the Balloon Installment; and

(2) at all times after the prepayment in full of the Balloon Installment, towards any Revolving Facility Commitments, (including without limitation any amounts in excess of the Revolving Facility Commitments if the Revolving Facility Commitments reduced pursuant to Section 2.06(b))

always ensuring that the repayment of the Facility follows a seventeen-year age-adjusted profile to 0 based on the average age of the Vessels.

(iii) Each prepayment made to satisfy Section 5.04 shall be applied *pro rata* against (A) the repayment installments specified in Section 2.06(a) in inverse order of maturity starting with the Balloon Installment and (B) any outstanding Revolving Facility Borrowings (including without limitation any amounts in excess of the Revolving Facility Commitments).

(iv) Prepayments shall be accompanied by accrued interest to the extent required by Section 2.09, together with any additional amounts required pursuant to Section 2.14.

(v) Any Term Facility Borrowing amounts repaid pursuant to this Section 2.07 may not be reborrowed.

(vi) Revolving Facility Commitments reduced pursuant to Section 2.07(b) may not be reinstated.

2.08 Cancellation of Commitments. The Borrower may, upon prior notice to the Facility Agent, cancel any unused portion of the Revolving Facility Commitments in an aggregate principal amount of at least \$1,000,000; provided that each such notice shall be in writing and must be received by

the Facility Agent at least three (3) Business Days prior to the effective date of such cancellation, and shall be irrevocable. Any amounts cancelled may not be reinstated.

2.09 Interest.

(a) Interest Rate. The Loans or any part of the Loans shall bear interest at a rate per annum equal to the sum of the aggregate of the Applicable Margin plus the Benchmark for the relevant Interest Period as in effect from time to time. The Applicable Margin shall be adjusted from time to time in accordance with the Sustainability Price Adjustment Schedule. If any Compliance Certificate or Sustainability Certificate contains material errors which result in the Applicable Margin being inaccurately calculated (a “Miscalculation”), the Borrower shall, upon the request of the Facility Agent, provide such information necessary to correct such calculation and pay any interest which is shown to be outstanding as a result of the correction of such calculation. Provided that, if the Borrower has provided information required by the foregoing sentence and paid any applicable outstanding interest within three (3) Business Days after notice from the Facility Agent of the Miscalculation, no Default or Event of Default which may have resulted from the provision of the applicable Compliance Certificate or Sustainability Certificate or the Miscalculation shall be deemed to have occurred.

(b) Default Interest. Notwithstanding the foregoing, (i) upon the occurrence and during the continuance of any Default under Section 9.01(a) or any Event of Default under Section 9.01(a), (b), (g) or (h), each Loan shall bear interest, after as well as before judgment, at a rate per annum equal to the applicable Default Rate, and (ii) without duplication of any amounts payable pursuant to preceding clause (i), overdue principal and, to the extent permitted by applicable law, overdue interest, in respect of the Loans shall bear interest, after as well as before judgment, at a rate per annum equal to the applicable Default Rate from time to time.

(c) Payment Dates. Accrued interest on the Loans shall be payable on the last day of each Interest Period applicable thereto and at such other times as may be specified herein; provided that (i) interest accrued pursuant to paragraph (b) of this Section shall be payable on demand and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment. If an Interest Period is longer than three months, the Borrower shall also pay interest then accrued on the Loans or the relevant part of the Loans on the dates falling at three monthly intervals after the first day of the Interest Period.

(d) Interest Computation. All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

2.10 Fees.

(a) Commitment Fees. The Borrower agrees to pay to the Facility Agent for the account of each Lender a commitment fee on the undrawn and un-cancelled amount of the Revolving Facility Commitment of such Lender, which shall accrue at a rate per annum equal to 40% of the higher of (i) the Applicable Margin and (ii) 2.45%, during the period from and including the Closing Date up to but excluding the Revolving Facility Commitment Termination Date. Accrued commitment fees shall be payable (x) quarterly in arrears, commencing on the date which is thirty (30) days after the date hereof and then every ninety (90) days thereafter, and (y) on the date of each Borrowing to occur. Commitment fees on any cancelled portion of the Revolving Facility Commitment of a Lender shall be paid on the date such cancellation is effective.

(b) Fee Letters. The Borrower agrees to pay to the Facility Agent fees as set forth in the Fee Letters, including but not limited to upfront fees to be distributed among the Lenders in accordance with the Upfront Fee Letter.

2.11 Evidence of Debt.

(a) Maintenance of Records. Each Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender. The Facility Agent shall maintain the Register in accordance with Section 11.04(c). The entries made in the records maintained pursuant to this paragraph (a) shall be prima facie evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of any Lender or the Facility Agent to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Borrower under this Agreement and the other Loan Documents. In the event of any conflict between the records maintained by any Lender and the records maintained by the Facility Agent in such matters, the records of the Facility Agent shall control in the absence of manifest error.

(b) Promissory Notes. Upon the request of any Lender made through the Facility Agent, the Borrower shall prepare, execute and deliver in favor of such Lender a promissory note of the Borrower payable to such Lender in substantially the form of Exhibit L, or any other form approved by the Facility Agent, which shall evidence such Lender's Loans in addition to such records required under Section 2.11(a).

2.12 Payments Generally; Several Obligations of Lenders and Swap Banks.

(a) Payments by Borrower. All payments to be made by the Borrower hereunder and the other Loan Documents shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all such payments shall be made to the Facility Agent, for the account of the respective Lenders to which such payment is owed, at the Facility Agent's Office in immediately available funds not later than 10:00 a.m. (New York City time) on the date specified herein. All amounts received by the Facility Agent after such time on any date shall be deemed to have been received on the next succeeding Business Day and any applicable interest or fees shall continue to accrue. The Facility Agent will promptly distribute to each Lender its ratable share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's applicable lending office (or otherwise distribute such payment in like funds as received to the Person or Persons entitled thereto as provided herein). If any payment to be made by the Borrower shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Maturity Date, payment shall be made on the immediately preceding Business Day. Except as otherwise expressly provided herein, all payments hereunder or under any other Loan Document shall be made in Dollars.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Facility Agent to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) Presumptions by Facility Agent. Unless the Facility Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Facility Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Facility Agent may assume

that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders, as the case may be, severally agrees to repay to the Facility Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Facility Agent, at the greater of the Federal Funds Rate and a rate determined by the Facility Agent in accordance with banking industry rules on interbank compensation.

(d) Deductions by Facility Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b), 2.13 or 11.03(c), then the Facility Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Facility Agent for the account of such Lender for the benefit of the Facility Agent, as applicable, to satisfy such Lender's obligations to the Facility Agent until all such unsatisfied obligations are fully paid or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Facility Agent in its discretion.

(e) Several Obligations of Lenders and Swap Banks. The obligations of the Lenders hereunder to make Loans, to fund participations in Loans and to make payments pursuant to Section 11.03(c) are several and not joint. The failure of any Lender to make any Loan or to fund any such participation or to make any such payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participations or to make its payment under Section 11.03(c). The obligations of the Swap Banks hereunder and under the Swap Contracts are several and not joint.

2.13 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans or participations in Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Facility Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in Loans and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of Section 2.13 shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

2.14 Compensation for Losses. In the event of (a) the payment of any principal of the Loans other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the failure to borrow, continue or prepay on the date specified in any notice delivered pursuant hereto or (c) the assignment of the Loans or any part thereof other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19(b), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the interest rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the London interbank eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

2.15 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender, as the case may be, such

additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

2.16 Taxes.

(a) Defined Terms. For purposes of this Section, the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Facility Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Borrower. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Facility Agent), or by the Facility Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Facility Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Facility Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable

to such Lender's failure to comply with the provisions of Section 11.04(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Facility Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Facility Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Facility Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Facility Agent to the Lender from any other source against any amount due to the Facility Agent under this paragraph (e).

(a) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Facility Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Facility Agent.

(b) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Facility Agent, at the time or times reasonably requested by the Borrower or the Facility Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Facility Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Facility Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Facility Agent as will enable the Borrower or the Facility Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (g)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Facility Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Facility Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Facility Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Facility Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document,

IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit M-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit M-2 or Exhibit M-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit M-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Facility Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Facility Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Facility Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Facility Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Facility Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Facility Agent as may be necessary for the Borrower and the Facility Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Facility Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 2.16 shall survive the resignation or replacement of the Facility Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

2.17 Inability to Determine Rates; Benchmark Replacement Setting.

(a) Inability to Determine Rates. Subject to the provisions of Section 2.17(b)-(f) in connection with Benchmark Replacement, if at the time that the Facility Agent shall seek to determine the Screen Rate on the Quotation Day for any Interest Period for a Borrowing, the Screen Rate shall not be available for such Interest Period with respect to such Borrowing for any reason, and the Facility Agent shall reasonably determine that it is not possible to determine the Interpolated Screen Rate (which conclusion shall be conclusive and binding absent manifest error), then the Reference Bank Rate shall be LIBOR for such Interest Period for such Borrowing; provided that if the Reference Bank Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement; provided, further, however, that if less than two Reference Banks shall supply a rate to the Facility Agent for purposes of determining LIBOR for such Borrowing, then such Borrowing shall be made as Borrowing at the Alternate Base Rate.

(b) Replacing LIBOR. On March 5, 2021 the Financial Conduct Authority (“FCA”), the regulatory supervisor of LIBOR’s administrator (“IBA”), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-month, 3-month, 6-month and 12- month LIBOR tenor settings. On the earlier of (i) the date that all Available Tenors of LIBOR have either permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative and (ii) the Early Opt-in Effective Date, if the then-current Benchmark is LIBOR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Compounded SOFR, all interest payments will be payable on a quarterly basis.

(c) Replacing Future Benchmarks. Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the sixth (6th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Facility Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Facility Agent that a Benchmark Replacement has replaced such Benchmark.

(d) Benchmark Replacement Conforming Changes. In connection with the implementation and administration of a Benchmark Replacement, the Facility Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(e) Notices; Standards for Decisions and Determinations. The Facility Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Facility Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.17.

(f) Unavailability of Tenor of Benchmark. At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR), then the Facility Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Facility Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(g) Benchmark Transition Negotiations. Each party hereto acknowledges and agrees that if a Benchmark Replacement is implemented hereunder or is imminent (including in connection with an Early Opt-In Election), then to the extent that any Lender at such time also is, or has an Affiliate which is, a counterparty to a Secured Swap Contract, the Borrower and the relevant counterparty in order to preserve the economics of such Secured Swap Contract, shall enter into good faith negotiations (and taking in consideration the then prevailing market practice) to make the necessary changes to such Secured Swap Contract to ensure that the relevant benchmarks used therein are consistent with the Benchmark implemented (or to be implemented) hereunder in connection with the applicable Benchmark Replacement, and that such changes are effective immediately preceding (and, in any event, no later than) the commencement of the applicable Benchmark Replacement hereunder. The parties agree that, upon amendment to a Secured Swap Contract (or, if applicable, the termination of the existing Secured Swap Contract and entry into a new Secured Swap Contract) in connection with or in anticipation of the

implementation of a Benchmark Replacement, their respective obligations under this provision will be deemed satisfied.

(h) Definitions.

“Available Tenor” means, as of any date of determination and with respect to the then- current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“Benchmark” means, initially, LIBOR; provided that if a replacement of the Benchmark has occurred pursuant to this Section 2.17, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“Benchmark Replacement” means, for any Available Tenor:

- (i) For purposes of clause (b) of this Section 2.17, the first alternative set forth below that can be determined by the Facility Agent:
 - (A) the sum of: (I) Term SOFR and (II) 0.26161% (26.161 basis points) for an Available Tenor of three-months’ duration, and 0.42826% (42.826 basis points) for an Available Tenor of six-months’ duration, or
 - (B) the sum of: (I) Daily Compounded SOFR and (II) 0.26161% (26.161 basis points) for an interest payment period of three-months’ duration, and 0.42826% (42.826 basis points) for an interest payment period of six- months’ duration; and
- (ii) For purposes of clause (c) of this Section 2.17, the sum of (A) the alternate benchmark rate and (B) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Facility Agent and the Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time;

provided that, if the Benchmark Replacement as determined pursuant to clause (i) or (ii) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Facility Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Facility Agent in a manner substantially consistent with market practice (or, if the Facility Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Facility Agent

determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Facility Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Transition Event” means, with respect to any then-current Benchmark other than LIBOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (i) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (ii) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

“Daily Compounded SOFR” means, for any day, SOFR, with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Facility Agent as agreed by the Required Lenders (in their reasonable discretion) in accordance with a methodology and the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Compounded SOFR” for syndicated business loans; provided, that if the Facility Agent decides that any such convention is not administratively feasible for the Facility Agent, then the Facility Agent may establish another convention as agreed by the Required Lenders (in their reasonable discretion).

“Early Opt-in Effective Date” means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Facility Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

“Early Opt-in Election” means the occurrence of:

- (i) a notification by the Facility Agent, acting on the instructions of the Required Lenders, to (or the request by the Borrower to the Facility Agent to notify) each of the other parties hereto that at least five currently outstanding U.S. dollar- denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and
- (ii) the joint election by the Facility Agent, acting on the instructions of the Required Lenders, and the Borrower to trigger a fallback from LIBOR and the provision by the Facility Agent of written notice of such election to the Lenders.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to LIBOR.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“SOFR” means a rate per annum equal to the secured overnight financing rate for such Business Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).

“Term SOFR” means, for the applicable corresponding tenor, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

2.18 Illegality. Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation of any Law or regulation makes it unlawful, or any central bank or other Governmental Authority asserts that it is unlawful, for any Lender to perform its obligations hereunder to make the Loans or to fund or maintain the Loans or any portion thereof hereunder, then, upon written notice by the Facility Agent to the Borrower, the Facility Agent and the Borrower shall negotiate in good faith to agree on terms for that Lender to continue the Loans or any portion thereof on a basis which is not unlawful. If no agreement shall be reached between the Borrower and the Facility Agent within thirty (30) days, the Facility Agent shall be entitled to give notice to the Borrower that the obligation of that Lender to make or maintain the Loans or any portion thereof, as the case may be, shall be forthwith terminated and the amount of that Lender’s Commitment shall be reduced accordingly, and thereupon the aggregate outstanding principal amount of the Loans or any relevant portion thereof, as the case may be, shall become due and payable in full, together with accrued interest thereon and other sums payable hereunder, and such amounts as the Borrower shall be obligated to reimburse that Lender pursuant to Section 11.03(b) if earlier prepayment is required by any Law, regulation and/or regulatory requirement; provided, however, that, before making any such demand, that Lender shall designate a different lending office for monitoring the Loans if the making of such a designation would avoid the need for giving such notice and demand and would not, in the judgment of that Lender, be otherwise disadvantageous to that Lender.

2.19 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.16, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with paragraph (a) of this Section, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may,

at its sole expense and effort, upon notice to such Lender and the Facility Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or Section 2.16) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Facility Agent the assignment fee (if any) specified in Section 11.04;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.14 and Section 11.03(a)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with Applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Notwithstanding anything in this Section to the contrary, (i) the Lender that acts as the Facility Agent may not be replaced hereunder except in accordance with the terms of Section 10.06.

2.20 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 11.02(b).

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Facility Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX or otherwise) or received by the Facility Agent from a Defaulting Lender pursuant to Section 11.08 shall be applied at such time or times as may be determined by the Facility Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Facility Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Facility Agent; *third*, if so determined by the Facility Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's

potential future funding obligations with respect to the Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of the Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the relevant conditions set forth in Article IV were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Commitment Fees. No Defaulting Lender shall be entitled to receive any commitment fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower, the Facility Agent and each Lender agree in writing that a Lender is no longer a Defaulting Lender, the Facility Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Facility Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) Termination of Defaulting Lender. The Borrower may terminate the unused amount of the Commitment of any Lender that is a Defaulting Lender upon not less than five Business Days' prior notice to the Facility Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 2.20(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Facility Agent or any Lender may have against such Defaulting Lender.

2.21 Increases in Term Facility Commitments.

(a) Request for Increase. The Borrower may, by notice to the Facility Agent (who shall promptly notify the Lenders), request up to two (2) increases in the Term Facility Commitments to finance the acquisition of one or more vessels owned by one or more Additional Guarantors (each such increase, an "Incremental Commitment", and together, the "Incremental Commitments"); provided that such increases together shall be in an aggregate amount not exceeding an amount equal to the lesser of (i) \$60,000,000 and (ii) the sum of (x) 50% of the aggregate Fair Market Value of any Additional Vessels

to be financed by the Incremental Commitments plus (y) 55% of the aggregate Fair Market Value of any Additional Young Vessels to be financed by the Incremental Commitments; provided further that (A) any such Incremental Commitments shall be uncommitted by the Lenders and subject to the approval of each Lender that agrees to provide an Incremental Commitment, (B) any such request for an increase shall be subject to (x) the prior written consent of the Incremental Lenders and (y) the entry into by the Borrower and the other Security Parties of documentation amending and/or supplementing this Agreement and the other Loan Documents as the Facility Agent may reasonably require, (C) Section 2.06 shall be supplemented to provide for repayment of the Incremental Commitments on an approximate seventeen- year age-adjusted profile to 0 based on the average age (calculated based on the year and month of delivery) of the Additional Vessels and Additional Young Vessels being financed, (D) all Additional Vessels and Additional Young Vessels and related tangible and intangible property shall be pledged as Collateral to secure the Facility (as increased by the Incremental Commitments), (E) proposed Incremental Commitments shall be offered as a right of first refusal to the Lenders on a pro-rata basis, and (F) any such request may not be made on or after the date which is twelve (12) months prior to the Maturity Date.

(b) Incremental Lenders. An Incremental Commitment may be provided by any existing Lender which is not a Defaulting Lender or (subject to approval by the Facility Agent, such approval not to be unreasonably withheld or delayed) other Person, in each case, that is an Eligible Assignee (each such existing Lender or other Person that agrees to provide an Incremental Commitment, an “Incremental Lender”); provided that, for the avoidance of doubt, no Incremental Commitment shall be subject to the consent of any Lenders who are not Incremental Lenders. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to agree to increase its Commitment, or to provide a Commitment, pursuant to this Section and any election to do so shall be in the sole discretion of such Lender.

(c) Terms of Incremental Commitments. The Facility Agent and the Borrower shall determine the effective date for such increase pursuant to this Section (an “Incremental Commitment Effective Date”) and, if applicable, the final allocation of such increase among the Persons providing such increase.

In order to effect such increase, the Borrower, the Guarantors, the applicable Incremental Lender(s) and the Facility Agent (but no other Lenders or Persons) shall enter into one or more Joinder Agreements and/or such other documents as the Facility Agent may reasonably require, each in form and substance reasonably satisfactory to the Facility Agent, pursuant to which the applicable Incremental Lender(s) will provide the Incremental Commitment(s).

Effective as of the applicable Incremental Commitment Effective Date, subject to the terms and conditions set forth in this Section, each Incremental Commitment shall be a Commitment (and not a separate facility hereunder), and each Incremental Lender providing such Incremental Commitment shall be, and have all the rights of, a Lender, for all purposes of this Agreement.

(d) Conditions to Effectiveness. Notwithstanding the foregoing, any increase in the Commitments pursuant to this Section shall not be effective with respect to any Incremental Lender unless:

(i) no Default or Event of Default shall have occurred and be continuing on the Incremental Commitment Effective Date and after giving effect to such increase;

(ii) two valuations, each dated no more than forty-five (45) days prior to the Incremental Commitment Effective Date, addressed to the Facility Agent (at the expense of the Borrower) by an Approved Broker indicating the Fair Market Value of each of the Delivered Vessels, and each of the Additional Vessels and Additional Young Vessels to be financed by the Incremental Commitment;

(iii)

above;

(iii) the Facility Agent shall have received the documents described in (c)

(iv) the Facility Agent shall have received such legal opinions and other

documents reasonably requested by the Facility Agent in connection therewith; and

- (v) all necessary “know your customer” requirements have been satisfied.

Without limiting the generality of this Section 2.21, for purposes of determining satisfaction of the conditions specified in this Section 2.21, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender or the Required Lenders unless the Facility Agent shall have received notice from such Lender prior to the proposed Incremental Commitment Effective Date specifying its objection thereto.

As of such Incremental Commitment Effective Date, upon the Facility Agent’s receipt of the documents required by this paragraph (d), the Facility Agent shall record the information contained in the applicable Joinder Agreement(s) in the Register and give prompt notice of the increase in the Commitments to the Borrower and the Lenders (including each Incremental Lender).

ARTICLE III REPRESENTATIONS AND

WARRANTIES

In order to induce the Lenders to enter into this Agreement and to make the Loans, each of the Obligors, jointly and severally, represents and warrants to each Finance Party as of the Closing Date and on the date of each Borrowing Request (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date):

3.01 Existence, Qualification and Power. Each Obligor (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization (which jurisdiction is the Republic of the Marshall Islands or another jurisdiction acceptable to the Lenders), (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party or any of the transactions contemplated hereby and thereby, and (c) is duly qualified and in good standing as a foreign company in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed, except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

3.02 Authorization; No Contravention. The execution, delivery and performance by each Obligor of each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien (except Permitted Liens) under, or require any payment to be made under (i) any material Contractual Obligation to which such Obligor is a party or affecting such Obligor or the properties of such Obligor or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Obligor or property belonging thereto is subject or (c) violate any Law.

3.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other

Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Obligor of this Agreement or any other Loan Document, except for (a) the filing of Uniform Commercial Code financing statements or other similar filing or instruments under the laws of any applicable jurisdiction, (b) any Vessel Mortgage recording requirements under the relevant jurisdiction of such Vessel registration, and (c) such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and are in full force and effect.

3.04 Execution and Delivery; Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Obligor party thereto. Except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity, the Loan Documents to which each Obligor is a party, constitute or, as the case may be, will constitute upon execution and delivery (and, where applicable, registration as provided for in the Loan Documents), such Obligor's legal, valid and binding obligations enforceable against it in accordance with their respective terms.

3.05 Financial Statements; No Material Adverse Effect.

(a) Financial Statements. The Audited Financial Statement of the Parent and its Subsidiaries was prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Parent and its Subsidiaries, as of the date thereof and their results of operations and cash flows for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein. The unaudited consolidated balance sheet of the Parent and its Subsidiaries, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on June 30, 2021 were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Parent and its Subsidiaries, as of the date thereof and their results of operations and cash flows for the period covered thereby, subject to the absence of footnotes and to normal year-end audit adjustments

(b) No Material Adverse Change. Since December 31, 2020, there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

3.06 Litigation. Except as otherwise previously disclosed publicly or directly to the Facility Agent, there are no actions, suits, proceedings, claims, disputes or investigations pending or, to the knowledge of any Obligor, threatened, at Law, in equity, in arbitration or before any Governmental Authority, by or against any Obligor or any Subsidiary or against any of their properties or revenues that

(a) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect or (b) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby

3.07 No Material Adverse Effect; No Default. No Obligor nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. As of the Closing Date, no Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

3.08 Property.

(a) Ownership of Properties.

(i) No Obligor has created or is contractually bound to create any security interest on or with respect to any of its assets, properties, rights or revenues, in each case, constituting Collateral, except for Permitted Liens, and except as provided in this Agreement no Obligor is restricted by contract, applicable law or regulation or otherwise from creating security interests on any of its assets, properties, rights or revenues, in each case, constituting Collateral.

(ii) Each Guarantor has received all deeds, assignments, waivers, consents, non-disturbance and attornment or similar agreements, bills of sale and other documents, and has duly effected all recordings, filings and other actions, necessary to establish, protect and perfect such Guarantor's right, title and interest in and to any Vessel owned by it and other properties and assets owned by it, in each case, constituting Collateral (or arrangements for such recordings, filings and other actions acceptable to the Facility Agent shall have been made).

(iii) Without limiting the generality of Section 3.22 and paragraph (ii) of this Section, at the time of the execution and delivery of each Security Document: (a) the relevant Obligor will have the right to create all the security interests which that Security Document purports to create; and (b) no third party will have any Liens (except for Permitted Liens) or any other interest, right or claim over, in or in relation to any asset to which any such Lien, by its terms, relates.

(b) Intellectual Property. Except for those with respect to which the failure to own or license could not reasonably be expected to have a Material Adverse Effect, each Obligor owns or has the right to use all patents, trademarks, permits, service marks, trade names, copyrights, franchises, formulas, licenses and other rights with respect thereto, and have obtained assignment of all licenses and other rights of whatsoever nature, that are material to its business as currently contemplated without any conflict with the rights of others.

3.09 Taxes.

(a) As of the Initial Borrowing Date and the date of each relevant Borrowing, all payments which any Obligor is liable to make under any Loan Documents to which it is a party can properly be made without deduction or withholding for or on account of any tax payable under any Laws of any Pertinent Jurisdiction.

(b) The Obligors have each filed all Federal, state and other tax returns and reports required to be filed, and have paid all Federal, state and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) No material claim for any tax has been asserted against any Obligor by any taxing authority other than claims that are included in the liabilities for taxes in the most recent balance sheet of such person or disclosed in the notes thereto, if any.

(d) The execution, delivery, filing and registration or recording (if applicable) of the Loan Documents and the consummation of the transactions contemplated thereby will not cause any of the Finance Parties to be required to make any registration with, give any notice to, obtain any license, permit or other authorization from, or file any declaration, return, report or other document with any governmental authority in any Pertinent Jurisdiction.

(e) No taxes are required by any governmental authority in any relevant Pertinent Jurisdiction to be paid with respect to or in connection with the execution, delivery, filing, recording, performance or enforcement of any Loan Document other than (a) nominal documentary stamp taxes in connection with the submission of any Loan Document to a court in any Pertinent Jurisdiction, (b) court fees consequent upon litigation in any Pertinent Jurisdiction, and (c) any applicable mortgage recording fee in connection with the recording of the Vessel Mortgages in accordance with the relevant Pertinent Jurisdiction of such Vessel registration.

(f) It is not necessary for the legality, validity, enforceability or admissibility into evidence of this Agreement or any other Loan Document that any stamp, registration or similar taxes be paid on or in relation to this Agreement or any of the other Loan Documents other than (a) nominal documentary stamp taxes in connection with the submission of any Loan Document to a court in any Pertinent Jurisdiction, (b) court fees consequent upon litigation in any Pertinent Jurisdiction, and (c) any applicable mortgage recording fee in connection with the recording of the Vessel Mortgages in accordance with the relevant Pertinent Jurisdiction of such Vessel registration.

3.10 Disclosure. As of the Closing Date, each Obligor has disclosed to the Facility Agent all agreements, instruments and corporate or other restrictions to which such Obligor is subject, and all other matters known to it, that either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The reports, financial statements, certificates and other written information (other than projected or pro forma financial information) furnished by or on behalf of any Obligor to the Facility Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished), taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected or pro forma financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery (it being understood that such projected information may vary from actual results and that such variances may be material).

3.11 Compliance with Laws. Each of the Obligors is in compliance with the requirements of all applicable Laws (including Environmental Laws, Sanctions and anti-corruption laws) and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.12 ERISA Compliance.

(a) Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, (i) each Plan is in compliance with the applicable provisions of ERISA, the Code and other Federal or state Laws and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from Federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS, and, to the knowledge of the Borrower, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of the Borrower, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse

Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, or could reasonably be expected to have a Material Adverse Effect.

(c) No ERISA Event has occurred, and none of the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan.

(d) The present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount. As of the most recent valuation date for each Multiemployer Plan, the potential liability of the Borrower or any ERISA Affiliate for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 or Section 4205 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, is zero.

(e) To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure to so comply could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect. None of the Borrower nor any Subsidiary has incurred a material obligation in connection with the termination of or withdrawal from any Foreign Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of the Borrower or Subsidiary, as applicable, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

3.13 Environmental Matters. Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, no Obligor (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (b) knows of any basis for any permit, license or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) has received notice of any claim, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of any Obligor, is threatened or contemplated) or (e) knows of any facts, events or circumstances that could give rise to any basis for any Environmental Liability of any Obligor.

3.14 Margin Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

3.15 Investment Company, Public Utility. None of the Obligors is (a) an “investment company” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended; or (b) a “public utility” within the meaning of the United States Federal Power Act of 1920, as amended.

3.16 PATRIOT Act; Sanctions; Anti-Corruption; Anti-Money-Laundering.

(a) PATRIOT Act. To the extent applicable, each of the Obligor and their Subsidiaries is in compliance in all material respects with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), and any other enabling legislation or executive order relating thereto, and (ii) the PATRIOT Act.

(b) Sanctioned Persons. None of the Obligor or any of their Subsidiaries or any director, officer, or to the knowledge of any Obligor, any employee or Affiliate of any Obligor or any of their Subsidiaries is a Person that is, or is owned fifty percent (50%) or more, individually or in the aggregate, directly or indirectly or controlled by one or more Persons that are the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, the United Nations Security Council, France, the European Union or Her Majesty's Treasury (collectively, "Sanctions"). None of the Obligor or any of their Subsidiaries is a Person that is, or is owned fifty percent (50%) or more, individually or in the aggregate, directly or indirectly or controlled by one or more Persons that are located, organized or resident in a country or territory that is, or whose government is, the subject of comprehensive Sanctions (currently, Crimea, Cuba, Iran, North Korea and Syria).

(c) Anti-Corruption Laws. The Obligor and their Subsidiaries and their respective directors, officers and, to the knowledge of the Obligor, employees of the Obligor and their Subsidiaries are in compliance with all applicable Sanctions and with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") and any other applicable anti-corruption law, in each case, in all material respects. The Obligor and their Subsidiaries have instituted and maintain policies and procedures reasonably designed to ensure continued compliance therewith.

(d) Anti-Money-Laundering. In relation to any Borrowing, the performance and discharge of the Borrower's obligations and liabilities under the Loan Documents, and the transactions and other arrangements affected or contemplated by the Loan Documents to which the Borrower is a party, the Obligor confirm that:

(i) they are acting for their own account;

(ii) they will use the proceeds of such Borrowing for their own benefit or the benefit of their Affiliates, under their full responsibility and exclusively for the purposes specified in this Agreement; and

(iii) they will not use the proceeds of such Borrowing in contravention of any applicable law, official requirement or other regulatory measure or procedure implemented to combat "money laundering" (as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council) and comparable United States federal and state laws, including without limitation the PATRIOT Act and the Bank Secrecy Act.

3.17 ISM Code, ISPS Code and MARPOL Compliance. Each Upstream Guarantor has obtained or will obtain or will cause to be obtained all necessary ISM Code Documentation, ISPS Code Documentation and MARPOL Documentation in connection with the Vessel owned or to be owned by it and such Vessel's operation and will be or will cause such Vessel and the Approved Manager to be in full compliance with the ISM Code, the ISPS Code and MARPOL.

3.18 Solvency. As of the Initial Borrowing Date and the date of each relevant Borrowing, after giving effect to the funding thereof, the Obligor taken as a whole are Solvent.

3.19 Place of Business.

(a) For the purposes of the Uniform Commercial Code only, the Borrower and the Parent have their chief executive office at 300 First Stamford Place, Stamford, CT 06902. None of the Upstream Guarantors has a place of business in the United States of America, the District of Columbia, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of United States of America.

(b) From the date of its incorporation or formation, as the case may be, until the date hereof, none of the Obligors has conducted any business other than in connection with, or related to, the acquisition and disposition, ownership, and operation of Vessels.

3.20 Ownership.

(a) All of the Equity Interests of the Borrower have been validly issued, are fully paid and non-assessable and free and clear of all security interests (other than Permitted Liens) and are owned, directly or indirectly, beneficially by the Parent. As of the Initial Borrowing Date, all of the Equity Interests of each Upstream Guarantor have been validly issued, are fully paid, non-assessable and free and clear of all security interests (other than Permitted Liens) and are owned beneficially and of record by the Borrower.

(b) None of the Equity Interests of the Obligors (excluding the Parent) are subject to any existing option, warrant, call, right, commitment or other agreement of any character to which such Obligor is a party requiring, and there are no Equity Interests of any Obligor (excluding the Parent) outstanding which upon conversion or exchange would require, the issuance, sale or transfer of any additional Equity Interests of such Obligor or other Equity Interests convertible into, exchangeable for or evidencing the right to subscribe for or purchase Equity Interests of such Obligor.

3.21 Vessels. As of the date of a Borrowing relating to a Vessel, such Vessel will be:

(a) in the sole and absolute ownership of an Upstream Guarantor and duly registered in such Upstream Guarantor's name under the law of the relevant Approved Flag, unencumbered save and except for the Vessel Mortgage thereon in favor of the Security Trustee registered against it and Permitted Liens;

(b) seaworthy for hull and machinery insurance warranty purposes and in every way fit for its intended service; (c) insured in accordance with the provisions of this Agreement and the requirements hereof in respect of such insurances will have been complied with; (d) in class in accordance with the provisions of this Agreement and the requirements hereof in respect of such classification will have been complied with; and (e) managed by an Approved Manager pursuant to a technical or commercial management agreement.

3.22 The Security Documents.

(a) Subject to any applicable exceptions set forth herein, upon execution and delivery of each Security Document, there will be created in favor of the Facility Agent or, as the case may be, the Security Trustee, for the benefit of the Finance Parties, a legal, valid and enforceable Lien on, and security interest in, the Collateral described herein and therein and (i) when all financing statements or the other filings in appropriate form are filed and maintained in the appropriate offices as may be required under applicable Laws and (ii) upon the taking of possession or control by the Facility Agent or, as the case may be, the Security Trustee, of such Collateral with respect to which a security interest may be perfected only by possession or control (which such possession or control shall be given to the Facility Agent or, as the case may be, the Security Trustee, to the extent required by any Security Document), the Liens created under such Security Document will constitute a fully perfected Lien on all right, title and interest of the applicable Obligors as of the date of execution of said Security Document, in such Collateral, in each case prior and superior in right to any other Person, other than with respect to Permitted Liens.

(b) Each Vessel Mortgage, upon execution and delivery thereof, will be effective to create, in favor of the Security Trustee, for its benefit and the benefit of the Finance Parties, a legal, valid and enforceable first priority or first preferred ship mortgage Lien on the Vessel subject to such Vessel Mortgage and the proceeds thereof, subject only to Permitted Liens, and when the Vessel Mortgage is recorded or registered in accordance with the laws of the jurisdiction of the relevant Approved Flag, such Vessel Mortgage shall constitute a fully perfected first priority or first preferred ship mortgage Lien on the Vessel subject to such Vessel Mortgage, in each case, subject to no Liens other than Permitted Liens.

3.23 Use of Proceeds. Each Obligor will, and will cause each of its Subsidiaries to, use the proceeds of the Loans solely for purposes set forth in the Preliminary Statements hereof. No part of the proceeds of the Loans will be used, directly or, to the knowledge of the Obligors, indirectly, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the FCPA or Sanctions or any other applicable anti-corruption law or applicable anti-money-laundering law.

3.24 Beneficial Ownership Certification. As of the Closing Date, the information included in any Beneficial Ownership Certification is true and correct in all respects.

3.25 No Immunity. The Borrower does not, nor does any other Security Party or any of their respective properties, have any right of immunity on the grounds of sovereignty.

3.26 Pari Passu Ranking. Each Obligor's payment obligations under the Loan Documents and the Secured Swap Contracts to which it is, or is to be, a party rank at least pari passu with all its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

ARTICLE IV CONDITIONS OF LENDING

4.01 Conditions Precedent to the Closing Date. The obligation of each Lender to make any Loan is subject to the conditions precedent that, on or before the Closing Date, the Facility Agent shall have received, in form and substance satisfactory to the Facility Agent and each Lender (unless otherwise specified):

(a) certified copies of the resolutions of the member of the Borrower, of the sole member of each Upstream Guarantor and of the board of directors of the Parent approving each Loan Document and each other document contemplated thereby to which any Obligor is or is to be a party, and of all documents evidencing other necessary corporate or company action and governmental approvals of each Obligor, if any, with respect to such Loan Documents and other documents to which it is or is to be a party;

(b) a certificate of an officer of the Borrower, of an officer of each Upstream Guarantor and of an officer of the Parent certifying the names and true signatures of the respective officers and attorneys-in-fact of each Obligor authorized to sign each Loan Document and each other document contemplated thereby to which it is or is to be a party;

(c) a copy of the Organizational Documents of each Obligor and each amendment thereto, certified (as of a date reasonably near the Closing Date) by an officer of the Borrower, of each Upstream Guarantor and of the Parent as being a true and correct copy thereof;

(d) an original or a certified copy of any power of attorney under which any Loan Document is executed on behalf of an Obligor;

(e) a copy of a certificate of goodstanding of each Obligor dated as of a date reasonably near the Closing Date, certifying that such Obligor is duly formed and in good standing under the laws of its jurisdiction of formation;

(f) copies of all consents which an Obligor requires to enter into, or make any payment under any Loan Document, each certified as of a date reasonably near the Closing Date by an authorized person of such party as being a true and correct copy thereof, or certification by such authorized person that no such consents are required;

(g) such documentation and other evidence as is reasonably requested by the Facility Agent or a Lender in order for each to carry out and be satisfied with the results of all necessary “know your customer” or other checks which it is required to carry out in relation to the transactions contemplated by this Agreement and the other Loan Documents, including without limitation obtaining, verifying and recording certain information and documentation that will allow the Facility Agent and each of the Lenders to identify each Security Party in accordance with the requirements of the PATRIOT Act;

(h) evidence that the Borrower and each Upstream Guarantor has duly opened an Operating Account and the Borrower has opened the Debt Service Account, as applicable, and has delivered to the Facility Agent all resolutions, signature cards and other documents or evidence required in connection with the opening, maintenance and operation of such accounts with an Account Bank;

(i) a duly executed original of this Agreement;

(j) a duly executed original of each Loan Document not otherwise referred to in this Article IV in effect on the Closing Date, or any other document in effect on the Closing Date required to be delivered by any such Loan Document if not otherwise referred to in this Article IV;

(k) payment by the Borrower of the fees due and payable pursuant to Section 2.10 and any other fees, costs and expenses due and payable pursuant hereto;

(l) a satisfactory review by the Facility Agent’s counsel of the equity structure of each

Obligor;

(m) a copy of the annual budget of the Borrower;

(n) at least five (5) days prior to the Closing Date, a Beneficial Ownership

Certification in relation to any Obligor that qualifies as a “legal entity customer” under the Beneficial Ownership Regulation;

(o) a certificate (as of a date reasonably near the Closing Date) by an officer of the Borrower, of each Upstream Guarantor and of the Parent certifying that on and as of the Closing Date, no Default shall have occurred and be continuing;

(p) a certificate (as of a date reasonably near the Closing Date) by an officer of the Borrower, of each Upstream Guarantor and of the Parent certifying that the representations and warranties contained in Article III shall be true and correct in all material respects on and as of the Closing Date, except to the extent that such representations and warranties specifically refer to an earlier date; and

(a) such documents and evidence as any Lender or the Facility Agent shall reasonably require, based on Applicable Law and such Lender's or the Facility Agent's own internal guidelines, relating to such Lender's or the Facility Agent's knowledge of its customers.

Without limiting the generality of this Section 4.01, for purposes of determining satisfaction of the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender or the Required Lenders unless the Facility Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions Precedent to Each Borrowing. The obligation of each Lender to make each Loan, is subject to the following conditions precedent having been satisfied (or waived in writing by the Facility Agent with the written consent of the Required Lenders) on or prior to the date of the relevant Borrowing:

(a) the Facility Agent shall have received a Borrowing Request as required by

Section 2.03;

(a) (b) the Borrower shall have paid the fees due and payable pursuant to Section 2.10 and any other fees, costs and expenses due and payable pursuant hereto;

(c) the Facility Agent shall have received forecasts prepared by management of the Borrower pursuant to Section 5.01(c);

(d) evidence that, if the tests set out in Article VII or Section 5.04 were applied immediately following the making of the relevant Borrowing, the Borrower would not be obliged to provide additional security or repay part of the Borrowings as therein provided (determined on the basis of the most recent valuation for each Vessel delivered pursuant to Section 5.03);

(e) immediately after the making of the relevant Borrowing, no Default shall have occurred and be continuing;

(f) the Facility Agent shall have received a certificate of an officer of the Borrower (for itself and as sole member of each Upstream Guarantor, as the case may be) and of the Parent certifying that no Default shall have occurred and be continuing;

(g) the representations and warranties contained in Article III shall be true and correct in all material respects on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an earlier date;

(h) the Facility Agent shall have received on or before such Borrowing, a certificate of an officer of the Borrower (for itself and as sole member of each Upstream Guarantor) and of the Parent, in form and substance reasonably satisfactory to the Facility Agent, dated as of the relevant Borrowing (the statements made in such certificate shall be true on and as of the date of such Borrowing), certifying copies of the resolutions of the Borrower as sole member of each Upstream Guarantor approving each Loan Document and each other document contemplated thereby to which any Obligor is or is to be a party, and certifying that each of the statements and confirmations made in the certificate(s) delivered pursuant to Section 4.01(a)-(d) remain true, complete and up-to-date, in full force and effect, and have not been amended, modified, suspended or revoked (other than with respect to the transfer of the sole membership of each Upstream Guarantor to the Borrower);

(a) the Facility Agent shall have received on or before such Borrowing, a certificate of an officer of the Borrower (for itself and as sole member of each Upstream Guarantor) and of the Parent, in form and substance reasonably satisfactory to the Facility Agent, dated as of the relevant Borrowing (the statements made in such certificate shall be true on and as of the date of such Borrowing), certifying that each document it is required to provide in connection with such Borrowing is in full force and effect as at the date of such Borrowing;

(b) the Facility Agent shall have received on or before such Borrowing, a copy of a certificate of goodstanding of each Obligor dated as of a date reasonably near the date of such Borrowing, certifying that such Obligor is duly formed and in good standing under the laws of its jurisdiction of formation;

(c) a favorable opinion of Seward & Kissel LLP, counsel for the Obligors, in respect of the Loan Documents (including, without limitation, the relevant Vessel Mortgage) executed in connection with the making of the relevant Borrowing and as to such other matters as the Facility Agent may reasonably request, and of any other counsel for the Facility Agent as reasonably required by the Facility Agent, addressed to the Facility Agent and all other Finance Parties in form and substance satisfactory to the Facility Agent; and

(d) to the extent required by any change in applicable law and regulation or any changes in any Lender's own internal guidelines since the date on which the applicable documents and evidence were delivered to the Facility Agent pursuant to Section 4.01(g), such further documents and evidence as the Facility Agent shall reasonably require relating to each Lender's knowledge of its customers.

The making of each Borrowing hereunder shall be deemed to be a representation and warranty by the Obligors on the date of such Borrowing as to the facts specified in clauses (d) and (e) of this Section 4.02.

Without limiting the generality of this Section 4.02, for purposes of determining satisfaction of the conditions specified in this Section 4.02, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender or the Required Lenders unless the Facility Agent shall have received notice from such Lender prior to the proposed date of the relevant Borrowing specifying its objection thereto.

4.03 Conditions Precedent to Each Borrowing for Each Vessel. Without prejudice to Sections 4.01 and 4.02, the obligation of each Lender to make a Loan in relation to any Vessel is subject to the following further conditions precedent having been satisfied (or waived in writing by the Facility Agent with the written consent of the Required Lenders) on or prior to the relevant Borrowing: the Facility Agent shall have received on or before the date of the relevant Borrowing the following, each dated as of the date of such Borrowing (unless otherwise specified), in form and substance reasonably satisfactory to the Lenders (unless otherwise specified):

(a) a Vessel Mortgage relating to the relevant Vessel, duly executed by the relevant Upstream Guarantor;

(b) an Assignment of Earnings relating to the relevant Vessel, duly executed by the relevant Upstream Guarantor;

(c) an Assignment of Insurances relating to the relevant Vessel, duly executed by the relevant Upstream Guarantor, together with a signed notice of assignment, substantially in the form attached thereto;

- (d) a Membership Interest Pledge relating to the relevant Upstream Guarantor and the Borrower, duly executed by the Borrower or by the Parent as applicable;
- (e) a Letter of Undertaking relating to the relevant Vessel, provided by the relevant approved broker and with such approved insurance companies and/or underwriters;
- (f) a Manager's Undertaking relating to the relevant Vessel, duly executed by each Approved Manager of such Vessel;
- (g) an Account Pledge, duly executed by the Borrower with respect to the Borrower's Operating Account and by the relevant Upstream Guarantor with respect to such Upstream Guarantor's Operating Account;
- (h) evidence of insurance in respect of the relevant Vessel naming the Facility Agent as loss payee and, with respect to hull and machinery insurances, as co-assured with such responsible and reputable insurance companies or associations, and in such amounts and covering such risks, as is required pursuant to this Agreement and the relevant Vessel Mortgage;
- (i) a favorable opinion from an independent insurance consultant reasonably acceptable to the Facility Agent on such matters relating to the insurances for the relevant Vessel as the Facility Agent may reasonably require;
- (j) a Certificate of Ownership and Encumbrance (or equivalent) issued by the maritime administrator for the Marshall Islands (or other relevant authority) stating that the relevant Vessel is owned by the relevant Upstream Guarantor and that there are on record no Liens on such Vessel except the relevant Vessel Mortgage;
- (k) evidence of the completion of all other recordings and filings of, or with respect to, the Security Documents executed in connection with the making of the relevant Borrowing that the Facility Agent may reasonably deem necessary or desirable in order to perfect and protect the Liens created thereby, including under the Uniform Commercial Code of New York or such other jurisdiction where the relevant Obligor and/or the relevant Collateral may be located;
- (l) a copy of a certificate duly issued by the Classification Society, dated within seven (7) days of the relevant Borrowing, to the effect that the relevant Vessel has received the highest classification and rating for vessels of the same age and type, free of all overdue recommendations and overdue notations of the Classification Society affecting class;
- (m) evidence that the relevant Vessel will, as from the date of the relevant Borrowing, be managed by an Approved Manager on terms reasonably acceptable to the Facility Agent, together with copies of the Document of Compliance and Safety Management Certificate issued pursuant to the ISM Code, the ISSC issued pursuant to the ISPS Code and the IOPPC issued pursuant to MARPOL in respect of such relevant Vessel;
- (n) a copy of any charter for an initial term which exceeds thirteen (13) months to which the relevant Vessel is subject as of the date of the relevant Borrowing;
- (o) if applicable, a Charter Assignment relating to the relevant Vessel, duly executed by the relevant Upstream Guarantor, together with a signed notice of assignment, substantially in the form attached thereto;
- (p) for all those Vessels for which a Green Passport is in place on the date of the first Borrowing Request, evidence that the Green Passport relating to the relevant Vessel is in place;

(q) two valuations of the Fair Market Value the relevant Vessel, paid for by the Borrower but addressed to the Facility Agent and dated not more than forty-five (45) days before service of the relevant Borrowing Request;

(r) if applicable, any Secured Swap Contracts and Master Agreement Assignments in relation thereto, duly executed by the Borrower; and

(s) such other documents and certificates relating to the relevant Vessel, or the operation thereof, as may be reasonably requested by the Facility Agent.

Without limiting the generality of this Section 4.03, for purposes of determining satisfaction of the conditions specified in this Section 4.03, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender or the Required Lenders unless the Facility Agent shall have received notice from such Lender prior to the proposed date of the relevant Borrowing specifying its objection thereto.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and all Obligations shall have been paid in full (other than contingent indemnification or reimbursement obligations), the Borrower and each of the Guarantors, as the case may be, covenants and agrees with each Finance Party that:

5.01 Financial Statements. The Borrower will furnish to the Facility Agent:

(a) as soon as available, and in any event within 90 days after the end of each fiscal year) (commencing with the fiscal year ending on December 31, 2021), a consolidated balance sheet of the Parent and its Subsidiaries and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, audited, accompanied by a report and opinion of independent public accountants of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards (and shall not be subject to any "going concern" or like qualification, exception or explanatory paragraph or any qualification, exception or explanatory paragraph as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries, on a consolidated basis in accordance with GAAP consistently applied;

(b) as soon as available, but in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year (commencing with the fiscal quarter ending on September 30, 2021), a consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Parent's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, certified by a Financial Officer of the Parent as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject only to normal year-end audit adjustments and the absence of notes;

(c) commencing with the 2021 fiscal year, as soon as available, but in any event prior to the beginning each fiscal year, forecasts prepared by management of the Parent and its Subsidiaries and

a summary of material assumptions used to prepare such forecasts, in form satisfactory to the Facility Agent, including projected consolidated balance sheets and statements of income or operations and cash flows (including without limitation quarterly capital expenditures expected for upcoming scrubber payments) of the Parent and its Subsidiaries on a quarterly basis for such fiscal year.

5.02 Certificates; Other Information. The Borrower will deliver to the Facility Agent:

(a) concurrently with the delivery of the financial statements referred to in Sections 5.01(a) and (b), a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower certifying (i) as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) computations set forth in reasonable detail and reasonably satisfactory to the Facility Agent demonstrating compliance with the covenants set out in Article VII at the end of each fiscal quarter, (iii) calculations related to, and determination of, the Applicable Margin at the end of each fiscal quarter and (iv) at the end of the second and fourth fiscal quarters of each fiscal year only, compliance with Section 5.04;

(b) promptly after the furnishing thereof, copies of any material request or notice received by the Borrower or any Subsidiary, or any statement or report furnished by the Borrower or any Subsidiary to any holder of debt securities of the Borrower or any Subsidiary, pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished pursuant hereto;

(c) promptly after following request therefor, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them, as the Facility Agent or any Lender (through the Facility Agent) may from time to time reasonably request;

(d) promptly following any request by the Security Trustee therefor, any information which the Security Trustee (or any such designated person) reasonably requests for the purpose of:

(i) obtaining or preparing any report from an independent marine insurance broker as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or (ii) effecting, maintaining or renewing any such insurances or dealing with or considering any matters relating to any such insurances;

(e) promptly following any request therefor, such other information regarding: (i) the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Parent, any other Obligor or any Subsidiary, (ii) any Vessel, its employment, position and engagements, Earnings, payments and amounts due to its master and crew, expenses incurred, towages and salvages, or its charter or management, or (iii) compliance with the terms of the Loan Documents, as the Facility Agent, Security Trustee, or any Lender (through the Facility Agent) may from time to time reasonably request;

(f) promptly following any request by the Security Trustee therefor, any information which the Security Trustee (or any such designated person) reasonably requests regarding: (i) the Collateral, (ii) any assets subject to security in favor of the Security Trustee or (iii) the compliance of any Obligor with any Security Document;

(g) no later than July 1 of each fiscal year, a Sustainability Certificate for the fiscal year ended immediately prior to such delivery setting forth the calculations required in the Sustainability Pricing Adjustment Schedule; provided that if the Borrower fails to deliver a Sustainability Certificate, the only consequence shall be an increase to the Applicable Margin as set forth in the Sustainability Pricing Adjustment Schedule, and no Default or Event of Default will result from such failure to deliver the

Sustainability Certificate (it being understood that in no event will the Applicable Margin be reduced (or increased) by more than 0.05 percentage points from the levels set forth in the definition thereof).

Documents required to be delivered pursuant to Section 5.01(a) or (b) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Facility Agent have access (whether a commercial, third-party website or whether sponsored by the Facility Agent). The Facility Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents. Notwithstanding anything to the contrary herein, in every instance, the Borrower shall be required to provide copies of the Compliance Certificate required by Section 5.02(a) to the Facility Agent and each of the Lenders and no such public filings shall be deemed to be a substitute therefor.

5.03 Vessel Valuations. The Borrower, at its own expense, shall procure at least two written appraisal reports, to be made by an Approved Broker (i) each calendar year, dated no earlier than forty-five (45) days prior to its delivery to the Facility Agent, and (ii) during the occurrence and continuation of an Event of Default at such frequency as the Facility Agent requests, in each case indicating the Fair Market Value of: (a) all Vessels subject to a Vessel Mortgage, forty-five (45) days after the end of the second and fourth fiscal quarters of each fiscal year; (b) each Delivered Vessel on or before the giving of the first Borrowing Request; and (c) all Vessels on or before the date on which the Borrower elects to increase the Commitments pursuant to Section 2.21(a); provided that, for the avoidance of doubt, the Facility Agent at all times may obtain additional such written appraisal reports at the Lenders' ratable cost.

5.04 Vessel Value Maintenance. Each Obligor will ensure that the aggregate Fair Market Value of the Vessels subject to a Vessel Mortgage (plus the market value of any additional security for the time being actually provided to the Lenders pursuant to this Section 5.04) is at all times not less than one hundred forty percent (140%) of the aggregate outstanding principal amount of the Loans. If the Obligors at any time shall not be in compliance with the preceding sentence, and in any event within forty-five (45) days of being notified by the Facility Agent of such noncompliance (which notification shall be conclusive and binding on the Obligors), the Obligors shall (a) prepay (subject to, and in accordance with Section 2.07) such part of the Loans as will ensure compliance with this Section 5.04; or (b) provide the Security Trustee with, or procure the provision to the Lenders of, such additional security as shall in the opinion of the Required Lenders be adequate to make up such deficiency, which additional security shall take such form, be constituted by such documentation and be entered into between such parties as the Required Lenders in their absolute discretion may approve or require, (and, if the Obligors do not make proposals satisfactory to the Required Lenders in relation to such additional security within five (5) days of the date of the Facility Agent's notification to the Obligors aforesaid, the Obligors shall be deemed to have elected to prepay in accordance with (a) above).

5.05 Notices. The Borrower will promptly notify the Facility Agent of:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit, investigation or proceeding by or before any arbitrator or Governmental Authority against or affecting the Parent, any Obligor, or any

Affiliate thereof including pursuant to any applicable Sanctions or Environmental Laws, that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to result in a Material Adverse Effect;

(d) notice of any action arising under any Environmental Law or of any noncompliance by any Obligor with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(e) any material change in accounting or financial reporting practices by the Borrower or any Subsidiary, other than (i) as permitted by Clause 1.03(b) and (ii) with respect to standards set by the Financial Accounting Standards Board as required by GAAP;

(f) any occurrence as a result of which any Vessel owned has become or is, by the passing of time or otherwise, likely to become a Total Loss;

(g) any requirement or condition made by any insurer or classification society or by any competent authority which is not immediately complied with;

(h) any arrest or detention of any Vessel, any exercise or purported exercise of any security interest on that Vessel or the Earnings or any requisition of that Vessel for hire;

(i) any intended dry docking of any Vessel;

(j) any claim for breach of the ISM Code, the ISPS Code or MARPOL being made against any Obligor, the Approved Manager or otherwise in connection with any Vessel;

(k) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code, the ISPS Code or MARPOL not being complied with;

(l) any installation of a scrubber on any Vessel;

(m) any matter or development that has had or could reasonably be expected to have a Material Adverse Effect; and

(n) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in sections (C) or (D) of such certification.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth the details of the occurrence requiring such notice and stating what action the Borrower has taken and proposes to take with respect thereto.

5.06 Preservation of Existence, Etc. Each Obligor will (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization (which jurisdiction shall be the Republic of the Marshall Islands, the Republic of Liberia, the Republic of Singapore or other jurisdiction acceptable to the Required Lenders); (b) take all reasonable action to maintain all rights, licenses, permits, privileges and franchises necessary or desirable for (i) such Obligor to perform its obligations under this Agreement and all other Loan Documents and (ii) the operation of the Vessels, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

5.07 Hedge Reporting. During such time as any Loans are outstanding and any Secured Swap Contract or Permitted Third-Party Hedging Obligation has been put in place by the Borrower, the Borrower shall provide to the Facility Agent on a monthly basis a statement of the trading positions under all such Secured Swap Contracts and Permitted Third-Party Hedging Obligations.

5.08 Maintenance of Properties. Each Obligor will (a) maintain, preserve and protect all of its properties and equipment, other than Vessels, necessary in the operation of its business in good working order and condition (ordinary wear and tear excepted) and (b) make all necessary repairs thereto and renewals and replacements thereof, except to the extent, in either case, that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.09 Insurances. Each Obligor will:

(a) maintain (with financially sound, internationally recognized, creditworthy and reputable insurance companies, re-insurance companies or brokers including, without limitation, McGill, AON, Marsh, and AJ Gallagher) insurance with respect to any of its properties, other than the Vessels, and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such Persons;

(b) keep the Vessel owned by it insured (with financially sound, internationally recognized, creditworthy and reputable insurance companies, re-insurance companies or brokers including, without limitation, McGill, AON, Marsh, and AJ Gallagher) at its expense against: (i) fire and usual marine risks (including hull and machinery, hull interest/increased value, freight interest and excess risks); (ii) war risks (including terrorism, piracy, and confiscation); (iii) protection and indemnity risks (including maximum for pollution liabilities); and (iv) any other risks against which the Security Trustee considers, having regard to practices and other circumstances prevailing at the relevant time, it would in the opinion of the Security Trustee be reasonable for that Upstream Guarantor to insure and which are specified by the Security Trustee by notice to that Upstream Guarantor;

(c) affect such insurances in respect of the Vessel owned by it:

(i) (A) in Dollars; (B) in each case, in an amount on an agreed value basis at least 120% of the Facility; (C) in respect of any obligatory insurances for hull and machinery, in an amount on an agreed value basis at least the greater of: (1) the aggregate of the Facility and (2) 80% of the Fair Market Value of the Vessels, while the remaining cover may be taken out as hull interest and/or freight interest insurance; (D) in the case of oil pollution liability risks, for an aggregate amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry and in the international marine insurance market; (E) in relation to protection and indemnity risks in respect of the full tonnage of the Vessel owned by it; (F) on approved terms; and (G) through approved brokers and with approved insurance companies and/or underwriters or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations that are members of the International Group of P&I Clubs, such approval not to be unreasonably withheld or delayed;

(ii) (A) subject always to paragraph (B), name that Upstream Guarantor as the sole named assured unless the interest of every other named assured is limited: (1) in respect of any obligatory insurances for hull and machinery and war risks; to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and to any third party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against it); and (2) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries it is entitled to make by way of reimbursement

following discharge of any third party liability claims made specifically against it; and every other named assured has undertaken in writing to the Security Trustee (in such form as it requires) that any deductible shall be apportioned between that Upstream Guarantor and every other named assured in proportion to the aggregate claims made or paid by each of them and that it shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances; (B) whenever the Security Trustee requires, name (or be amended to name) the Security Trustee as additional named assured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Trustee, but without the Security Trustee thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance; (C) name the Security Trustee as loss payee with such directions for payment as the Security Trustee may specify; (D) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Trustee shall be made without set-off, counterclaim or deductions or condition whatsoever; (E) provide that the obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Security Trustee or any other Finance Party; and (F) provide that the Security Trustee may make proof of loss if that Upstream Guarantor fails to do so;

(d) (i) at least 21 days before the expiry of any obligatory insurance: (A) notify the Security Trustee of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom that Upstream Guarantor proposes to renew that obligatory insurance and of the proposed terms of renewal; and (B) obtain the Security Trustee's approval to the matters referred to in paragraph (A); (ii) at least 14 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Security Trustee's approval pursuant to paragraph (i); and (iii) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Security Trustee in writing of the terms and conditions of the renewal;

(e) ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect; and

(f) punctually pay all premiums or other sums payable in respect of the obligatory insurances and produce all relevant receipts when so required by the Security Trustee.

5.10 Insurance Documentation; Letters of Undertaking; Certificates. Each Obligor will:

(a) ensure that all approved brokers and with approved insurance companies and/or underwriters provide the Security Trustee with pro forma copies of all policies relating to the obligatory insurances which they are to affect or renew and of a letter or letters or undertaking in a form reasonably required by the Security Trustee and including undertakings by the approved brokers and with approved insurance companies and/or underwriters ("Letters of Undertaking") that: (i) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment in accordance with the requirements of the Assignment of Insurances for that Upstream Guarantor's Vessel; (ii) they will hold such policies, and the benefit of such insurances, to the order of the Security Trustee in accordance with the said loss payable clause; (iii) they will advise the Security Trustee immediately of any material change to the terms of the obligatory insurances or if they cease to act as brokers; (iv) they will notify the Security Trustee, not less than 14 days before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from that Upstream Guarantor or its agents; and (vi) they will not set off against any sum recoverable in respect of a claim relating to the Vessel owned by that Upstream Guarantor under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Vessel or otherwise, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums or other amounts, and they will not cancel

such obligatory insurances by reason of nonpayment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of that Vessel forthwith upon being so requested by the Security Trustee;

(b) on the Initial Borrowing Date, and thereafter upon either (i) request by the Facility Agent or (ii) material change to the insurance terms, ensure that the Facility Agent is provided with a favorable opinion from an independent insurance consultant acceptable to the Facility Agent on such matters relating to the insurances for the relevant Vessel as the Lenders may require; and

(c) ensure that any protection and indemnity and/or war risks associations in which the Vessel owned by it is entered provides the Security Trustee with: (i) a certified copy of the certificate of entry for that Vessel; and (ii) a letter or letters of undertaking in the form customarily provided by the International Group of P&I Clubs.

5.11 Mortgagee's Insurance. The Security Trustee shall, to the extent commercially available, effect, maintain and renew (i) mortgagee's interest marine insurance, (ii) mortgagee's interest additional perils insurance and/or (iii) mortgagee's political risks/rights/war risks (including terrorism, piracy and confiscation) insurance in such amounts (not to exceed 120% of the Facility), on such terms, through such insurers and generally in such manner as the Security Trustee may from time to time consider necessary and the Obligors, jointly and severally, shall upon demand fully indemnify the Security Trustee in respect of all premiums and other reasonable expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any such insurance or dealing with, or considering, any matter arising out of any such insurance.

5.12 Maintenance of Security Interests. Each Obligor will: (a) at its own cost, do all that it reasonably can to ensure that any Security Document to which it is a party validly creates the obligations and the security interests which it purports to create; and (b) without limiting the generality of paragraph (a), at its own cost, promptly register, file, record or enroll any Security Document to which it is a party with any court or authority in all relevant jurisdictions, pay any stamp, registration or similar tax in all relevant jurisdictions in respect of any Security Document to which it is a party, give any notice or take any other step which, in the reasonable opinion of the Security Trustee, acting with the instruction of the Required Lenders, is or has become necessary for any Security Document to which it is a party to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any security interest which it creates.

5.13 Earnings Payments. The Borrower and each Upstream Guarantor shall deposit and cause to be deposited all of its Earnings into its Operating Account.

5.14 Payment of Obligations. Each Obligor will pay, discharge or otherwise satisfy as the same shall become due and payable, all of its material obligations and liabilities, including Tax liabilities, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by such Obligor, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.15 Vessel Registration. Each Upstream Guarantor shall: (a) keep the Vessel owned by it registered in its name under the law of an Approved Flag; (b) not do, omit to do or allow to be done anything as a result of which such registration might be cancelled or imperiled; and (c) not, without the prior written consent of the Facility Agent, change the name or, without the prior written consent of the Lenders, change the port of registry on which such Vessel was registered when it became subject to a Vessel Mortgage.

5.16 Vessel Repair. Each Upstream Guarantor shall keep the Vessel owned by it in a good and safe condition and state of repair: (a) consistent with first class ship ownership and management practice; (b) so as to maintain the highest class for that Vessel with the Classification Society, free of material overdue recommendations, adverse notations and conditions affecting that Vessel's class; and (c) so as to comply with all laws and regulations applicable to vessels registered under the law of the relevant Approved Flag on which that Vessel is registered or to vessels trading to any jurisdiction to which that Vessel may trade from time to time, including but not limited to the ISM Code, the ISPS Code and MARPOL.

5.17 Classification Society Instructions and Undertakings. Each Upstream Guarantor shall instruct the Classification Society (and procure that the Classification Society undertakes with the Security Trustee): (a) to send to the Security Trustee, following receipt of a written request from the Security Trustee, certified true copies of all original class records held by the Classification Society in relation to that Upstream Guarantor's Vessel; (b) to allow the Security Trustee (or its agents), at any time and from time to time, to inspect the original class and related records of that Upstream Guarantor and the Vessel owned by it either (i) electronically (through the Classification Society directly or by way of indirect access via the Borrower's account manager and designating the Security Trustee as a user or administrator of the system under its account) or (ii) in person at the offices of the Classification Society, and to take copies of them electronically or otherwise; (c) to notify the Security Trustee promptly in writing if the Classification Society: (i) receives notification from that Upstream Guarantor or any other person that that Vessel's Classification Society is to be changed; or (ii) becomes aware of any facts or matters which may result in or have resulted in a condition of class or a recommendation, or a change, suspension, discontinuance, withdrawal or expiry of that Vessel's class under the rules or terms and conditions of that Upstream Guarantor's or that Vessel's membership of the Classification Society; (d) following receipt of a written request from the Security Trustee: (i) to confirm that that Upstream Guarantor is not in default of any of its Contractual Obligations or liabilities to the Classification Society and, without limiting the foregoing, that it has paid in full all fees or other charges due and payable to the Classification Society; and (ii) if that Upstream Guarantor is in default of any of its Contractual Obligations or liabilities to the Classification Society, to specify to the Security Trustee in reasonable detail the facts and circumstances of such default, the consequences of such default, and any remedy period agreed or allowed by the Classification Society.

5.18 Charters; Charter Assignments; Assignments of Earnings. Each Upstream Guarantor shall: (a) furnish promptly to the Facility Agent a true and complete copy of any demise charter and any time or consecutive voyage charter for an initial term which exceeds thirteen (13) months for the Vessel owned by it (other than a charter pursuant to any pool agreement or pooling arrangement), all other documents related thereto and a true and complete copy of each material amendment or other modification thereof; and (b) in respect of any such charter, execute and deliver to the Facility Agent a Charter Assignment and use reasonable commercial efforts to cause the charterer to execute and deliver to the Facility Agent a consent and acknowledgement to such Charter Assignment in the form required thereby.

5.19 Compliance with Laws. Each Obligor will comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business generally or to the ownership, employment, operation and management of any Vessel, including but not limited to the ISM Code, the ISPS Code and MARPOL, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.20 Transition of Operating Accounts. With the prior written consent of the Facility Agent, any Obligor may establish its Operating Account at any approved Account Bank. Such Obligor shall (i) immediately upon such establishment, grant an Account Pledge over such new Operating Account in favor of the Security Trustee so that there is no gap in time between the release of the prior Account Pledge and the granting of the new Account Pledge and (ii) prior to the release of any prior Account Pledge,

transfer all funds credited to such prior Operating Account into such new Operating Account. Provided that such Obligor complies with this Section, the release of such prior Account Pledge shall not be subject to Sections 10.10 and 11.02(b)(vi).

5.21 Environmental Matters. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, each Obligor will (a) comply with all Environmental Laws, (b) obtain, maintain in full force and effect and comply with any permits, licenses or approvals required for the Vessel facilities or operations of any Obligor, and (c) conduct and complete any investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up all Hazardous Materials present or released at, on, in, under or from any of the Vessel facilities or real properties of any Obligor.

5.22 Books and Records. Each Obligor will maintain, and cause to be maintained, proper books of record and account, in which full, true and correct entries, in conformity with GAAP as in effect from time to time, consistently applied shall be made of all financial transactions and matters involving the assets and business of such Obligor.

5.23 Inspection Rights. Each Obligor will:

(a) permit representatives and independent contractors of the Facility Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the reasonable expense of such Obligor and at such reasonable times during normal business hours following 15 Business Days' prior notice by the Facility Agent (acting on instructions of the Required Lenders); and

(b) permit the Security Trustee (by surveyors or other persons appointed by it for that purpose at the cost of the Obligors) to board any Vessel, at all reasonable times with 15 Business Days' prior notice to the relevant Upstream Guarantor to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections, 1 such inspection per year to be at the reasonable expense of the Borrower, after which such additional inspections to be at the expense of the Lenders;

provided that, other than with respect to such visits and inspections during the occurrence and continuation of an Event of Default, the Facility Agent and the Lenders shall not exercise such rights more often than 1 time during any calendar year; provided, further, that when an Event of Default has occurred and is continuing the Facility Agent, the Security Trustee or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing under this Section at the expense of such Obligor and at any time during normal business hours with advance notice.

5.24 Surveys. Each Upstream Guarantor, at its sole expense, shall submit the Vessel owned by it regularly to all periodical or other surveys which may be required for classification purposes and, if so required by the Security Trustee, provide the Security Trustee, at that Upstream Guarantor's sole expense, with copies of all survey reports.

5.25 Notice of Mortgage. Each Upstream Guarantor shall keep the Vessel Mortgage recorded against the Vessel owned by it as a valid first priority or preferred mortgage, carry on board that Vessel a certified copy of the Vessel Mortgage and place and maintain in a conspicuous place in the navigation room and the master's cabin of that Vessel a framed printed notice stating that such Vessel is mortgaged by that Upstream Guarantor to the Security Trustee.

5.26 Green Passport. Each Upstream Guarantor will, after the next statutory dry docking of its Vessel after the date of the first Borrowing Request, procure that the Vessel owned by it maintains and carries on board a Green Passport, or equivalent document acceptable to the Facility Agent.

5.27 Reflagging. In connection with any change in the Approved Flag of a Vessel pursuant to Section 6.18, the Upstream Guarantor owning such Vessel shall immediately enter and record a new Vessel Mortgage over such Vessel in favor of the Security Trustee, together with any other necessary collateral documents and amendments to the Loan Documents as may be required by the Security Agent, as well as any documents required by the new Approved Flag.

5.28 Prevention of and Release from Arrest. Each Upstream Guarantor shall promptly discharge: (a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against the Vessel owned by it, the Earnings or the Insurances; (b) all taxes, dues and other amounts charged in respect of the Vessel owned by it, the Earnings or the Insurances; and (c) all other accounts payable whatsoever in respect of the Vessel owned by it, the Earnings or the Insurances, and, forthwith upon receiving notice of the arrest of the Vessel owned by it, or of its detention in exercise or purported exercise of any lien or claim, that Upstream Guarantor shall procure its release by providing bail or otherwise as the circumstances may require within 45 days of such arrest or detention.

5.29 Use of Proceeds. Each Obligor will use the proceeds of the Loans only for the purposes set forth in Section 3.23.

5.30 Subordination of Loans. Each Obligor will cause all loans made to it by any Affiliate, and all sums and other obligations (financial or otherwise) owed by it to any Affiliate, to be fully subordinated to all Obligations pursuant to a subordination agreement in a form approved by the Facility Agent and the Required Lenders (such consent not to be unreasonably withheld or delayed) providing that such loans and other obligations shall be subject and subordinate to the prior payment in full of the Obligations (a "Subordination Agreement").

5.31 Anti-Corruption Laws. Each Obligor will maintain in effect policies and procedures reasonably designed to promote compliance by such Obligor, its Subsidiaries, and their respective directors, officers, employees, and agents with the FCPA and any other applicable anti-corruption laws.

5.32 "Know Your Customer" Documentation. Each Obligor will produce such documents and evidence as the Facility Agent and each Lender shall from time to time require, based on applicable law and regulations from time to time and the Lender's own internal guidelines from time to time relating to each Lender's knowledge of its customers.

5.33 Asset Control. Each Obligor shall ensure that: (a) it is not (i) 50% or more owned, directly or indirectly, by one or more Prohibited Persons in the aggregate, or (ii) controlled by a Prohibited Person, or (iii) acting directly on behalf of a Prohibited Person to the extent such action would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom; (b) it does not own or control a Prohibited Person; (c) to its knowledge, it is not acting indirectly for the benefit of a Prohibited Person to the extent that such action would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom; (d) no proceeds of any Borrowing (i) shall be made available directly to a Prohibited Person to the extent that such action would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom, or (ii) otherwise shall be directly applied in a manner or for a purpose prohibited by Sanctions; (e) to its knowledge, no proceeds of any Borrowing (i) shall be made available indirectly to or for the benefit of a Prohibited Person to the extent that such action would be prohibited if the Obligor were

resident or organized in the United States, the European Union or the United Kingdom, or (ii) otherwise shall be indirectly applied in a manner or for the purpose prohibited by Sanctions; (f) it is not a Prohibited Person; and (g) to the best of its knowledge, none of its directors, officers, members, employees, agents or representatives is a Prohibited Person.

5.34 Scrapping. The Obligors and their Subsidiaries shall develop and implement a policy that any scrapping of a Vessel or any vessel owned by any Obligor or any Subsidiary of any Obligor is conducted in compliance (1) with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, and with the guidelines issued by the International Maritime Organization in connection with such convention and (2) with Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC.

5.35 Sanctions. The Obligors has in effect policies and procedures reasonably designed to promote compliance by each Obligor, their Subsidiaries and their respective directors, officers, employees and agents with Sanctions.

5.36 Treasury Transactions.

(a) If, at any time during the Facility Period, the Borrower wishes to enter into any Treasury Transaction so as to hedge all or any part of its exposure under this Agreement to interest rate fluctuations, it shall advise the Facility Agent in writing.

(b) Any such Treasury Transaction for the purpose of hedging the Borrower's interest rate risk shall be concluded with a Swap Bank on the terms of the Master Agreement with that Swap Bank but (except with the approval of the Required Lenders) no such Treasury Transaction shall be concluded unless:

(i) its purpose is to hedge the Borrower's interest rate risk in relation to the Loans for a period expiring no later than the Maturity Date; and

(ii) its notional principal amount, when aggregated with the notional principal amount of any other continuing Secured Swap Contracts, does not and will not exceed the Loans as then scheduled to be repaid pursuant to Section 2.06.

(c) If and when any such Treasury Transaction has been concluded, it shall constitute a Secured Swap Contract for the purposes of this Agreement.

5.37 Poseidon Principles. Each Upstream Guarantor shall, upon the request of any Lender and at the cost of such Upstream Guarantor, on or before 31st July in each calendar year, supply or procure the supply to the Facility Agent of all information necessary in order for any such Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to the Vessel owned by such Upstream Guarantor for the preceding calendar year provided always that no Lender shall publicly disclose such information with the identity of such Vessel without the prior written consent of the Upstream Guarantor owning such Vessel. For the avoidance of doubt, such information shall be "Information" for the purposes of Section 11.12 (Treatment of Certain Information; Confidentiality) but such Upstream Guarantor acknowledges that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender's portfolio climate alignment.

5.38 Civil Merchant Trading Vessel. Each Vessel will be used as a civil merchant trading vessel only, provided that a breach of this Section 5.38 as a consequence of a requisition of a Vessel will not be an Event of Default.

5.39 Post-Closing Matters. The Borrower will deliver or perform or cause to be delivered or performed, as applicable, the covenants set forth in this Section 5.39. To any extent that performance contemplated by this Section 5.39 is required pursuant to other terms of the Loan Documents, it shall not constitute a Default or Event of Default that such performance remains unperformed before the date required pursuant to this Section 5.39.

(a) On or before the date that is fifteen (15) Business Days after the Closing Date (or such later date as the Facility Agent may agree in its sole discretion), the Facility Agent shall have received an Account Pledge, duly executed by the Borrower with respect to the Debt Service Account.

ARTICLE VI

NEGATIVE COVENANTS

Until the Commitments have expired or been terminated and all Obligations have been paid in full (other than contingent indemnification or reimbursement obligations), the Obligors covenant and agree with the Finance Parties that:

6.01 Indebtedness. Neither the Borrower nor any of the Upstream Guarantors will create, incur, assume or suffer to exist any Indebtedness, except:

- (a) Indebtedness under the Loan Documents;
- (b) Indebtedness to any Obligor, subject to the provisions of Section 5.30;
- (c) Guarantees of any Obligor in respect of Indebtedness otherwise permitted hereunder of any Guarantor;

(d) Indebtedness (i) resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business or (ii) arising under or in connection with cash management services in the ordinary course of business;

(e) Indebtedness owing to Affiliates provided that such Indebtedness is subordinated on terms and conditions acceptable to the Facility Agent and the Required Lenders (such consent not to be unreasonably withheld or delayed) and subject in right of payment to the prior payment in full of all amounts outstanding under this Agreement and the Notes; and

(f) Permitted Third-Party Hedging Obligations under Permitted Third-Party Hedging Agreements, in each case entered into in the ordinary course of business; provided that, for the avoidance of doubt, any and all Treasury Transactions permitted under Section 5.36 shall be entered into with a Swap Bank and not with a Permitted Third-Party Hedging Provider.

6.02 Liens. No Upstream Guarantor will create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, including any Vessel, whether now owned or hereafter acquired, other than the following (each a "Permitted Lien"):

- (a) Liens securing Indebtedness permitted under Section 6.01(a);

(b) Liens existing on the date hereof reasonably acceptable to the Facility Agent (acting on the instructions of the Lenders) and listed on Schedule V;

(c) Liens arising in the ordinary course of business securing Indebtedness and other obligations (i) not exceeding 30 days overdue, and (ii) in an aggregate amount not exceeding \$1,500,000 per Vessel (plus up to an additional aggregate amount not exceeding \$2,000,000 per Vessel relating to any amounts paid in relation to the purchase and installation of scrubber equipment) at any time outstanding;

(d) Liens in favor of the relevant Account Bank in respect of its customary charges in maintaining the Operating Accounts, the Debt Service Account or any of them or for reimbursement for reversal of any provisional credits granted by the relevant Account Bank to any Operating Account or the Debt Service Account, to the extent, in each case, that any of the Obligors have not separately paid or reimbursed the relevant Account Bank therefor; and

(e) Liens imposed by law for Taxes that are not required to be paid pursuant to Section 5.14.

6.03 Fundamental Changes. None of the Obligors will, without the prior written approval of all Lenders, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) any of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom any Upstream Guarantor may sell the Vessel owned by it, and the Borrower may sell any Upstream Guarantor owned by it, pursuant to the terms of this Agreement and so long as the Obligors comply with the mandatory prepayment provisions of Section 2.07, upon which such Upstream Guarantor or Vessel, as applicable, shall be released hereunder.

6.04 External Distributions. The Parent will not, and will not permit any Obligor to, declare or make, directly or indirectly, any dividend or distribution (whether in cash, securities or other property), unless (i) the Parent shall have complied with the covenants set out in Section 7.01 before, during and after the time of such dividend or distribution and (ii) no Default shall have occurred and be continuing at the time of such dividend or distribution or would result therefrom. Notwithstanding the foregoing, each Upstream Guarantor may make dividends or distributions to the Borrower at any time.

Notwithstanding anything to the contrary in this Section 6.04, and for the avoidance of doubt, nothing in this Section 6.04 shall limit the ability of the Parent to issue any debt that is convertible into the Parent's common stock, perform its obligation thereunder, including the payment of interest, of principal or of any amount due upon conversion (whether in cash, shares of the Parent's common stock, or combination thereof), or repurchase such debt as required under the terms thereof, so long as no Event of Default shall have occurred and is continuing.

6.05 Investments. No Borrower or Upstream Guarantor will make any Acquisition or Investment, except:

- GAAP);
- (a) Investments held by such Obligor in the form of cash equivalents (as construed in conformity with
 - (b) to the extent constituting an Investment, transactions otherwise permitted by Sections 6.01 or 6.06; and
 - (c) with respect to the Borrower only, the Acquisition of a Vessel and any Investments and transactions relating thereto.

6.06 Transactions with Affiliates. The Borrower will not, and will not permit any Subsidiary to, enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than: (a) in the ordinary course of business, on fair and reasonable terms substantially as favorable, taken as a whole, to the Borrower or such Subsidiary as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate, provided that any Indebtedness owing by any Borrower to any Guarantor shall be subordinated on terms and conditions acceptable to the Facility Agent and the Required Lenders (such consent not to be unreasonably withheld or delayed) and subject in right of payment to the prior payment in full of all amounts outstanding under this Agreement and the Notes; (b) transactions permitted pursuant to Section 6.01 through Section 6.05 above; and (c) the transactions contemplated by the Loan Documents.

6.07 Changes in Fiscal Periods. The Borrower will not permit the last day of its fiscal year to end on a day other than December 31 or change its method of determining its fiscal quarters.

6.08 Changes in Nature of Business. No Obligor will, without the prior written consent of the Lenders, engage to any material extent in any business other than those businesses conducted by each Obligor on the date hereof or any business reasonably related or incidental thereto or representing a reasonable expansion thereof.

6.09 Changes in Name; Organizational Documents Amendments. No Obligor will permit any change to its entity name or any amendment of its Organizational Documents.

6.10 Place of Business. Except for as specified in Section 3.19, no Obligor will establish or change any place of business in the United States of America, the District of Columbia, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States of America unless thirty (30) days' prior written notice of such establishment is given to the Facility Agent.

6.11 Change of Control; Negative Pledge. No Obligor will permit any act, event or circumstance that would result in a Change of Control (provided that, with respect to a Change of Control in respect of any Upstream Guarantor, no Obligor will permit any act, event or circumstance that would result in a Change of Control in respect of any Upstream Guarantor at all times from and including the Initial Borrowing Date) without the prior written consent of the Lenders, such consent not to be unreasonably withheld. At all times from and including the Initial Borrowing Date, the Borrower shall not permit any pledge or assignment of an Upstream Guarantor's Equity Interests, except in favor of the Security Trustee to secure the Obligations. The Parent shall not permit any pledge or assignment of the Borrower's Equity Interests, except in favor of the Security Trustee to secure the Obligations.

6.12 Restriction on Chartering. No Upstream Guarantor will, without the consent of the Required Lenders, which consent shall not unreasonably be withheld (i) let any Vessel on demise charter for any period; (ii) charter-in any Vessel (A) for an initial term which exceeds twelve (12) months, and (B) which would result in the chartering of a greater number of vessels than Vessels owned by the Upstream Guarantors at the time; (iii) de-activate or lay up any Vessel; or (iv) put any Vessel into the possession of any Person for the purpose of work being done upon her (excluding for purposes of this subclause (iv) any regularly scheduled drydockings) in an amount exceeding or likely to exceed \$1,500,000 (plus up to \$2,000,000 relating to any amounts paid in relation to the purchase and installation of scrubber equipment) (or the equivalent in any other currency).

6.13 Lawful Use. No Upstream Guarantor will permit any Vessel to be employed: (a) in any way or in any activity which is unlawful under international law or the domestic laws of any relevant country; (b) in carrying illicit or prohibited goods; (c) in a way which may make it liable to be condemned

by a prize court or destroyed, seized or confiscated; (d) in carrying contraband goods; and the persons responsible for the operation of the Vessel shall take all necessary and proper precautions to ensure that this does not happen including participation in industry or other voluntary schemes available to the Vessel and in which leading operators of vessels operating under the same flag or engaged in similar trades generally participate at the relevant time.

6.14 Approved Manager. No Upstream Guarantor will employ a manager of a Vessel other than an Approved Manager, or change the terms and conditions of the management of such Vessel in any material respect other than upon such terms and conditions as the Required Lenders shall approve.

6.15 Insurances. No Upstream Guarantor will:

(a) agree to any amendment or supplement (other than related confirmations) to, or waive or fail to enforce, any obligatory insurance or material provisions thereof;

(b) do nor omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular: (i) each Upstream Guarantor shall take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Security Trustee has not given its prior approval; (ii) no Upstream Guarantor shall make any changes relating to the classification or classification society or manager or operator of the Vessel owned by it unless approved by the underwriters of the obligatory insurances; (iii) each Upstream Guarantor shall make (and promptly supply copies to the Facility Agent and/or Security Trustee of) all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Vessel owned by it is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and (iv) no Upstream Guarantor shall employ the Vessel owned by it, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify; or

(c) settle, compromise or abandon any claim under any obligatory insurance for Total Loss without the consent of the Security Trustee (not to be unreasonably withheld or delayed), and if so requested by the Security Trustee shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

6.16 Modification; Removal of Parts. No Upstream Guarantor will (a) make any modification or repairs to, or replacement of, the Vessel owned by it or equipment installed on that Vessel which would or is reasonably likely to materially alter the structure, type or performance characteristics of that Vessel or materially reduce its value, provided however, there shall be no restriction on the installation of scrubber equipment on any Vessel; or (b) remove any material part of the Vessel owned by it, or any item of equipment installed on, that Vessel unless the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any security interest or any right in favor of any person other than the Security Trustee and becomes on installation on that Vessel, the property of that Upstream Guarantor and subject to the security constituted by the Vessel Mortgage, provided that an Upstream Guarantor may install and remove equipment owned by a third party if the equipment can be removed without any risk of damage to the Vessel owned by it.

6.17 Sanctions.

(a) No Obligor will, directly or, to its knowledge, indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person that is prohibited by Sanctions, or in any country or territory that is, or whose government is, at the time of such funding the subject of comprehensive Sanctions (as of the date hereof, Crimea, Cuba, Iran, North Korea and Syria), or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, investor, or otherwise).

(b) Without limiting paragraph (a) above, no Obligor shall charter or, to its knowledge, permit the charter of a Vessel to a Prohibited Person to the extent that such charter would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom.

(c) No Obligor shall allow:

(i) that any Vessel be used in trading in violation of Sanctions; and

(ii) that any Vessel be traded in such manner which results in the sanctions limitation or exclusion clause in the Insurances in relation to the Vessel having been triggered by the insurer in a material amount.

(d) None of the Obligor's funds that are used to repay any obligation under this Agreement shall constitute property of, or shall be beneficially owned directly or indirectly by, any Prohibited Person to the extent that such would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom.

6.18 Change of Approved Flag, Classification Society or Approved Manager. No Obligor shall change any Vessel's Approved Flag, Classification Society or Approved Manager without the prior written consent of the Lenders, such consent not to be unreasonably withheld.

ARTICLE VII

FINANCIAL COVENANTS

7.01 Financial Covenants. The covenants contained in this Article VII are financial covenants (together, the "Financial Covenants"), and all calculations in connection with this Article VII shall apply to the Parent on a consolidated basis.

(a) Minimum Consolidated Liquidity. The Parent shall, on a consolidated basis, maintain, at all times, (i) cash and cash equivalents (as construed in conformity with GAAP) or (ii) undrawn Revolving Facility Commitments prior to the date which is six (6) months prior to the Revolving Facility Commitment Termination Date held by the Parent and its Subsidiaries in an amount not less than the greater of (i) \$600,000 per vessel owned directly or indirectly by the Parent and its Subsidiaries or (ii) 7.5% of Consolidated Total Debt of the Parent.

(b) Debt to Capitalization Ratio. The Parent shall, on a consolidated basis, maintain, at all times, a Debt to Capitalization Ratio not greater than 0.60:1.00.

(c) Working Capital. The Parent shall, on a consolidated basis, maintain, at all times, positive Working Capital.

ARTICLE VIII GUARANTY

8.01 Guaranty. For good and valuable consideration, the receipt and sufficiency of which are hereby confirmed, the Guarantors hereby, jointly and severally, guarantee, as primary obligors and not as sureties, to each Finance Party and their respective successors and assigns, the prompt payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of, premium (if any) and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Bankruptcy Code after any bankruptcy or insolvency petition under Title 11 of the Bankruptcy Code) on the Loans made by the Lenders to, and the Notes, if any, held by each Lender of, the Borrower, and all other Obligations from time to time owing to the Finance Parties in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the “Guaranteed Obligations”). Notwithstanding the foregoing, “Guaranteed Obligations”, with respect to any Guarantor, shall not include any Excluded Swap Obligations of such Guarantor. Each Guarantor hereby agrees that if the Borrower or other Guarantors shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, such Guarantor will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

8.02 Obligations Unconditional. The obligations of the Guarantors under Section 8.01 shall constitute a guaranty of payment and performance and not of collection and, to the fullest extent permitted by applicable Laws, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full in cash of the Guaranteed Obligations). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above: (a) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived; (b) any of the acts mentioned in any of the provisions of this Agreement, the other Loan Documents or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted; (c) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or (d) any Lien or security interest granted to, or in favor of, any Finance Party as security for any of the Guaranteed Obligations shall fail to be valid, perfected or to have the priority required under the Loan Documents.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Finance Party exhaust any right, power or remedy or proceed against any Obligor under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or

proof of reliance by any Finance Party upon the guarantee in this Article VIII or acceptance of such guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon such guarantee, and all dealings between the Borrower and the Finance Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon such guarantee. The guarantee in this Article VIII shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment and performance without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by the Finance Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Finance Parties or any other person at any time of any right or remedy against the Borrower or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. The guarantee in this Article VIII shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and their respective successors and assigns, and shall inure to the benefit of the Finance Parties, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

8.03 Reinstatement. The obligations of the Guarantors under this Article VIII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower or other Security Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

8.04 Subrogation; Subordination. Each Guarantor hereby agrees that until the indefeasible payment and satisfaction in full in cash of all Guaranteed Obligations (other than contingent indemnification or reimbursement obligations) and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 8.01, whether by subrogation or otherwise, against the Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

8.05 Remedies. The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of the Borrower under this Agreement and other Loan Documents may be declared to be forthwith due and payable as provided in Article IX (and shall be deemed to have become automatically due and payable in the circumstances provided in Article IX) for purposes of Section 8.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 8.01.

8.06 Instrument for the Payment of Money. Each Guarantor hereby acknowledges that the guarantee in this Article VIII constitutes an instrument for the payment of money, and consents and agrees that any Lender or Facility Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

8.07 Continuing Guarantee. The guarantee in this Article VIII is a continuing guarantee of payment and performance, and shall apply to all Guaranteed Obligations whenever arising.

8.08 General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate, limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other Laws affecting the rights of creditors generally, if the obligations of any Guarantor under Section 8.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 8.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Security Party or any other person, be automatically limited and reduced to the highest amount (after giving effect to the rights of subrogation and contribution established in Sections 8.04 and 8.09, respectively) that is valid and enforceable, not void or voidable and not subordinated to the claims of other creditors as determined in such action or proceeding.

8.09 Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 8.04. The provisions of this Section 8.09 shall in no respect limit the obligations and liabilities of any Guarantor to any Finance Party, and each Guarantor shall remain liable to the Finance Parties for the full amount guaranteed by such Guarantor hereunder.

8.10 Set-off. If any of the Guarantors shall fail to pay any of its obligations hereunder when the same shall become due and payable, each Finance Party is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by each Finance Party to or for the Guarantor's credit or account against any and all of the Guaranteed Obligations, whether or not any Lender shall have made any demand under the guarantee in this Article VIII. Each Finance Party agrees promptly to notify the relevant Guarantor after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Finance Parties under this paragraph are in addition to any other rights and remedies (including, without limitation, other rights of set-off) which any Finance Party may have.

8.11 Keepwell. Each Obligor that is a Qualified ECP Guarantor at the time this Agreement or the grant of a Lien under the Loan Documents, in each case, by any Specified Loan Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article VIII voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Guaranteed Obligations have been paid and performed in full. Each Security Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

8.12 Parallel Liability.

(a) Each Obligor irrevocably and unconditionally undertakes to pay to the Security Trustee an amount equal to the aggregate amount of its Corresponding Liabilities (as these may exist from time to time).

(b) The parties hereto agree that:

(i) an Obligor's Parallel Liability is due and payable at the same time as, for the same amount of and in the same currency as its Corresponding Liabilities;

(ii) an Obligor's Parallel Liability is decreased to the extent that its Corresponding Liabilities have been irrevocably paid or discharged and its Corresponding Liabilities are decreased to the extent that its Parallel Liability has been irrevocably paid or discharged;

(iii) an Obligor's Parallel Liability is independent and separate from, and without prejudice to, its Corresponding Liabilities, and constitutes a single obligation of that Obligor to the Security Trustee (even though that Obligor may owe more than one Corresponding Liability to the Finance Parties under the Loan Documents) and an independent and separate claim of the Security Trustee to receive payment of that Parallel Liability (in its capacity as the independent and separate creditor of that Parallel Liability and not as a co-creditor in respect of the Corresponding Liabilities); and

(iv) for purposes of this Clause 8.12, the Security Trustee acts in its own name and not as agent, representative or trustee of the Finance Parties and accordingly holds neither its claim resulting from a Parallel Liability nor any security interest securing a Parallel Liability on trust.

ARTICLE IX EVENTS OF DEFAULT

9.01 Events of Default. If any of the following events (each, an "Event of Default") shall occur and be continuing:

(a) the Borrower or any other Security Party fails to pay when due any sum payable under a Loan Document or under any document relating to a Loan Document or, only in the case of sums payable on demand, within five (5) Business Days after the date when first demanded, provided that if such failure to pay a sum when due is solely the result of an administrative or technical error, it shall not constitute an Event of Default unless such failure continues unremedied for more than three (3) Business Days from the occurrence thereof;

(b) Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Security Party in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect or misleading in any material respect (or, in the case of any such representation or warranty under this Agreement or any other Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect or misleading) when made or deemed made;

(c) any Obligor shall fail to perform or observe any term, covenant or agreement contained in Articles VI and VII or in Sections 5.01, 5.04, 5.09, 5.10, 5.31 or 5.33 to be observed by it;

(d) any Obligor shall fail to perform or observe any term, covenant or agreement contained in this Agreement or any other Loan Document on its part to be performed or observed (other than those specified in paragraphs (a) through (c) above) if such failure shall remain unremedied (A) beyond

the expiration of any applicable notice and/or grace period or (B) if there is no applicable notice and/or grace period, for ten (10) days after written notice thereof shall have been given to the Borrower by the Facility Agent;

(e) (i) any Obligor shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) having an aggregate principal amount of more than \$2,000,000, in each case beyond the applicable grace period with respect thereto, if any; or (ii) any Obligor shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity;

(f) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Obligor or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Obligor or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(g) any Obligor shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Obligor or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(h) any Obligor shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(i) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of any Obligor under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount that could reasonably be expected to have a Material Adverse Effect;

(j) there is entered against any Obligor (i) a final judgment or order for the payment of money in an aggregate amount (as to all such judgments and order) exceeding \$2,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary final judgment or order that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect;

(k) any Obligor ceases or suspends or threatens to cease or suspend the carrying on of its business, or a part of its business which, in the opinion of the Required Lenders, is material in the context of this Agreement, except in the case of a sale or a proposed sale of any Vessel;

(l) it becomes impossible or unlawful for any Obligor to fulfill any of the covenants and obligations required to be fulfilled as contained in any Loan Document or any of the instruments granting or creating rights in any of the Collateral, in each case in any material respect, or for any Finance Party to exercise any of the rights or remedies vested in it under any Loan Document, any of the Collateral or any of such instruments in any material respect;

(m) any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or any Obligor contests in writing the validity or enforceability of any provision of any Loan Document; or any Obligor denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document;

(n) there occurs or develops a Material Adverse Effect;

(o) there occurs under any Secured Swap Contract an Early Termination Date (as defined in such Secured Swap Contract) resulting from (A) any event of default under such Secured Swap Contract as to which the Borrower is the Defaulting Party or similar term (as defined in such Secured Swap Contract) or (B) any Termination Event or similar term (as so defined) under such Secured Swap Contract as to which the Borrower is an Affected Party or similar term (as so defined);

(p) any litigation, alternative dispute resolution, arbitration or administrative proceeding is taking place or, to any Obligor's knowledge, likely to be commenced or taken against any Obligor (including, without limitation, investigative proceedings) or any of its assets, rights or revenues which, if adversely determined, is reasonably likely to result in a Material Adverse Effect;

(q) except with approval, the registration of any Vessel subject to a Vessel Mortgage under the laws and flag of its relevant Approved Flag is cancelled or terminated or, where applicable, not renewed or, if such Vessel is only provisionally registered on the date of its Vessel Mortgage, such Vessel is not permanently registered under such laws within the sooner of (i) the expiry of its provisional registration or (ii) thirty (30) days from the date of the Borrowing relating to such Vessel; or

(r) any Vessel Mortgage is not permanently registered within thirty (30) days from the date of the Borrowing relating to such Vessel Mortgage;

(s) there occurs a breach by any Obligor of any applicable sanctions laws, rules, regimes or regulations that could reasonably be expected to have a Material Adverse Effect;

then, and in any such event, with the consent of the Required Lenders (such consent not to be unreasonably withheld or delayed), the Facility Agent may, or upon the reasonable request of the Required Lenders, the Facility Agent shall, by notice to the Borrower, (i) declare the Commitments terminated, whereupon the same shall forthwith terminate, (ii) declare the principal of and accrued interest on the Loans, the Notes, and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; (iii) exercise any and all of its other rights and remedies under applicable Laws, hereunder and under the other Loan Documents, provided that, in any event described in clauses (f) and (g) above, (A) the Commitments shall automatically be terminated and (B) principal of and accrued interest on the Loans, the Notes, and all other amounts payable under this

Agreement shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Obligor.

9.02 Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the Facility Agent by the Borrower or the Required Lenders, all payments received on account of the Obligations shall, subject to Section 2.20, shall be applied by the Facility Agent as follows:

(i) first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees and disbursements and other charges of counsel payable under Section 11.03) payable to the Facility Agent in its capacity as such;

(ii) second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest payable to the Lenders) (including fees and disbursements and other charges of counsel payable under Section 11.03) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;

(iii) third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans ratably among the Lenders in proportion to the respective amounts described in this clause (iii) payable to them;

(iv) fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans ratably among the Lenders in proportion to the respective amounts described in this clause (iv) payable to them;

(v) fifth, to the payment in full of all other Obligations (except Obligations in respect of a Secured Swap Contract and Obligations referenced under paragraphs (vi) and (vii) below), in each case ratably among the Facility Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable;

(vi) sixth, in or towards satisfaction of the Obligations constituting of any amounts then due and payable under any Secured Swap Contracts in the following order and proportions: (A) first, in or towards satisfaction pro rata of all amounts then due and payable to the Swap Banks under the Secured Swap Contracts other than those amounts referred to at paragraphs (B) and (C); (B) secondly, in or towards satisfaction pro rata of any and all amounts of interest or default interest payable to the Swap Banks under the Secured Swap Contracts (and, for this purpose, the expression "interest" shall include any net amount which the Borrower shall have become liable to pay or deliver under Section 2(e) (Obligations) of a Master Agreement but shall have failed to pay or deliver to the relevant Swap Bank (or any of them) at the time of application or distribution under this Section 9.02); and (C) thirdly, in or towards satisfaction pro rata of the aggregate Swap Termination Value (calculated as at the actual Early Termination Date applying to the Secured Swap Contracts (or any of them), or if no such Early Termination Date shall have occurred, calculated as if an Early Termination Date occurred on the date of application or distribution hereunder and pro rata as between them);

(vii) seventh, to the payment in full of all other Obligations, in each case ratably among the Swap Banks based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(viii) finally, the balance, if any, after all Obligations have been paid in full, to the Borrower or as otherwise required by Law.

(ix) Notwithstanding the foregoing, no amount received from any Guarantor in respect of its Guaranteed Obligations shall be applied to any Excluded Swap Obligations.

ARTICLE X AGENCY

10.01 Appointment and Authority.

(a) The Facility Agent. Each Lender and each Swap Bank hereby irrevocably appoints the Facility Agent to act as its agent on its behalf hereunder and under the other Loan Documents and authorizes the Facility Agent, in such capacity, to take such actions on its behalf and to exercise such powers as are delegated to the Facility Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as otherwise provided in Section 10.06, the provisions of this Article are solely for the benefit of the Facility Agent, the Security Trustee, the Lenders and the Swap Banks, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Facility Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) The Security Trustee.

(i) Each Lender, each Swap Bank and the Facility Agent appoints and authorizes (with a right of revocation) the Security Trustee to act as security trustee hereunder and under the other Loan Documents (other than the Notes) with such powers as are specifically delegated to the Security Trustee by the terms of this Agreement and such other Loan Documents, together with such other powers as are reasonably incidental thereto.

(ii) To secure the payment of all sums of money from time to time owing to each Lender and each Swap Bank under the Loan Documents, and the performance of the covenants of the Borrower and any other Security Party herein and therein contained, and in consideration of the premises and of the covenants herein contained and of the extensions of credit by the Lenders, the Security Trustee does hereby declare that it will hold as such trustee in trust for the benefit of each Lender, each Swap Bank and the Facility Agent, from and after the execution and delivery thereof, all of its right, title and interest as mortgagee in, to and under the Vessel Mortgages and its right, title and interest as assignee and secured party under the other Security Documents (the right, title and interest of the Security Trustee in and to the property, rights and privileges described above, from and after the execution and delivery thereof, and all property hereafter specifically subjected to the security interest of the indenture created hereby and by the Security Documents by any amendment hereto or thereto are herein collectively called the “Estate”); TO HAVE AND TO HOLD the Estate unto the Security Trustee and its successors and assigns forever, BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of each Lender, each Swap Bank and the Facility Agent and their respective successors and assigns without any priority of any one over any other, UPON THE CONDITION that, unless and until an Event of Default under this Agreement shall have occurred and be continuing, the relevant Security Party shall be permitted, to the exclusion of the Security Trustee, to possess and use the Vessels. IT IS HEREBY COVENANTED, DECLARED AND AGREED that all property subject or to become subject

hereto is to be held, subject to the further covenants, conditions, uses and trusts hereinafter set forth, and each Security Party, for itself and its respective successors and assigns, hereby covenants and agrees to and with the Security Trustee and its successors in said trust, for the equal and proportionate benefit and security of the each Lender, each Swap Bank and the Facility Agent as hereinafter set forth.

(iii) The Security Trustee hereby accepts the trusts imposed upon it as Security Trustee by this Agreement, and the Security Trustee covenants and agrees to perform the same as herein expressed and agrees to receive and disburse all monies constituting part of the Estate in accordance with the terms hereof.

(c) Appointment of the Security Trustee as agent (*mandataire* under French law). Without limiting the generality of the foregoing provisions of clause (b) of Section 10.01 or any other provision hereof, for the purpose of the French law Account Pledges and any other Security Document governed by French law, the Security Trustee is hereby appointed as agent (*mandataire* under French law) by the Lender, each Swap Bank and the Facility Agent. Each of the foregoing provisions of clause (b) of Section 10.01 shall apply with respect to such appointment of the Security Trustee as agent (*mandataire* under French law).

(d) Except as otherwise provided in Section 10.03 and 10.06, the provisions of this Article are solely for the benefit of the Facility Agent, Security Trustee, the Lenders and the other Finance Parties under the Loan Documents, and neither the Borrower nor any Guarantor shall have rights as a third-party beneficiary of any of such provisions.

10.02 Rights as a Lender. The Person serving as the Facility Agent or Security Trustee hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Facility Agent or Security Trustee, and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Facility Agent or Security Trustee hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Facility Agent or Security Trustee hereunder and without any duty to account therefor to the Lenders.

10.03 Exculpatory Provisions.

(a) Neither the Facility Agent nor the Security Trustee shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and their duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, neither the Facility Agent nor the Security Trustee:

(i) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Facility Agent or Security Trustee is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that neither the Facility Agent nor the Security Trustee shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Facility Agent or Security Trustee to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action

that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and neither the Facility Agent nor the Security Trustee shall be liable for the failure to disclose, any information relating to the Borrower, any Guarantor, or any of their Affiliates that is communicated to or obtained by the Person serving as the Facility Agent, Security Trustee, or any of their Affiliates in any capacity.

(b) Neither the Facility Agent nor the Security Trustee shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Facility Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.01 and 11.02), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Facility Agent or Security Trustee shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to either (as applicable) in writing by the Borrower, any Guarantor, or a Lender.

(c) Neither the Facility Agent nor the Security Trustee shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Facility Agent or Security Trustee.

10.04 Reliance by Agent. Each of the Facility Agent and Security Trustee shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) reasonably believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each of the Facility Agent and the Security Trustee may also rely upon any statement made to it orally or by telephone and reasonably believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, each of the Facility Agent and the Security Trustee may presume that such condition is satisfactory to each Lender unless the Facility Agent or the Security Trustee shall have received notice to the contrary from such Lender prior to the making of such Loan. Each of the Facility Agent and the Security Trustee may consult with legal counsel (who may be counsel for the Borrower or Guarantors), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in good faith in accordance with the advice of any such counsel, accountants or experts.

10.05 Delegation of Duties. Each of the Facility Agent and the Security Trustee may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Facility Agent or the Security Trustee (as the case may be). Each of the Facility Agent, the Security Trustee and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Facility Agent, Security Trustee and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Commitments as well as activities as Facility Agent or the Security

Trustee (as the case may be). Neither the Facility Agent nor the Security Trustee shall be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Facility Agent or Security Trustee acted with gross negligence or willful misconduct in the selection of such sub-agents.

10.06 Resignation of Agent.

(a) Each of the Facility Agent or the Security Trustee may at any time give notice of its resignation to the Lenders, the Borrower, and the Guarantors. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower and Guarantors, to appoint a successor, which shall be a bank with an office in New York, or an Affiliate of any such bank with an office in New York. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Facility Agent or Security Trustee gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Facility Agent or Security Trustee may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Facility Agent or Security Trustee (as applicable) meeting the qualifications set forth above; provided that in no event shall any such successor be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Facility Agent or Security Trustee is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower, the Guarantors and such Person remove such Person as Facility Agent or Security Trustee and, in consultation with the Borrower and Guarantors, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Facility Agent or Security Trustee shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) except for any indemnity payments owed to the retiring or removed Facility Agent or Security Trustee, all payments, communications and determinations provided to be made by, to or through the Facility Agent or Security Trustee shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Facility Agent or Security Trustee as provided for above. Upon the acceptance of a successor's appointment as Facility Agent or Security Trustee hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Facility Agent (other than any rights to indemnity payments owed to the retiring or removed Facility Agent) or Security Trustee (other than any rights to indemnity payments owed to the retiring or removed Security Trustee), and the retiring or removed Facility Agent or Security Trustee shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower or Guarantor to a successor Facility Agent or Security Trustee shall be the same as those payable to its predecessor unless otherwise agreed (including without limitation as agreed in the relevant Fee Letters) between the Borrower, the Guarantors and such successor. After the retiring or removed Facility Agent or Security Trustee's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 11.03 shall continue in effect for the benefit of such retiring or removed Facility Agent, Security Trustee, their sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Facility Agent was acting as Facility Agent or while the retiring or removed Security Trustee was acting as Security Trustee (as the case may be).

10.07 Non-Reliance on Agents and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Facility Agent, the Security Trustee or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Facility Agent, the Security Trustee or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.08 No Other Duties. Anything herein to the contrary notwithstanding, none of the Bookrunners, Swap Coordinator or Mandated Lead Arrangers listed on the cover page hereof shall (a) have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Facility Agent, the Security Trustee, or a Lender, and (b) none are required to execute any Loan Document or any amendment thereto, including this Agreement.

10.09 Facility Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrower or any Guarantor, the Facility Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Facility Agent shall have made any demand on the Borrower or applicable Guarantor) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Facility Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Security Trustee and the Facility Agent and their respective agents and counsel and all other amounts due the Lenders, the Security Trustee and the Facility Agent under Section 11.03) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Facility Agent and, in the event that the Facility Agent shall consent to the making of such payments directly to the Lenders, to pay to the Facility Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Facility Agent and its agents and counsel, and any other amounts due the Facility Agent under Section 11.03.

10.10 Collateral and Guaranty Matters. The Lenders irrevocably authorize each of the Facility Agent and the Security Trustee, at its option and in its discretion:

(a) to release any Lien on any property granted to or held by the Facility Agent or the Security Trustee under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, or (iii) subject to Section 11.02, if approved, authorized or ratified in writing by the Required Lenders; and

(b) to release any Guarantor from its obligations under the Loan Document if (i) such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents or (ii) any Vessel owned by such Person is sold, assigned or otherwise transferred as a result of a transaction permitted under the Loan Documents (after any required prepayment is made with respect thereto).

Upon request by the Facility Agent at any time, the Required Lenders will confirm in writing to the Facility Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Loan Documents pursuant to this Section 10.10. The Facility Agent and the Security Trustee shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Facility Agent's or the Security Trustee's Lien thereon, or any certificate prepared by any Obligor in connection therewith, nor shall the Facility Agent or the Security Trustee be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

10.11 Erroneous Payments.

(a) With respect to any payment that the Facility Agent makes to any Lender or other Finance Party as to which the Facility Agent determines that any of the following applies (such payment referred to as the "Rescindable Amount"): (1) the Borrower has not in fact made the corresponding payment to the Facility Agent; (2) the Facility Agent has made a payment in excess of the amount(s) received by it from the Borrower either individually or in the aggregate (whether or not then owed); or (3) the Facility Agent has for any reason otherwise erroneously made such payment; then each of the Finance Parties severally agrees to repay to the Facility Agent forthwith on demand the Rescindable Amount so distributed to such Finance Party, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Facility Agent, at the Federal Funds Rate. A notice of the Facility Agent to any Person under this clause (a) shall be conclusive, absent manifest error.

(b) Notwithstanding anything to the contrary in this Agreement, if at any time the Facility Agent determines (in its sole and absolute discretion) that it has made a payment hereunder in error to any Lender or other Finance Party, whether or not in respect of an Obligation due and owing by a Finance Party at such time, where such payment is a Rescindable Amount, then in any such event, each such Person receiving a Rescindable Amount severally agrees to repay to the Facility Agent forthwith on demand the Rescindable Amount received by such Person in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount was received by it to but excluding the date of payment to the Facility Agent, at the Federal Funds Rate. A notice of the Facility Agent to any Person under this clause (b) shall be conclusive, absent manifest error. To the extent permitted by law, each Lender and each other Finance Party irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another), "good consideration", "change of position" or similar defenses (whether at law or in equity) to its obligation to return any Rescindable Amount. The Facility Agent shall inform each Lender or other Finance Party that received a Rescindable Amount promptly upon determining that any payment made to such Person comprised, in whole or in part, a Rescindable Amount. Each Person's obligations, agreements and waivers under this Section 10.11 shall survive the resignation or replacement of the Facility Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

(c) Each Lender or Finance Party hereby authorizes the Facility Agent to set off, net and apply any and all amounts at any time owing to such Lender or Finance Party under any Loan Document

against any amount due to the Facility Agent under immediately preceding clauses (a) or (b) under the indemnification provisions of this Agreement.

(d) The parties hereto agree that payment of a Rescindable Amount shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Security Party, except, in each case, to the extent such Rescindable Amount is, and solely with respect to the amount of such Rescindable Amount that is, comprised of funds received by the Facility Agent from the Borrower or any other Security Party for the purpose of making such Rescindable Amount.

ARTICLE XI

MISCELLANEOUS

11.01 Notices; Public Information.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email as follows:

- (i) if to any Obligor:

c/o Eagle Shipping International (USA) LLC 300 First Stamford
Place
Stamford, CT 06902
Email: fdecostanzo@eagleships.com

- (ii) if to a Lender:

At the address below its name in Schedule I

- (iii) if to the Facility Agent or Security Trustee: Crédit Agricole Corporate

and Investment Bank

Asset Finance Groups – Ship Finance 12 Place des Etats-
Unis
CS 70052

92547 Montrouge Cedex, France

Attn: Agency and Middle-Office for Shipping Telephone: +33 1 41 89 98 05 /
+33 1 41898696

Email: cyprien.foulfoin@ca-cib.com / rosine.serra-joannides@ca-cib.com

Crédit Agricole Corporate and Investment Bank 1301 Avenue of the
Americas

New York, New York 10019 United States

Attn: George Gkanasoulis / Manon Didier Telephone: +1 212 261

3869 / +1 212 261 3962

Email: George.GKANASOULIS@ca-cib.com / manon.didier@ca-cib.com /
NYShipFinance@ca-cib.com

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Facility Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Facility Agent that it is incapable of receiving notices under such Article by electronic communication. The Facility Agent or any Obligor may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Facility Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) The Obligors agree that the Facility Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Facility Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Guarantor, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Obligor's or the Facility Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Obligor pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Facility Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

(e) Public Information. The Borrower hereby acknowledges that certain of the Lenders (each, a “Public Lender”) may have personnel who do not wish to receive material non-public information with respect to any Obligor or their Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons’ securities. Each Obligor hereby agrees that it will use commercially reasonable efforts to identify that portion of the materials and information provided by or on behalf of any Obligor hereunder and under the other Loan Documents (collectively, “Obligor Materials”) that may be distributed to the Public Lenders and that (1) all such Obligor Materials shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (2) by marking Obligor Materials “PUBLIC,” such Obligor shall be deemed to have authorized the Facility Agent and the Lenders to treat such Obligor Materials as not containing any material non-public information with respect to such Obligor or its securities for purposes of U.S. Federal and state securities Laws (provided, however, that to the extent that such Obligor Materials constitute Information, they shall be subject to Section 11.12); (3) all Obligor Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Side Information;” and (4) the Facility Agent shall be entitled to treat any Obligor Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Side Information”. Each Public Lender will designate one or more representatives that shall be permitted to receive information that is not designated as being available for Public Lenders.

11.02 Waivers; Amendments.

(a) No Waiver; Remedies Cumulative; Enforcement. No failure or delay by the Facility Agent, the Security Trustee or any Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right, remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges of the Facility Agent, the Security Trustee and the Lenders hereunder and under the Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

(b) Amendments, Etc. Except as otherwise expressly set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Obligor therefrom, shall be effective unless in writing executed by the Obligors and the Required Lenders, and acknowledged by the Facility Agent, or by the Obligors and the Facility Agent with the consent of the Required Lenders, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall:

(i) extend or increase any Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Article IV or the waiver of any Default shall not constitute an extension or increase of any Commitment of any Lender);

(ii) reduce the principal of, or rate of interest specified herein on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary to amend the definition of “Default Rate” or to waive the obligation of the Borrower to pay interest at the Default Rate);

(iii) postpone any date scheduled for any payment of principal of, or interest on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iv) change Section 2.12(b) or Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(v) release any of the Guarantors from their respective Guarantees, or limit their liability in respect of such Guarantees or the enforceability of such Guarantees, without the written consent of each Lender, except to the extent the release of any Guarantor is in connection with a disposition permitted pursuant to Section 6.03 (in which case such release may be made by the Facility Agent acting alone);

(vi) except as expressly permitted in this Agreement or any Security Document, release any of the Collateral from the Liens of the Security Documents or limit the enforceability of any of the Security Documents or alter the relative priorities of the Obligations entitled to the Liens of the Security Documents (except in connection with securing additional Obligations equally and ratably with the other Obligations), in each case without the written consent of each Lender;

- (vii) of each Lender; (vii) waive any conditions set forth in Article IV, without the written consent
- (viii) change any provision of this Section or the percentage in the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; or
- (ix) waive or amend any provisions of Section 5.04, Section 7.01 or Section 9.02 without the written consent of each Lender;

provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of (A) the Facility Agent, unless in writing executed by the Facility Agent, and (B) the Security Trustee, unless in writing executed by the Security Trustee, in each case in addition to the Obligors and the Lenders required above.

Notwithstanding anything herein to the contrary, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent that by its terms requires the consent of all the Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders, except that (x) the Commitment of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loan may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender).

Notwithstanding anything to the contrary in this Agreement, Incremental Commitments may be effected in accordance with Section 2.21 without the consent of any Person other than as specified in Section 2.21.

In addition, notwithstanding anything in this Section to the contrary, if the Facility Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Facility Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Facility Agent within ten (10) Business Days following receipt of notice thereof.

11.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. Each Obligor shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Facility Agent, the Security Trustee and any Affiliates thereof (including the reasonable and documented fees, charges and disbursements of any counsel for the Facility Agent or the Security Trustee), in connection with the syndication of the facility, preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable and documented out-of-pocket expenses incurred by the Facility Agent, any Lender (including the reasonable and documented fees, charges and disbursements of any counsel for the Facility Agent, the Security Trustee or any Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Obligors.

(i) Each Obligor shall indemnify the Facility Agent (and any sub-agent thereof), the Security Trustee (and any sub-agent thereof), each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnatee), incurred by any Indemnatee or asserted against any Indemnatee by any Person (including the Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Obligor or any Subsidiaries thereof, or any Environmental Liability related in any way to any Obligor or any Subsidiaries thereof, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Obligor, and regardless of whether any Indemnatee is a party thereto; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee, (y) result from a claim brought by any Obligor against an Indemnatee for breach in bad faith of such Indemnatee's obligations hereunder or under any other Loan Document, if such Obligor has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from a claim not involving an act or omission of such Obligor and that is brought by an Indemnatee against another Indemnatee (other than against the Structurer or the Facility Agent in their capacities

as such). Paragraph (b) of this Section shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(ii) If any sum due from an Obligor under the Loan Documents (a "Sum"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "First Currency") in which that Sum is payable into another currency (the "Second Currency") for the purpose of:

(A) making or filing a claim or proof against that Obligor; and/or

(B) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall, as an independent obligation, within three (3) Business Days of demand by a Finance Party, indemnify each Finance Party to whom that Sum is due against any Losses arising out of or as a result of the conversion including any discrepancy between:

(X) the rate of exchange used to convert that Sum from the First Currency into the Second Currency; and

(Y) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(c) Reimbursement by Lenders. To the extent that any Obligor for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Facility Agent (or any sub-agent thereof), the Security Trustee (and any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Facility Agent (or any such sub-agent), the Security Trustee (and any sub-agent thereof) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Applicable Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Facility Agent (or any such sub-agent), the Security Trustee (and any sub-agent thereof) or against any Related Party of any of the foregoing acting for the Facility Agent (or any such sub-agent), the Security Trustee (and any sub-agent thereof), in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Section 2.12(e).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, each Obligor shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) days after demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

11.04 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that each Obligor may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Finance Parties, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Facility Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

except: (i) Required Consents. No consent shall be required for any assignment

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Facility Agent within five (5) Business Days after having received notice thereof and provided, further, that the Borrower's consent shall not be required during the primary syndication of the Commitments; and

(B) the consent of the Facility Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person in respect of which the Facility Agent cannot, in its sole discretion, complete a satisfactory "know- your-customer" or onboarding process.

(ii) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Facility Agent an Assignment and Assumption, together with a processing and recordation fee of \$7,500; provided that the Facility Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Facility Agent an Administrative Questionnaire.

(iii) No Assignment to Certain Persons. No such assignment shall be made to (A) any Obligor or any Obligors' Affiliates or Subsidiaries or (B) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(iv) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(v) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Facility Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Facility Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Facility Agent, the Security Trustee and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Facility Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 11.03 (subject in each case to the requirements and limitations therein) with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Facility Agent, acting solely for this purpose as an agent of each Obligor, shall maintain at its office in New York, New York a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Obligors, the Facility Agent, the Security Trustee and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Obligor, the Security Trustee and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, any Obligor or the Facility Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or each Obligor or any of the Obligors' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion

of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) each Obligor, the Facility Agent, the Security Trustee and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.03(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Sections 11.02(b)(i) through (vii) that affects such Participant. Each Obligor agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(g) (it being understood that the documentation required under Section 2.16(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.19 as if it were an assignee under paragraph (b) of this Section; and

(B) shall not be entitled to receive any greater payment under Section 2.15 or 2.16, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of each Obligor, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Facility Agent (in its capacity as Facility Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

11.05 Survival. All covenants, agreements, representations and warranties made by each Obligor herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Borrowings hereunder,

regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Facility Agent, the Security Trustee or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied and so long as the Commitments have not expired or been terminated. The provisions of Sections 2.14, 2.15, 11.03, 11.15 and Article X shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the payment in full of the Obligations, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

11.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Facility Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by the Facility Agent and when the Facility Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution. The words "execution," "signed," "signature," and words of like import in or relating to any document to be signed in connection with this Agreement, the other Loan Documents and the transactions contemplated hereby shall be deemed to include Electronic Signatures, which shall be of the same legal effect, validity or enforceability as a manually executed signature, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other applicable similar state laws based on the Uniform Electronic Transactions Act. The word "delivery," and words of like import in or relating to any document to be delivered in connection with this Agreement and the transactions contemplated hereby shall be deemed to include delivery by electronic mail, which shall be of the same legal effect, validity or enforceability as physical delivery, to the extent and as provided for in applicable law. Any provision in this Agreement and the transactions contemplated hereby relating to the keeping of records shall be deemed to include the keeping of records in electronic form, which shall be of the same legal effect, validity or enforceability as the use of a paper-based recordkeeping system, to the extent and as provided for in any applicable law.

11.07 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and

(b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provision of this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Facility Agent, as applicable, then such provision shall be deemed to be in effect only to the extent not so limited.

11.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or their respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Facility Agent for further application in accordance with the provisions of Section 2.20 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Facility Agent, the Security Trustee and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Facility Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Facility Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York (including Sections 5-1401 and 5-1402 of the General Obligations Law but otherwise excluding the laws applicable to conflicts or choice of law).

(b) Jurisdiction. Each Obligor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Facility Agent, the Security Trustee, any Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Facility Agent, the Security Trustee or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby

irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 11.01. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

11.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO

(A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND

(B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

11.12 Treatment of Certain Information; Confidentiality. Each of the Facility Agent, the Security Trustee, the Lenders and the Swap Banks agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and agree to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners);

(c) to the extent required by Applicable Laws or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, but solely to the extent required in connection therewith;

(f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to any Obligor and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to any rating agency in connection with rating any Obligor or its Subsidiaries; (h) with the consent of the Borrower; (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Facility Agent, the Security Trustee, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower; or (j) to any Lender's credit insurance providers (on a confidential basis). In addition, the Facility Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Facility Agent or any Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "Information" means all information received from any Obligor or any of the Subsidiaries thereof relating to any Obligor or any of the Subsidiaries thereof or any of their respective

businesses, other than any such information that is available to the Facility Agent or any Lender on a nonconfidential basis prior to disclosure by any Obligor or any of the Subsidiaries thereof; provided that, in the case of information received from any Obligor or any of the Subsidiaries thereof after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

11.13 PATRIOT Act. Each Lender subject to the PATRIOT Act hereby notifies each Obligor that pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies any Obligor, which information includes the name and address of each Obligor and other information that will allow such Lender to identify each Obligor in accordance with the PATRIOT Act.

11.14 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under Applicable Law (collectively, "charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with Applicable Law, the rate of interest payable in respect of such Loan hereunder, together with all charges payable in respect thereof, shall be limited to the Maximum Rate. To the extent lawful, the interest and charges that would have been paid in respect of such Loan but were not paid as a result of the operation of this Section shall be cumulated and the interest and charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the amount collectible at the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate for each day to the date of repayment, shall have been received by such Lender. Otherwise, any amount collected by such Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of such Loan or refunded to the Borrower so that at no time shall the interest and charges paid or payable in respect of such Loan exceed the maximum amount collectible at the Maximum Rate.

11.15 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Facility Agent or any Lender, or the Facility Agent, or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Facility Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Facility Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Facility Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

11.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Obligor acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between any Obligor and Subsidiaries and the Structurer, the Sustainability Coordinator, the Swap Coordinator, the Facility Agent, the Security Trustee or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Structurer, the Sustainability Coordinator, the Swap Coordinator, the Facility Agent, the Security

Trustee or any Lender has advised or is advising any Obligor or any Subsidiary thereof on other matters,

(ii) the arranging and other services regarding this Agreement provided by the Structurer, the Sustainability Coordinator, the Swap Coordinator, the Facility Agent, the Security Trustee and the Lenders are arm's-length commercial transactions between each Obligor and its Affiliates, on the one hand, and the Structurer, the Sustainability Coordinator, the Swap Coordinator, the Facility Agent, the Security Trustee and the Lenders, on the other hand, (iii) each Obligor has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) each Obligor is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Structurer, the Sustainability Coordinator, the Swap Coordinator, the Facility Agent, the Security Trustee, and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Obligor or any of their Affiliates, or any other Person; (ii) none of the Structurer, the Sustainability Coordinator, the Swap Coordinator, the Facility Agent, the Security Trustee and the Lenders has any obligation to any Obligor or any of their Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Structurer, the Sustainability Coordinator, the Swap Coordinator, the Facility Agent, the Security Trustee and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Structurer, the Sustainability Coordinator, the Swap Coordinator, the Facility Agent, the Security Trustee and the Lenders has any obligation to disclose any of such interests to any Obligor or its Affiliates. To the fullest extent permitted by Law, each Guarantor hereby waives and releases any claims that it may have against any of the Structurer, the Sustainability Coordinator, the Swap Coordinator, the Facility Agent, the Security Trustee and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.17 Contractual recognition of bail-in. Notwithstanding any other term of any Loan Document or any other agreement, arrangement or understanding between the parties hereto, each such party (and any other Obligor who is a party to any other Loan Document to which this clause is expressed by the terms of that other Loan Document to apply) acknowledges and accepts that any liability of any Finance Party to another Finance Party or to an Obligor under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(b) a variation of any term of any Loan Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

(c) Defined Terms. As used in this Section, the following terms have the meanings specified below:

“Article 55 BRRD” means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

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

means:

(i) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and

(ii) in relation to the United Kingdom, the UK Bail-In Legislation; and

(iii) in relation to any other state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

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

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

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

“UK Bail-In Legislation” means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

“Write-down and Conversion Powers” means:

(i) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

(ii) in relation to any UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

(iii) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:

(A) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract

or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(B) any similar or analogous powers under that Bail-In Legislation.

11.18 Blocking Law.

(a) Any provision of Sections 3.16, 3.11, 3.23, 5.05, 5.33, 5.35, 6.17 or 9.01 (each such Section being related to Sanctions) shall, if specified in writing by a Finance Party to the Facility Agent, not apply to or in favour of that Finance Party if and to the extent that it would result in a breach, by or in respect of that Finance Party, of any applicable Blocking Law. An affected Finance Party shall be obliged to notify the Facility Agent whether such provisions shall not be deemed to apply promptly after a potential breach by or in respect of such Finance Party comes to the attention of such Finance Party.

(b) For the purposes of this clause 21.3, "Blocking Law" means:

(i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom); or

(ii) any similar blocking or anti-sanction law applicable to that Finance Party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

EAGLE BULK ULTRACO LLC,
as Borrower

By____ Name:
Title:

EAGLE BULK SHIPPING INC.,
as Parent and as Guarantor

By____ Name:
Title:

INITIAL GUARANTORS

GANNET SHIPPING LLC, JAY SHIPPING LLC,
as Guarantor as Guarantor

By__ By _____
Name: Name:
Title: Title:

GOLDEN EAGLE SHIPPING LLC, KINGFISHER SHIPPING LLC,
as Guarantor as Guarantor

By__ By _____
Name: Name:
Title: Title:

GREBE SHIPPING LLC, MARTIN SHIPPING LLC,
as Guarantor as Guarantor

By__ By _____
Name: Name:
Title: Title:

IBIS SHIPPING LLC, NIGHTHAWK SHIPPING LLC,
as Guarantor as Guarantor

By__ By _____
Name: Name:
Title: Title:

IMPERIAL EAGLE SHIPPING LLC, CAPE TOWN EAGLE LLC,
as Guarantor as Guarantor

By__ By _____
Name: Name:
Title: Title:

INITIAL GUARANTORS, continued

FAIRFIELD EAGLE LLC, ROWAYTON EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

MYSTIC EAGLE LLC, MADISON EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

SOUTHPORT EAGLE LLC, WESTPORT EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

STONINGTON EAGLE LLC, GREENWICH EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

GROTON EAGLE LLC, NEW LONDON EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

INITIAL GUARANTORS, continued

HAMBURG EAGLE LLC, SYDNEY EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

COPENHAGEN EAGLE LLC, DUBLIN EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

HONG KONG EAGLE LLC, SANTOS EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

SANKATY EAGLE LLC, NEWPORT EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

MONTAUK EAGLE LLC, CRESTED EAGLE SHIPPING LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

INITIAL GUARANTORS, continued

STELLAR EAGLE SHIPPING LLC, CROWNED EAGLE SHIPPING LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

BITTERN SHIPPING LLC, CANARY SHIPPING LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

CRANE SHIPPING LLC, EGRET SHIPPING LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

ORIOLE SHIPPING LLC, OWL SHIPPING LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

PUFFIN SHIPPING LLC, PETREL SHIPPING LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

INITIAL GUARANTORS, continued

ROADRUNNER SHIPPING LLC, SANDPIPER SHIPPING LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

OSLO EAGLE LLC, STAMFORD EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

SHANGHAI EAGLE LLC, SINGAPORE EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

INITIAL GUARANTORS, continued

HELSINKI EAGLE LLC, STOCKHOLM EAGLE LLC,
as Guarantor as Guarantor

By__ By__
Name: Name:
Title: Title:

ROTTERDAM EAGLE LLC,
as Guarantor

By____ Name:
Title:

LENDERS

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Lender

By _____

Name:

Title:

DEUTSCHE BANK AG,
as Lender

By _____

Name:

Title:

DNB CAPITAL LLC,
as Lender

_____By
Name: Title:

NORDEA BANK ABP, FILIAL I NORGE,
as Lender

By _____

Name:

Title:

DANISH SHIP FINANCE A/S,
as Lender

By _____

Name:

Title:

LENDERS, continued

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),
as Lender

By____ Name:
Title:

103081194.6

LENDERS, continued

ING BANK N.V., LONDON BRANCH,
as Lender

By____ Name:
Title:

103081194.6

SWAP BANKS

DNB BANK ASA, NEW YORK BRANCH,
as Swap Bank

By____ Name:
Title:

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),
as Swap Bank

By____ Name:
Title:

DEUTSCHE BANK AG,
as Swap Bank

By____ Name:
Title:

SWAP COORDINATOR

DNB BANK ASA, NEW YORK BRANCH,
as Swap Coordinator

By__ Name:
Title:

SWAP BANKS, continued

ING CAPITAL MARKETS LLC,
as Swap Bank

By____ Name:
Title:

103081194.6

MANDATED LEAD ARRANGERS and BOOKRUNNERS

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Mandated Lead Arranger and Bookrunner By__

Name:

Title:

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),
as Mandated Lead Arranger and Bookrunner

By__ Name:

Title:

DANISH SHIP FINANCE A/S,
as Mandated Lead Arranger and Bookrunner

By__ Name:

Title:

DNB MARKETS, INC.,
as Mandated Lead Arranger and Bookrunner

By__ Name:

Title:

NORDEA BANK ABP, FILIAL I NORGE,
as Mandated Lead Arranger and Bookrunner

By__ Name:

Title:

SECURITY TRUSTEE, FACILITY AGENT, SUSTAINABILITY COORDINATOR and STRUCTURER

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Security Trustee

By__ Name:
Title:

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Facility Agent

By__ Name:
Title:

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Sustainability Coordinator

By__ Name:
Title:

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Structurer

By__ Name:
Title:

PART A

Lenders and Commitments

| LENDERS | TERM FACILITY COMMITMENTS | REVOLVING FACILITY COMMITMENTS |
|---|---------------------------|--------------------------------|
| CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK <u>Address for Notices:</u> Asset Finance Groups – Ship Finance 12 Place des Etats-Unis CS 70052 92547 Montrouge Cedex, France Attn : Agency and Middle-Office for Shipping Telephone: +33 1 41 89 98 05 / +33 1 41898696 Email: cyprien.foulfoin@ca-cib.com / rosine.serra-joannides@ca- cib.com Crédit Agricole Corporate and Investment Bank 1301 Avenue of the Americas New York, New York 10019 United States Attn: George Gkanasoulis / Manon Didier Telephone: +1 212 261 3869 / +1 212 261 3962 Email: George.GKANASOULIS@ca-cib.com / manon.didier@ca- cib.com / NYShipFinance@ca-cib.com <u>Lending Office:</u> Asset Finance Groups – Ship Finance 12 Place des Etats-Unis CS 70052 92547 Montrouge Cedex, France | \$50,250,000 | \$16,750,000 |
| DEUTSCHE BANK AG <u>Address for Notices:</u> Adolphsplatz 7 20457 Hamburg Germany Attn: Gordon Boehm, Credit Risk Management Telephone: +49(40)3701-4566 Email: gordon.boehm@db.com | \$24,375,000.00 | \$8,125,000.00 |

| | | |
|--|-----------------|-----------------|
| Attn: Sabine von Kuenheim / Martina Kahn, Trade Finance & Lending - Loan Support Telephone: +49 30 310 -55035 Email: loan.admin-shipping-hh@db.com <u>Lending Office:</u> Adolphsplatz 7 20457 Hamburg Germany | | |
| DNB CAPITAL LLC <u>Address for Notices:</u> 30 Hudson Yards 81 st Floor New York, NY 10036 Attn: Jessica Larsson Telephone: +1 212 681 3859 Email: jessika.larsson@dnb.no <u>Lending Office:</u> 30 Hudson Yards 81 st Floor New York, NY 10036 | \$50,250,000.00 | \$16,750,000.00 |
| NORDEA BANK ABP, FILIAL I NORGE <u>Address for Notices:</u> Essendrops gate 7 POB 1166 Sentrum N-0107 Oslo Norway Attn: Oddbjørn Warpe / Anna Cecilie Ribe, International Shipping & Offshore Telephone: +1 (917) 207-0955 / +47 93870905 Email: oddbjorn.warpe@nordea.com / anna.cecilie.ribe@nordea.com Attn: Krzysztof Cyrulski, Structured Loan & Collateral Services Poland Telephone: +45 55 47 97 50 Email: sls.poland@nordea.com <u>Lending Office:</u> Essendrops gate 7 POB 1166 Sentrum | \$50,250,000.00 | \$16,750,000.00 |

| | | |
|---|-----------------|-----------------|
| N-0107 Oslo Norway | | |
| DANISH SHIP FINANCE A/S <u>Address for Notices:</u> Sankt Annae Plads 3 DK-1250 Copenhagen K Denmark with a copy to: Ole Staergaard Senior Relationship Manager Loan Administration Sankt Annae Plads 3 DK-1250 Copenhagen K Denmark Telephone no.: +45 33 33 93 33 Facsimile no.: +45 33 33 96 66 E-mail address: Loanadmin@skibskredit.dk & Ols@skibskredit.dk <u>Lending Office:</u> Sankt Annae Plads 3 DK-1250 Copenhagen K Denmark | \$50,250,000.00 | \$16,750,000.00 |
| SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) <u>Address for Notices:</u> Kungsträdgårdsgatan 8, 106 40 Stockholm Sweden Attn: Max Wadström / Gjert Moberg, Shipping Coverage Telephone: +46 707 72 31 05 / +47 994 90 831 Email: max.wadstrom@seb.se / gjert.moberg@seb.no Attn: Aura Vegé, Structured Credit Operations Telephone: +37052194621 Email: sco@seb.se <u>Lending Office:</u> Kungsträdgårdsgatan 8 106 40 Stockholm Sweden | \$50,250,000.00 | \$16,750,000.00 |

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|---|-----------------|----------------|
| | | |
| ING BANK N.V., LONDON BRANCH <u>Address for Notices:</u> 8-10 Moorgate London EC2R 6DA United Kingdom Attn: Adam Byrne / Weilong Liang, Shipping Finance Telephone: +44 20 7767 1992 / +44 20 7767 6632 Email: Adam.Byrne@ing.com / Weilong.Liang@ing.com Attn: Deal Execution Team Email: Execution@ING.com <u>Lending Office:</u> 8-10 Moorgate London EC2R 6DA United Kingdom | \$24,375,000.00 | \$8,125,000.00 |
| TOTAL | \$300,000,000 | \$100,000,000 |

PART B

Swap Banks

| |
|--|
| <p>DNB BANK ASA, NEW YORK BRANCH</p> <p><u>Address for Notices:</u> 30 Hudson Yards 81st Floor New York, NY 10036</p> <p>jessika.larsson@dnb.no / emmanuel.sanz@dnb.no</p> |
| <p>SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)</p> <p><u>Address for Notices:</u> Skandinaviska Enskilda Banken AB (publ) Structured Credit Operations Rissneleden 110 SE-106 40 Stockholm Sweden</p> <p>max.wadstrom@seb.se / anders.x.petersson@seb.se</p> |
| <p>DEUTSCHE BANK AG</p> <p><u>Address for Notices:</u> Veronica Ames Director Risk Management Solutions - Rates Deutsche Bank Securities Inc. 60 Wall Street, 10005-2836 New York, NY, USA Tel. +1 212 250-7319 Alt. Tel. +1 212 250-5533 Mobile +1 929 354-5080 Email veronica.ames@db.com</p> |
| <p>ING CAPITAL MARKETS LLC</p> <p><u>Address for Notices:</u> 1133 Avenue of the Americas New York, New York 10036</p> <p>Attn: Legal Department Telephone: (646) 424-6000 Fax: (646) 424-6248</p> |

Initial Guarantors

| <u>Guarantor</u> | <u>Jurisdiction of Formation</u> | <u>Registration Number</u> (or equivalent, if any) | <u>Registered Office</u> |
|-----------------------------|--------------------------------------|---|--|
| GANNET SHIPPING LLC | The Republic of the Marshall Islands | 961584 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| GOLDEN EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 960908 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| GREBE SHIPPING LLC | The Republic of the Marshall Islands | 961585 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| IBIS SHIPPING LLC | The Republic of the Marshall Islands | 961586 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| IMPERIAL EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 960909 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| JAY SHIPPING LLC | The Republic of the Marshall Islands | 961654 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| KINGFISHER SHIPPING LLC | The Republic of the Marshall Islands | 961655 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| MARTIN SHIPPING LLC | The Republic of the Marshall Islands | 961656 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| NIGHTHAWK SHIPPING LLC | The Republic of the Marshall Islands | 961842 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| CAPE TOWN EAGLE LLC | The Republic of the Marshall Islands | 964456 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

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| FAIRFIELD EAGLE LLC | The Republic of the Marshall Islands | 963789 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| MYSTIC EAGLE LLC | The Republic of the Marshall Islands | 963790 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| SOUTHPORT EAGLE LLC | The Republic of the Marshall Islands | 963786 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| STONINGTON EAGLE LLC | The Republic of the Marshall Islands | 963825 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| GROTON EAGLE LLC | The Republic of the Marshall Islands | 963826 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| ROWAYTON EAGLE LLC | The Republic of the Marshall Islands | 963788 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| MADISON EAGLE LLC | The Republic of the Marshall Islands | 963791 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| WESTPORT EAGLE LLC | The Republic of the Marshall Islands | 963827 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| GREENWICH EAGLE LLC | The Republic of the Marshall Islands | 963787 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| NEW LONDON EAGLE LLC | The Republic of the Marshall Islands | 964089 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| HAMBURG EAGLE LLC | The Republic of the Marshall Islands | 964288 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| SYDNEY EAGLE LLC | The Republic of the Marshall Islands | 964697 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| COPENHAGEN EAGLE LLC | The Republic of the Marshall Islands | 964698 | Trust Company Complex, Ajeltake Road, Ajeltake |

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|-------------------------------|---|--------|---|
| | | | Island, Majuro, Marshall Islands MH 96960 |
| DUBLIN EAGLE LLC | The Republic of the Marshall Islands | 964695 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| HONG KONG EAGLE LLC | The Republic of the Marshall Islands | 964721 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| SANTOS EAGLE LLC | The Republic of the Marshall Islands | 964696 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| SANKATY EAGLE LLC | The Republic of the Marshall Islands | 965107 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| NEWPORT EAGLE LLC | The Republic of the Marshall Islands | 965108 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| MONTAUK EAGLE LLC | The Republic of the Marshall Islands | 965131 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| HELSINKI EAGLE LLC | The Republic of the Marshall Islands | 965061 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| STOCKHOLM EAGLE LLC | The Republic of the Marshall Islands | 965062 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| ROTTERDAM EAGLE LLC | The Republic of the Marshall Islands | 965097 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| CRESTED EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 961008 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| STELLAR EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 961061 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| CROWNED EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 961009 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

| | | | |
|-------------------------|--------------------------------------|--------|--|
| BITTERN SHIPPING LLC | The Republic of the Marshall Islands | 961510 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| CANARY SHIPPING LLC | The Republic of the Marshall Islands | 961511 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| CRANE SHIPPING LLC | The Republic of the Marshall Islands | 961536 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| EGRET SHIPPING LLC | The Republic of the Marshall Islands | 961537 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| ORIOLE SHIPPING LLC | The Republic of the Marshall Islands | 960848 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| OWL SHIPPING LLC | The Republic of the Marshall Islands | 961886 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| PUFFIN SHIPPING LLC | The Republic of the Marshall Islands | 961147 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| PETREL SHIPPING LLC | The Republic of the Marshall Islands | 961146 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| ROADRUNNER SHIPPING LLC | The Republic of the Marshall Islands | 961148 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| SANDPIPER SHIPPING LLC | The Republic of the Marshall Islands | 961149 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| OSLO EAGLE LLC | The Republic of the Marshall Islands | 965024 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| STAMFORD EAGLE LLC | The Republic of the Marshall Islands | 963701 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| SHANGHAI EAGLE LLC | The Republic of the Marshall Islands | 964722 | Trust Company Complex, Ajeltake Road, Ajeltake |

| | | | |
|---------------------|---|--------|---|
| | | | Island, Majuro, Marshall Islands MH 96960 |
| SINGAPORE EAGLE LLC | The Republic of the Marshall Islands | 963722 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

Approved Brokers

Clarksons Fearnleys Braemar

Howe Robinson

Simpson Spence Young

Arrow

VesselsDelivered Vessels

| Vessel | Official Number | IMO Number | Build Year | Owner |
|-------------------------|----------------------------|-----------------------|-----------------------|-----------------------------|
| 1. GANNET BULKER | 3902 | 9441300 | 2010 | Gannet Shipping LLC |
| 2. GOLDEN EAGLE | 3794 | 9418731 | 2010 | Golden Eagle Shipping LLC |
| 3. GREBE BULKER | 3905 | 9441312 | 2010 | Grebe Shipping LLC |
| 4. IBIS BULKER | 3946 | 9441324 | 2010 | Ibis Shipping LLC |
| 5. IMPERIAL EAGLE | 3820 | 9478511 | 2010 | Imperial Eagle Shipping LLC |
| 6. JAY | 3972 | 9441336 | 2010 | Jay Shipping LLC |
| 7. KINGFISHER | 3974 | 9441348 | 2010 | Kingfisher Shipping LLC |
| 8. MARTIN | 3973 | 9441350 | 2010 | Martin Shipping LLC |
| 9. NIGHTHAWK | 4193 | 9441362 | 2011 | Nighthawk Shipping LLC |
| 10. WESTPORT EAGLE | 7507 | 9705988 | 2015 | Westport Eagle LLC |
| 11. FAIRFIELD EAGLE | 7510 | 9575230 | 2013 | Fairfield Eagle LLC |
| 12. GREENWICH EAGLE | 7449 | 9575266 | 2013 | Greenwich Eagle LLC |
| 13. MADISON EAGLE | 7509 | 9575278 | 2013 | Madison Eagle LLC |
| 14. MYSTIC EAGLE | 7405 | 9575204 | 2013 | Mystic Eagle LLC |
| 15. ROWAYTON EAGLE | 7454 | 9575216 | 2013 | Rowayton Eagle LLC |
| 16. SOUTHPORT EAGLE | 7406 | 9575228 | 2013 | Southport Eagle LLC |
| 17. GROTON EAGLE | 7505 | 9575242 | 2013 | Groton Eagle LLC |
| 18. NEW LONDON EAGLE | 7824 | 9754991 | 2015 | New London Eagle LLC |
| 19. STONINGTON EAGLE | 7450 | 9575151 | 2012 | Stonington Eagle LLC |
| 20. HAMBURG EAGLE | 8164 | 9698587 | 2014 | Hamburg Eagle LLC |

| | | | | |
|-------------------------|------|---------|------|----------------------|
| 21. CAPE TOWN EAGLE | 8273 | 9700134 | 2015 | Cape Town Eagle LLC |
| 22. SYDNEY EAGLE | 8629 | 9699373 | 2015 | Sydney Eagle LLC |
| 23. COPENHAGEN EAGLE | 8612 | 9699359 | 2015 | Copenhagen Eagle LLC |
| 24. DUBLIN EAGLE | 8631 | 9699323 | 2015 | Dublin Eagle LLC |
| 25. HONG KONG EAGLE | 8700 | 9743590 | 2016 | Hong Kong Eagle LLC |
| 26. SANTOS EAGLE | 8641 | 9699347 | 2015 | Santos Eagle LLC |
| 27. SANKATY EAGLE | 6935 | 9490820 | 2011 | Sankaty Eagle LLC |
| 28. NEWPORT EAGLE | 6936 | 9603063 | 2011 | Newport Eagle LLC |
| 29. MONTAUK EAGLE | 6937 | 9603051 | 2011 | Montauk Eagle LLC |
| 30. HELSINKI EAGLE | 7755 | 9699270 | 2015 | Helsinki Eagle LLC |
| 31. STOCKHOLM EAGLE | 9258 | 9704855 | 2016 | Stockholm Eagle LLC |
| 32. ROTTERDAM EAGLE | 7760 | 9721994 | 2017 | Rotterdam Eagle LLC |

| | | | | |
|--------------------------|------|---------|------|----------------------------|
| 33. CRESTED EAGLE | 3477 | 9478626 | 2009 | Crested Eagle Shipping LLC |
| 34. STELLAR EAGLE | 3521 | 9514004 | 2009 | Stellar Eagle Shipping LLC |
| 35. CROWNED EAGLE | 3413 | 9418729 | 2008 | Crowned Eagle Shipping LLC |
| 36. BITTERN | 3710 | 9441269 | 2009 | Bittern Shipping LLC |
| 37. CANARY | 3777 | 9441271 | 2009 | Canary Shipping LLC |
| 38. CRANE | 3817 | 9441283 | 2010 | Crane Shipping LLC |
| 39. EGRET BULKER | 3818 | 9441295 | 2010 | Egret Shipping LLC |
| 40. ORIOLE | 4303 | 9441374 | 2011 | Oriole Shipping LLC |
| 41. OWL | 4337 | 9441386 | 2011 | Owl Shipping LLC |
| 42. PUFFIN BULKER | 4339 | 9441403 | 2011 | Puffin Shipping LLC |
| 43. PETREL BULKER | 4338 | 9441398 | 2011 | Petrel Shipping LLC |
| 44. ROADRUNNER BULKER | 4340 | 9441415 | 2011 | Roadrunner Shipping LLC |
| 45. SANDPIPER BULKER | 4341 | 9441427 | 2011 | Sandpiper Shipping LLC |
| 46. OSLO EAGLE | 7758 | 9699282 | 2015 | Oslo Eagle LLC |
| 47. STAMFORD EAGLE | 7201 | 9735127 | 2016 | Stamford Eagle LLC |
| 48. SHANGHAI EAGLE | 8701 | 9743588 | 2016 | Shanghai Eagle LLC |
| 49. SINGAPORE EAGLE | 5716 | 9788100 | 2017 | Singapore Eagle LLC |

Liens

None

Pre-Approved Account Banks

1. DNB Bank ASA
2. Nordea Bank Abp, Filial i Norge
3. ING Bank N.V.
4. Deutsche Bank AG
5. Skandinaviska Enskilda Banken AB (publ)
6. HSBC

Sustainability Pricing Adjustment Schedule

Upon the delivery of a Sustainability Certificate in accordance with Section 5.02(g), the Applicable Margin shall be adjusted as follows (each, a “Sustainability Pricing Adjustment”):

(a) if (i) the Fleet EEOI Performance exceeds or is equal to the Fleet Sustainability Performance Target and/or (ii) the Green Spending Performance is less than the Green Spending Target set forth in such Sustainability Certificate delivered in any applicable year, the Applicable Margin (as it may have been adjusted by any previous Sustainability Pricing Adjustment) shall be increased by 0.05 percentage points per annum for a period of four (4) consecutive fiscal quarters effective as of the first day of the Interest Period immediately following the date the Sustainability Certificate is delivered pursuant to Section 5.02(g), which shall be no later than July 1 of each calendar year; and

(b) if (i) the Fleet EEOI Performance is less than to the Fleet Sustainability Performance and (ii) the Green Spending Performance is equal or superior to the Green Spending Target set forth in such Sustainability Certificate delivered in any applicable year, the Applicable Margin (as it may have been adjusted by any previous Sustainability Pricing Adjustment) shall be decreased by 0.05 percentage points per annum for a period of four (4) consecutive fiscal quarters effective as of the first day of the Interest Period immediately following the date the Sustainability Certificate is delivered pursuant to Section 5.02(g), which shall be no later than July 1 of each calendar year;

provided that (x) no Sustainability Pricing Adjustment shall result in the Applicable Margin being increased or decreased from the Applicable Margin which would otherwise apply pursuant to the definition thereof without giving effect to any Sustainability Pricing Adjustment by more than 0.05 percentage points per annum and (y) if the Borrower fails to provide a Sustainability Certificate, the Sustainability Pricing Adjustment set forth in clause (a) above shall apply as of the first day of the Interest Period immediately following the final date the Sustainability Certificate would be required to be delivered pursuant to Section 5.02(g).

Notwithstanding the foregoing, (A) the Fleet Sustainability Performance Target will be adjusted annually not later than July 1 of each calendar year in which a Sustainability Certificate is delivered pursuant to Section 5.02(g) to reflect the Fleet Vessels owned by any Obligor or any Subsidiary of the Parent during the year which is the subject of such Sustainability Certificate (whether or not such Fleet Vessel is owned by such Obligor or such Subsidiary at the time such Sustainability Certificate is delivered). Data in connection with a Fleet Vessel which was sold or which was acquired by any Obligor or any Subsidiary of the Parent, in each case, during the calendar year which is the subject of such Sustainability Certificate delivered pursuant to Section 5.02(g), shall be pro-rated based on the number of days such vessel was owned for purposes of calculating the Fleet Sustainability Performance Target and the Fleet EEOI Performance, as applicable, and (B) the Green Spending Performance and the Green Spending Target will be calculated based on the Fleet Vessels owned during the entire year which is the subject to of such Sustainability Certificate.

Each party hereto hereby agrees that neither the Facility Agent nor the Sustainability Coordinator shall have any responsibility for (or liability in respect of) reviewing, auditing or otherwise evaluating any calculation by the Borrower of any Sustainability Pricing Adjustment (or any of the data or computations that are part of or related to any such calculation) set forth in the Sustainability Certificate (and the Facility Agent may rely conclusively on any such certificate, without further inquiry).

As used herein:

“Energy Efficiency Operational Indicator” means the carbon intensity of each Fleet Vessel for all voyages over the applicable twelve-month period ending on December 31 each year. The Energy

Efficiency Operational Indicator for each Fleet Vessel shall be calculated according to IMO MEPC.1/Circ.684 "Guidelines for voluntary use of the ship energy efficiency operational indicator (EEOI)" as follows:

$$\text{Average EEOI} = \frac{\sum_i \sum_j (FC_{ij} \times C_{Fj})}{\sum_i (m_{\text{cargo},i} \times D_i)}$$

, where (a) j is the fuel type, (b) i is the voyage number, (c) FC_{ij} is the mass of consumed fuel j at voyage i ,
(d) C_{Fj} is the fuel mass to CO₂ mass conversion factor for fuel j , (e) m_{cargo} is cargo carries in tons and (f) D is the distance in nautical miles corresponding to the cargo carried.

The rolling average Energy Efficiency Operational Indicator with respect to any Fleet Vessel is computed for all voyages performed by such Fleet Vessel over a calendar year and set out in a certificate issued by an External Reviewer using the ship fuel oil consumption data submitted by the Borrower to the International Maritime Organization augmented with cargo quantity data,

"External Reviewer" means, with respect to the Energy Efficiency Operational Indicator and the Fleet Sustainability Performance Target, either DNV or any other Classification Society.

"Fleet EEOI Performance" means the average of the actual Energy Efficiency Operational Indicator for all Fleet Vessels for the applicable twelve-month period ending on December 31 each year, as reported in the Sustainability Certificate addressed to the Facility Agent and the Sustainability Coordinator and delivered pursuant to Section 5.02(h), as verified by an External Reviewer.

"Fleet Sustainability Performance Target" means, with respect to any calendar year, the average of the targeted Energy Efficiency Operational Indicator of all Fleet Vessels based on such Fleet Vessels' trajectory for such calendar year, determined in accordance with IMO Third GHG Study, MEPC 68 Inf. 24 and the Initial Strategy and any further IMO publications as used by the External Reviewer and as further indicatively outlined in the table below:

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|-------------|-------------|-------------|-------------|-------------|------------|
| Fleet Sustainability performance Target | 9.01 | 8.79 | 8.54 | 8.29 | 8.05 | 7.8 |

"Fleet Vessel" means each Vessel subject to a Vessel Mortgage and any other vessel owned by any Obligor or Subsidiary of the Parent.

"Green Spending Performance" means the amount spent per Fleet Vessel per calendar year in Green Spending Categories.

"Green Spending Target" means, with respect to the applicable twelve-month period ending on December 31, the lower of (i) \$2,000,000 or (ii) \$37,735 per Fleet Vessel spent on Green Spending Categories.

"Green Spending Categories" means investments in energy efficiency improvements, decarbonization, and other environmental, social and corporate governance related initiatives which go beyond any applicable requirement at the time of this agreement and which include but is not limited to:

- (a) application of hull coatings and associated shipyard spending;
- (b) hull inspections and cleanings including propeller polishing;
- (c) performance management software;
- (d) weather routing optimization;
- (e) satellite communications capability rollout;
- (f) emissions data verification services;
- (g) crew training focused on energy efficiency and emissions reduction; and
- (h) other social and/or energy efficiency projects as evidenced by the Borrower with supporting documents including but not limited to invoices.

FORM OF ACCOUNT PLEDGE (DUTCH ACCOUNT BANK)

103081194.6

PLEDGE AGREEMENT

(in respect of bank accounts)

___ October 2021
between

THE ENTITIES LISTED IN Schedule 1

as Pledgors

and

**CRÉDIT AGRICOLE CORPORATE AND
INVESTMENT BANK**

as Pledgee

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SCHEDULES

- SCHEDULE 1
- SCHEDULE 2 ACCOUNTS SCHEDULE 3
- FORM OF NOTICE OF PLEDGE – ACCOUNT BANK

THIS PLEDGE AGREEMENT is dated __ October 2021 and made between:

- (1) **THE ENTITIES LISTED IN Schedule 1** (Pledgors) (each a **Pledgor** and together, the **Pledgors**); and
- (2) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK**, having its office at 12 Place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France (in its capacity as Security Trustee for and on behalf of the Lenders, the Swap Banks and the Facility Agent under the Loan Documents and/or in its capacity as sole creditor under each Parallel Liability, in all capacities, the **Pledgee**).

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

1.1.1 Capitalised terms used but not defined in this Agreement shall have the meaning given thereto in the Credit Agreement.

1.1.2 In this Agreement:

Accounts means any and all present and future bank accounts maintained by each Pledgor from time to time with the Account Bank, including the relevant Pledgor's respective Operating Account.

Account Bank means ABN AMRO Bank N.V. with which any Pledgor (now or in the future) maintains an Account.

Account Right(s) means any and all rights and claims (*vorderingsrechten*) whether present or future, whether actual or contingent, of each Pledgor with respect to or against the Account Bank in respect of any Account maintained by such Pledgor or in respect of any other deposit made by such Pledgor with the Account Bank.

Agreement means this pledge agreement.

Credit Agreement means the New York law governed credit agreement dated __October 2021 between Eagle Bulk Ultraco LLC as borrower, the initial guarantors listed therein as guarantors, Eagle Bulk Shipping Inc. as parent and guarantor, the lenders party thereto, the swap banks party thereto, Crédit Agricole Corporate and Investment Bank as security trustee, facility agent, structurer and sustainability coordinator, Crédit Agricole Corporate and Investment Bank, Danish Ship Finance/AS, DNB Markets, Inc., Nordea Bank ABP, Filial i Norge and Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers and bookrunners and DNB Bank ASA, New York branch, as swap coordinator.

Enforcement Event means a default by any Obligor in the performance of the Secured Obligations (whether in whole or in part) provided that such default constitutes an Event of Default which is continuing.

Operating Account means, as the context may require, each account listed in Schedule 2 (Accounts).

Party means a party to this Agreement.

Permitted Security means any right of pledge arising from the general banking conditions (*algemene bankvoorwaarden*).

Right of Pledge means a right of pledge created by this Agreement in accordance with Clause 2 (Creation of security).

Secured Obligations means any and all obligations and liabilities consisting of monetary payment obligations (*verbintenissen tot betalen van een geldsom*) of each Obligor to the Pledgee, whether present or future, whether actual or contingent, whether as primary obligor or as surety, whether for principal, interest, costs or otherwise under or in connection with each Parallel Liability of each Obligor (and if at the time of the creation of a Right of Pledge, or at any time thereafter, the Corresponding Liabilities owed to the Pledgee cannot be validly secured through a Parallel Liability, such Corresponding Liabilities itself shall be the Secured Obligations).

1.2 Interpretation

1.2.1 Unless a contrary indication appears, any reference in this Agreement to:

- (a) a **Clause** or a **Schedule** shall, subject to any contrary indication, be construed as a reference to a clause or a schedule of this Agreement;
- (b) this **Agreement**, the **Credit Agreement**, a **Secured Swap Contract**, a **Loan Document** or any other agreement or instrument includes all amendments, supplements, novations, restatements or re-enactments (without prejudice to any prohibition thereto) however fundamental and of whatsoever nature thereunder and includes without limitation (i) any increase or reduction in any amount available under the Credit Agreement, a Secured Swap Contract or any other Loan Documents (as amended, supplemented, novated, restated or re-enacted) or any alteration of or addition to the purpose for which any such amount, or increased or reduced amount may be used, (ii) any facility provided in substitution of or in addition to the facilities originally made available thereunder, (iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing, and (iv) any combination of the foregoing, and the Secured Obligations include all of the foregoing;
- (c) **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, partnership or other entity (whether or not having separate legal personality) or two or more of the foregoing;
- (d) the **Pledgee**, any **Pledgor**, the **Account Bank** or any other **person** includes its successors in title, permitted assigns and permitted transferees; and
- (e) a provision of law is a reference to that provision as amended or re-enacted.

1.2.2 Clause and Schedule headings are for ease of reference only. Schedules form an integral part of this Agreement.

1.2.3 In the event of any inconsistency or conflict between this Agreement on the one hand and the Credit Agreement on the other hand, the Credit Agreement shall prevail to the extent permitted by law and provided it does not affect (i) the validity and enforceability of each Right of Pledge and (ii) Clause 12 (Governing law and jurisdiction).

1.2.4 An Enforcement Event shall constitute a *verzuim* (as meant in paragraph 1 of Section 3:248 of the Dutch Civil Code) in the performance of the Secured Obligations or any part thereof, without summons or notice of default (*aanmaning of ingebrekestelling*) being sent or required.

1.2.5 In this Agreement, words and expressions importing the singular shall, where the context permits or requires, include the plural and *vice versa* and words and expressions importing the masculine shall, where the context permits or requires, include the feminine and neuter and *vice versa*.

2 CREATION OF SECURITY

2.1 Right of pledge

Each Pledgor agrees with the Pledgee to create and creates in favour of the Pledgee, to the extent necessary in advance (*bij voorbaat*), a right of pledge (*pandrecht*) over each of its Account Rights as security for the Secured Obligations.

2.2 Perfection

2.2.1 Each Pledgor shall notify the Account Bank of each Right of Pledge by serving a notice substantially in the relevant form attached as Schedule 3 (Form of Notice of Pledge) on the date of this Agreement and on each date a person becomes an Account Bank.

2.2.2 Each Pledgor shall return the notice referred to in Clauses 2.2.1 duly acknowledged by the Account Bank on or prior to the date of the relevant notification.

2.3 General

2.3.1 Each Right of Pledge includes all accessory rights (*afhankelijke rechten*) and all ancillary rights (*nevenrechten*) attached to the Account Rights.

2.3.2 Each Right of Pledge is in addition to, and shall not in any way be prejudiced by any other security (whether by contract or statute) now or subsequently held by the Pledgee. The rights of the Pledgee under this Agreement are in addition to and not in lieu of those provided by law.

2.3.3 In accordance with paragraph 1 of Section 3:246 of the Dutch Civil Code, only the Pledgee is entitled to collect and receive payment of the Account Rights which are subject to a Right of Pledge and to exercise all rights of a Pledgor towards the Account Bank. Without prejudice to its entitlement to collect and receive payment and to exercise its rights, the Pledgee authorises pursuant to paragraph 4 of Section 3:246 Dutch Civil Code, until the occurrence of an Event of Default which is continuing, the relevant Pledgor to withdraw and transfer monies from the Accounts, all in accordance with the relevant provisions of the Credit Agreement.

3 REPRESENTATIONS AND WARRANTIES

3.1.1 Each Pledgor makes the representations and warranties in this Clause 3 in respect of such Pledgor's Account Rights existing on the date the representations or warranties are made.

3.1.2 On the date of this Agreement and on the date future Account Rights arise:

(a) save for Permitted Security, each Right of Pledge is a first ranking right of pledge (*pandrecht eerste in rang*);

- (b) its Account Rights have, save for the relevant Right of Pledge, not been transferred, assigned, pledged, made subject to a limited right (*beperkt recht*) or otherwise encumbered (in advance (*bij voorbaat*)) to any person;
- (c) it is entitled (*beschikkingsbevoegd*) to pledge its Account Rights;
- (d) its Account Rights are capable of being transferred, assigned and pledged; and
- (e) its Account Rights are not subject to any attachment.

4 UNDERTAKINGS

4.1 General

The undertakings in this Clause 4 remain in force from the date of this Agreement until each Right of Pledge is terminated in respect of all Pledgors in accordance with Clause 7 (Termination).

4.2 Account Rights

Unless explicitly permitted under the Credit Agreement, without the prior written consent of the Pledgee, no Pledgor shall:

- (a) transfer, assign, pledge, make subject to a limited right (*beperkt recht*) or otherwise encumber its Account Rights;
- (b) release (*kwijtschelden*) or waive (*afstand doen van*) any of its Account Rights;
- (c) waive any accessory rights (*afhankelijke rechten*) or ancillary rights (*nevenrechten*) attached to its Account Rights;
- (d) agree with a court composition or an out-of-court composition (*gerechtelijk of buitengerechtelijk akkoord*) or enter into any settlement agreement in respect of its Account Rights; or
- (e) perform any act which adversely affects or may adversely affect its Account Rights or any Right of Pledge.

4.3 Information

4.3.1 Each Pledgor shall promptly inform the Pledgee of an occurrence of an event that may be relevant to the Pledgee with respect to its Account Rights or adversely affects or may adversely affect any Right of Pledge.

4.3.2 Each Pledgor shall promptly notify in writing, at its own cost, the existence of this Agreement and each Right of Pledge to any court process server (*deurwaarder*), bankruptcy trustee (*curator*), administrator (*bewindvoerder*) or similar officer in any jurisdiction or to any other person claiming to have a right to its Account Rights, and shall promptly send to the Pledgee a copy of the relevant correspondence.

5 ENFORCEMENT

5.1 Enforcement

Upon the occurrence of an Enforcement Event, the Pledgee shall have the right to enforce its Right of Pledge in accordance with Dutch law and any other applicable law and withdraw its authorisation to the Pledgor set out in Clause 2.3.3 (and may take all further (legal) steps and measures which are necessary for that purpose.

5.2 Enforcement waivers

5.2.1 The Pledgee shall not be obliged to give notice of a sale of any Account Rights to any Pledgor, debtors, holders of a limited right (*beperkt recht*) or persons who have made an attachment (*beslag*) on any of the Account Rights (as provided in Sections 3:249 and 3:252 of the Dutch Civil Code).

5.2.2 Each Pledgor waives its right to make a request to the court:

- (a) to determine that its Account Rights shall be sold in a manner deviating from the provisions of Section 3:250 of the Dutch Civil Code (as provided in paragraph 1 of Section 3:251 of the Dutch Civil Code); and
- (b) to collect and receive payment of its Account Rights after a Right of Pledge has been disclosed or as relevant, the authorisation has been terminated in accordance with Clause 2.2 (Perfection) (as provided in paragraph 4 of Section 3:246 of the Dutch Civil Code).

5.2.3 Each Pledgor waives its right to demand that the Pledgee:

- (a) shall first enforce any security granted by any other person, pursuant to Section 3:234 of the Dutch Civil Code;
- (b) shall first proceed against or claim payment from any other person or enforce any guarantee, before enforcing any Right of Pledge; and
- (c) pay for costs which a Pledgor has made in respect of its Account Rights pursuant to paragraph 2 of Section 3:233 of the Dutch Civil Code.

5.2.4 Each Pledgor waives its right (a) to set-off (*verrekenen*) its claims (if any) against the Pledgee under or in connection with this Agreement against the Secured Obligations and (b) if it has granted security for any other person's obligations, to invoke the suspension or the termination of its liability for any Secured Obligations pursuant to Section 6:139 of the Dutch Civil Code.

5.3 Application of monies

Subject to the mandatory provisions of Dutch law on enforcement, all monies received or realised by the Pledgee in connection with the enforcement of any Right of Pledge or collection of any of the Account Rights following an Enforcement Event shall be applied by the Pledgee in accordance with the relevant provisions of the Credit Agreement.

6 FURTHER ASSURANCES AND POWER OF ATTORNEY

6.1 Further assurances

- 6.1.1 The Pledgee is entitled to present this Agreement and any other document pursuant to this Agreement for registration to any office, registrar or governmental body (including the Dutch tax authorities) in any jurisdiction.
- 6.1.2 If no valid right of pledge is created pursuant to this Agreement in respect of any Account Right, each Pledgor irrevocably and unconditionally undertakes to pledge to the Pledgee such Account Right as soon as it becomes available for pledging, by way of supplemental agreements or deeds or other instruments on the same (or similar) terms of this Agreement.
- 6.1.3 Each Pledgor further undertakes to execute, at its own reasonable cost, any instrument, provide such assurances and do all acts and things as may be necessary for:
- (a) perfecting, preserving or protecting any Right of Pledge created (or intended to be created) by, or any of the rights of the Pledgee under this Agreement;
 - (b) exercising any power, authority or discretion vested in the Pledgee under this;
 - (c) ensuring that any Right of Pledge and any obligations of such Pledgor under this Agreement shall inure to the benefit of any successor, transferee or assignee of the Pledgee; or
 - (d) facilitating the collection of any of its Account Rights or the enforcement of a Right of Pledge or any part thereof in the manner contemplated by this Agreement.

6.2 Recourse claims and subrogated claims

- 6.2.1 No rights of subrogation accrue to a Pledgor.
- 6.2.2 Each Pledgor agrees that any conditional or unconditional claim which that Pledgor may be entitled to bring in recourse against another Security Party (including any claim pursuant to Section 6:13 of the Dutch Civil Code) and any subrogation right which have accrued notwithstanding Clause 6.2.1 (the **Recourse and Subrogation Claims**) is subordinated now, respectively from the moment such Recourse and Subrogation Claim comes into existence, to all present and future claims that the Pledgee may have or acquire against a Pledgor in connection with the obligations under this Agreement, any other Loan Document or Secured Swap Contract.
- 6.2.3 Unless otherwise directed by the Pledgee, each Pledgor agrees that the Recourse and Subrogation Claims cannot be set-off and cannot become due and payable until all Secured Obligations have been fully and unconditionally discharged.
- 6.2.4 As security for the Secured Obligations, each Pledgor agrees to pledge and pledges, to the extent necessary in advance, in favour of the Pledgee all of its rights pursuant to the Recourse and Subrogation Claims. Each Pledgor represents that it is authorised to grant such right of pledge and that each right of pledge has been notified to it in its capacity as debtor in respect of any Recourse and Subrogation Claim.

6.3 Power of attorney

- 6.3.1 Each Pledgor irrevocably and unconditionally appoints the Pledgee as its attorney (*gevolmachtigde*) for as long as any of the Secured Obligations are outstanding for the purposes of doing in its name all acts and executing, signing and (if required) registering in its name all documents which such Pledgor itself could do, execute, sign or register in relation to any of its Account Rights or this Agreement.
- 6.3.2 It is expressly agreed that the appointment under Clause 6.3.1 will only be exercised by the Pledgee in case of an Event of Default which is continuing or if a Pledgor has not acted in accordance with the provisions of this Agreement, and is given with full power of substitution and also applies to any situation where the Pledgee acts as such Pledgor's counterparty (*Selbsteintritt*) within the meaning of Section 3:68 of the Dutch Civil Code or as a representative of a Pledgor's counterparty.

7 TERMINATION

7.1 Continuing

- 7.1.1 Each Right of Pledge shall remain in full force and effect, until all Secured Obligations have been irrevocably and unconditionally paid in full (to the Pledgee's satisfaction), unless terminated by the Pledgee pursuant to Clause 7.2 (Termination by Pledgee).
- 7.1.2 In case a Right of Pledge is terminated, the Pledgee shall promptly at the request and expense of the relevant Pledgor provide written evidence to the relevant Pledgor to that effect.

7.2 Termination by Pledgee

The Pledgee is entitled to terminate by notice (*opzeggen*) or waive (*afstand doen*) a Right of Pledge, in respect of all or part of the Account Rights, all or part of the Secured Obligations and in respect of any or all of the Pledgors. Each Pledgor agrees in advance to any waiver (*afstand van recht*) granted by the Pledgee under this Clause 7.2.

8 ASSIGNMENT

8.1 No assignment – Pledgors

The rights and obligations of a Pledgor under this Agreement cannot be transferred, assigned or pledged without the prior written consent of the Pledgee, all in accordance with Section 3:83 (2) of the Dutch Civil Code.

8.2 Assignment – Pledgee

The Pledgee may transfer, assign or pledge any of its rights and obligations under this Agreement in accordance with the Credit Agreement and each Pledgor, to the extent legally required, irrevocably cooperates or consents in advance (*verleent bij voorbaat medewerking of geeft bij voorbaat toestemming*) to such transfer, assignment or pledge. If the Pledgee transfers, assigns or pledges its rights under the Secured Obligations (or a part thereof), each Pledgor and the Pledgee agree that each Right of Pledge shall follow *pro rata parte* the transferred, assigned or pledged rights under the Secured Obligations (as an ancillary right (*nevenrecht*) to the relevant transferee, assignee or pledgee).

9 NOTICES

Any communication to be made under or in connection with this Agreement shall be made in accordance with the relevant provisions of the Credit Agreement.

10 MISCELLANEOUS

10.1 Costs

All costs, charges, expenses and taxes in connection with this Agreement shall be payable by the Pledgors in accordance with the relevant provisions of the Credit Agreement.

10.2 Evidence of debt

As to the existence and composition of the Secured Obligations, a written statement by the Pledgee made in accordance with its books shall, save for manifest error, constitute conclusive evidence (*dwingend bewijs*). In the event of a disagreement with respect thereto, this does not affect the right of enforcement or collection under this Agreement.

10.3 No liability Pledgee

Except for its gross negligence (*grove nalatigheid*) or wilful misconduct (*opzet*), the Pledgee shall not be liable towards any Pledgor for not (or not completely) collecting, recovering or selling any of the Account Rights or any loss or damage resulting from any collection, recovery or sale of any of the Account Rights or arising out of the exercise of or failure to exercise any of its powers under this Agreement or for any other loss of any nature whatsoever in connection with any of the Account Rights or this Agreement.

10.4 Severability

10.4.1 If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction that shall not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

10.4.2 Each Pledgor and the Pledgee shall negotiate in good faith to replace any provision of this Agreement which may be held unenforceable with a provision which is enforceable and which is as similar as possible in substance to the unenforceable provision.

10.5 No rescission

Each Pledgor waives, to the fullest extent permitted by law, its rights to rescind (*ontbinden*) this Agreement, to suspend (*opschorten*) any of its obligations or liability under this Agreement, or to nullify (*vernietigen*) this Agreement on any ground under Dutch law or under any other applicable law.

10.6 No waiver

No failure to exercise, nor any delay in exercising, on the part of the Pledgee, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

10.7 Amendment

This Agreement shall not be amended except in writing.

10.8 Counterparts

This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

11 ACCEPTANCE

The Pledgee accepts each Right of Pledge and all terms, waivers, authorities and powers pursuant to this Agreement.

12 GOVERNING LAW AND JURISDICTION

12.1 Governing law

This Agreement (including Clause 12.1 (Jurisdiction)) and any non-contractual obligations arising out of or in connection with it, are governed by Dutch law.

12.2 Jurisdiction

12.2.1 The courts (*rechtbank*) of Amsterdam, the Netherlands has exclusive jurisdiction to settle at first instance any dispute arising out of or in connection with this Agreement (including a dispute regarding this Clause 12 and the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a **Dispute**).

12.2.2 Each Party agrees that the court (*rechtbank*) of Amsterdam, the Netherlands is the most appropriate and convenient court to settle Disputes and accordingly no Party will argue to the contrary.

12.2.3 This Clause 12.2 is for the benefit of the Pledgee only. As a result, the Pledgee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Pledgee may take concurrent proceedings in any number of jurisdictions.

12.3 Acceptance governing law power of attorney

If a Party is represented by an attorney in connection with the execution of this Agreement or any agreement or document pursuant this Agreement:

- (a) the existence and extent of the authority of; and
- (b) the effects of the exercise or purported exercise of that authority by,

that attorney is governed by the law designated in the power of attorney pursuant to which that attorney is appointed and such choice of law is accepted by the other Parties.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Remainder of page intentionally left blank Signature page(s) follow

Schedule 1

PLEDGORS

| # | <u>Name Pledgor</u> | <u>Jurisdiction of Formation</u> | <u>Registration Number</u> (<u>or equivalent, if any</u> .) | <u>Registered Office</u> |
|----|-----------------------------|--------------------------------------|---|--|
| 1 | EAGLE BULK ULTRACO LLC | The Republic of the Marshall Islands | 963776 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 2 | GANNET SHIPPING LLC | The Republic of the Marshall Islands | 961584 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 3 | GOLDEN EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 960908 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 4 | GREBE SHIPPING LLC | The Republic of the Marshall Islands | 961585 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 5 | IBIS SHIPPING LLC | The Republic of the Marshall Islands | 961586 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 6 | IMPERIAL EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 960909 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 7 | JAY SHIPPING LLC | The Republic of the Marshall Islands | 961654 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 8 | KINGFISHER SHIPPING LLC | The Republic of the Marshall Islands | 961655 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 9 | MARTIN SHIPPING LLC | The Republic of the Marshall Islands | 961656 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 10 | NIGHTHAWK SHIPPING LLC | The Republic of the Marshall Islands | 961842 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

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|----|---------------------|--------------------------------------|--------|--|
| 11 | CAPE TOWN | The Republic of the Marshall Islands | 964456 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 12 | FAIRFIELD EAGLE LLC | The Republic of the Marshall Islands | 963789 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

45910011 pledge agreement

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|----|----------------------|--------------------------------------|--------|--|
| 13 | MYSTIC EAGLE LLC | The Republic of the Marshall Islands | 963790 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 14 | SOUTHPORT EAGLE LLC | The Republic of the Marshall Islands | 963786 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 15 | STONINGTON EAGLE LLC | The Republic of the Marshall Islands | 963825 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 16 | GROTON EAGLE LLC | The Republic of the Marshall Islands | 963826 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 17 | ROWAYTON EAGLE LLC | The Republic of the Marshall Islands | 963788 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 18 | MADISON EAGLE LLC | The Republic of the Marshall Islands | 963791 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 19 | WESTPORT EAGLE LLC | The Republic of the Marshall Islands | 963827 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 20 | GREENWICH EAGLE LLC | The Republic of the Marshall Islands | 963787 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 21 | NEW LONDON EAGLE LLC | The Republic of the Marshall Islands | 964089 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 22 | HAMBURG EAGLE LLC | The Republic of the Marshall Islands | 964288 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 23 | SYDNEY EAGLE LLC | The Republic of the Marshall Islands | 964697 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 24 | COPENHAGEN EAGLE LLC | The Republic of the Marshall Islands | 964698 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 25 | DUBLIN EAGLE LLC | The Republic of the Marshall Islands | 964695 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

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|----|------------------------|---|--------|--|
| 26 | HONG KONG EAGLE LLC | The Republic of the Marshall Islands | 96474 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 27 | SANTOS EAGLE LLC | The Republic of the Marshall Islands | 964696 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

45910011 pledge agreement

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|----|----------------------------|--------------------------------------|--------|--|
| 28 | SANKATY EAGLE LLC | The Republic of the Marshall Islands | 965107 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 29 | NEWPORT EAGLE LLC | The Republic of the Marshall Islands | 965108 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 30 | MONTAUK EAGLE LLC | The Republic of the Marshall Islands | 965131 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 31 | HELSINKI EAGLE LLC | The Republic of the Marshall Islands | 965061 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 32 | STOCKHOLM EAGLE LLC | The Republic of the Marshall Islands | 965062 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 33 | ROTTERDAM EAGLE LLC | The Republic of the Marshall Islands | 965097 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 34 | CRESTED EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 961008 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 35 | STELLAR EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 961061 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 36 | CROWNED EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 961009 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 37 | BITTERN SHIPPING LLC | The Republic of the Marshall Islands | 961510 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 38 | CANARY SHIPPING LLC | The Republic of the Marshall Islands | 961511 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 39 | CRANE SHIPPING LLC | The Republic of the Marshall Islands | 961536 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 40 | EGRET SHIPPING LLC | The Republic of the Marshall Islands | 961537 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

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|----|---------------------|--------------------------------------|--------|--|
| 41 | ORIOLE SHIPPING LLC | The Republic of the Marshall Islands | 960848 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 42 | OWL SHIPPING LLC | The Republic of the Marshall Islands | 961886 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

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|----|-------------------------|--------------------------------------|--------|--|
| 43 | PUFFIN SHIPPING LLC | The Republic of the Marshall Islands | 961147 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 44 | PETREL SHIPPING LLC | The Republic of the Marshall Islands | 961146 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 45 | ROADRUNNER SHIPPING LLC | The Republic of the Marshall Islands | 961148 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 46 | SANDPIPER SHIPPING LLC | The Republic of the Marshall Islands | 961149 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 47 | OSLO EAGLE LLC | The Republic of the Marshall Islands | 965024 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 48 | STAMFORD EAGLE LLC | The Republic of the Marshall Islands | 963701 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 49 | SHANGHAI EAGLE LLC | The Republic of the Marshall Islands | 964722 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |
| 50 | SINGAPORE EAGLE LLC | The Republic of the Marshall Islands | 963722 | Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 |

Schedule 2

ACCOUNTS

Name financial institution: ABN AMRO Bank N.V.
SWIFT: ABNANL2A
Currency: USD
Contact person: C&CS / Victor Terribile / Sean Alleman
Address: Gustav Mahlerlaan 10
1082 PP Amsterdam The Netherlands
Email: cib.commercial.credit.support.gtl.nr@nl.abnamro.com

| # | Name Pledgor: | IBAN: |
|----|-----------------------------|--------------------|
| 1 | Eagle Bulk Ultraco LLC | NL37ABNA0246003049 |
| 2 | Gannet Shipping LLC | NL59ABNA0627179576 |
| 3 | Golden Eagle Shipping LLC | NL87ABNA0627188966 |
| 4 | Grebe Shipping LLC | NL53ABNA0627354866 |
| 5 | Ibis Shipping LLC | NL92ABNA0627381421 |
| 6 | Imperial Eagle Shipping LLC | NL51ABNA0627384099 |
| 7 | Jay Shipping LLC | NL93ABNA0627412637 |
| 8 | Kingfisher Shipping LLC | NL85ABNA0627445179 |
| 9 | Martin Shipping LLC | NL71ABNA0627467741 |
| 10 | Nighthawk Shipping LLC | NL46ABNA0627472168 |
| 11 | Cape Town Eagle LLC | NL07ABNA0836972015 |
| 12 | Fairfield Eagle LLC | NL63ABNA0246002484 |
| 13 | Mystic Eagle LLC | NL45ABNA0246002808 |
| 14 | Southport Eagle LLC | NL23ABNA0246002913 |
| 15 | Stonington Eagle LLC | NL22ABNA0246276665 |
| 16 | Groton Eagle LLC | NL28ABNA0246276460 |
| 17 | Rowayton Eagle LLC | NL38ABNA0246002352 |
| 18 | Madison Eagle LLC | NL35ABNA0246002697 |
| 19 | Westport Eagle LLC | NL56ABNA0246276150 |

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| 20 | Greenwich Eagle LLC | NL69ABNA0246002182 |
| 21 | New London Eagle LLC | NL68ABNA0809420686 |
| 22 | Hamburg Eagle LLC | NL17ABNA0828821313 |
| 23 | Sydney Eagle LLC | NL64ABNA0860716589 |
| 24 | Copenhagen Eagle LLC | NL92ABNA0860716376 |
| 25 | Dublin Eagle LLC | NL20ABNA0860716120 |
| 26 | Hong Kong Eagle LLC | NL55ABNA0860716945 |
| 27 | Santos Eagle LLC | NL61ABNA0860716740 |
| 28 | Sankaty Eagle LLC | NL03ABNA0891560874 |
| 29 | Newport Eagle LLC | NL08ABNA0891561366 |
| 30 | Montauk Eagle LLC | NL58ABNA0100640702 |
| 31 | Helsinki Eagle LLC | NL02ABNA0888947518 |
| 32 | Stockholm Eagle LLC | NL58ABNA0888947577 |
| 33 | Rotterdam Eagle LLC | NL05ABNA0891561226 |
| 34 | Crested Eagle Shipping LLC | NL48ABNA0627137482 |
| 35 | Stellar Eagle Shipping LLC | NL80ABNA0627274161 |
| 36 | Crowned Eagle Shipping LLC | NL41ABNA0627138772 |
| 37 | Bittern Shipping LLC | NL65ABNA0627061710 |
| 38 | Canary Shipping LLC | NL61ABNA0627068960 |
| 39 | Crane Shipping LLC | NL52ABNA0627125867 |
| 40 | Egret Shipping LLC | NL07ABNA0627138802 |
| 41 | Oriole Shipping LLC | NL98ABNA0627477828 |
| 42 | Owl Shipping LLC | NL08ABNA0627217257 |
| 43 | Puffin Shipping LLC | NL12ABNA0627242502 |
| 44 | Petrel Shipping LLC | NL98ABNA0627232515 |
| 45 | Roadrunner Shipping LLC | NL45ABNA0627258786 |
| 46 | Sandpiper Shipping LLC | NL53ABNA0627262910 |
| 47 | Oslo Eagle LLC | NL61ABNA0887603491 |
| 48 | Stamford Eagle LLC | NL93ABNA0498915379 |
| 49 | Shanghai Eagle LLC | NL25ABNA0860717097 |

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|----|---------------------|--------------------|
| 50 | Singapore Eagle LLC | NL41ABNA0474548848 |
|----|---------------------|--------------------|

45910011 pledge agreement

Schedule 3

FORM OF NOTICE OF PLEDGE – ACCOUNT BANK

To: ABN AMRO Bank N.V.
Attn. C&CS / Victor Terribile / Sean Alleman
(cib.commercial.credit.support.gtl.nr@nl.abnamro.com) Gustav
Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

From: Eagle Bulk Ultraco LLC, Gannet Shipping LLC, Golden Eagle Shipping LLC, Grebe Shipping LLC, Ibis Shipping LLC, Imperial Eagle Shipping LLC, Jay Shipping LLC, Kingfisher Shipping LLC, Martin Shipping LLC, Nighthawk Shipping LLC, Cape Town Eagle LLC, Fairfield Eagle LLC, Mystic Eagle LLC, Southport Eagle LLC, Stonington Eagle LLC, Groton Eagle LLC, Rowayton Eagle LLC, Madison Eagle LLC, Westport Eagle LLC, Greenwich Eagle LLC, New London Eagle LLC, Hamburg Eagle LLC, Sydney Eagle LLC, Copenhagen Eagle LLC, Dublin Eagle LLC, Hong Kong Eagle LLC, Santos Eagle LLC, Sankaty Eagle LLC, Newport Eagle LLC, Montauk Eagle LLC, Helsinki Eagle LLC, Stockholm Eagle LLC, Rotterdam Eagle LLC, Crested Eagle Shipping LLC, Stellar Eagle Shipping LLC, Crowned Eagle Shipping LLC, Bittern Shipping LLC, Canary Shipping LLC, Crane Shipping LLC, Egret Shipping LLC, Oriole Shipping LLC, Owl Shipping LLC, Puffin Shipping LLC, Petrel Shipping LLC, Roadrunner Shipping LLC, Sandpiper Shipping LLC, Oslo Eagle LLC, Stamford Eagle LLC, Shanghai Eagle LLC and
Singapore Eagle LLC
fdecostanzo@eagleships.com
c/o Eagle Shipping International (USA) LLC 300 Stamford Place
Stamford, CT 06902

Copy to: Crédit Agricole Corporate and Investment Bank as Security Trustee (the **Pledgee**)
Attn. George Gkanasoulis / Manon Didier (george.gkanasoulis@ca-cib.com /
manon.didier@ca-cib.com) 12 Place des Etats-Unis
CS 70052
92547 Montrouge Cedex France

• October 2021

Dear Sirs,

We give you notice that by a security agreement dated October 2021 (the **Agreement**), we have granted a right of pledge (*pandrecht*) over any present and future right, claim and receivable in respect of our following bank accounts:

45910011 pledge agreement

| # | Name Pledgor: | IBAN: |
|----|-----------------------------|--------------------|
| 1 | Eagle Bulk Ultraco LLC | NL37ABNA0246003049 |
| 2 | Gannet Shipping LLC | NL59ABNA0627179576 |
| 3 | Golden Eagle Shipping LLC | NL87ABNA0627188966 |
| 4 | Grebe Shipping LLC | NL53ABNA0627354866 |
| 5 | Ibis Shipping LLC | NL92ABNA0627381421 |
| 6 | Imperial Eagle Shipping LLC | NL51ABNA0627384099 |
| 7 | Jay Shipping LLC | NL93ABNA0627412637 |
| 8 | Kingfisher Shipping LLC | NL85ABNA0627445179 |
| 9 | Martin Shipping LLC | NL71ABNA0627467741 |
| 10 | Nighthawk Shipping LLC | NL46ABNA0627472168 |
| 11 | Cape Town Eagle LLC | NL07ABNA0836972015 |
| 12 | Fairfield Eagle LLC | NL63ABNA0246002484 |
| 13 | Mystic Eagle LLC | NL45ABNA0246002808 |
| 14 | Southport Eagle LLC | NL23ABNA0246002913 |
| 15 | Stonington Eagle LLC | NL22ABNA0246276665 |
| 16 | Groton Eagle LLC | NL28ABNA0246276460 |
| 17 | Rowayton Eagle LLC | NL38ABNA0246002352 |
| 18 | Madison Eagle LLC | NL35ABNA0246002697 |
| 19 | Westport Eagle LLC | NL56ABNA0246276150 |
| 20 | Greenwich Eagle LLC | NL69ABNA0246002182 |
| 21 | New London Eagle LLC | NL68ABNA0809420686 |
| 22 | Hamburg Eagle LLC | NL17ABNA0828821313 |
| 23 | Sydney Eagle LLC | NL64ABNA0860716589 |
| 24 | Copenhagen Eagle LLC | NL92ABNA0860716376 |
| 25 | Dublin Eagle LLC | NL20ABNA0860716120 |
| 26 | Hong Kong Eagle LLC | NL55ABNA0860716945 |
| 27 | Santos Eagle LLC | NL61ABNA0860716740 |
| 28 | Sankaty Eagle LLC | NL03ABNA0891560874 |
| 29 | Newport Eagle LLC | NL08ABNA0891561366 |

| | | |
|----|----------------------------|--------------------|
| 30 | Montauk Eagle LLC | NL58ABNA0100640702 |
| 31 | Helsinki Eagle LLC | NL02ABNA0888947518 |
| 32 | Stockholm Eagle LLC | NL58ABNA0888947577 |
| 33 | Rotterdam Eagle LLC | NL05ABNA0891561226 |
| 34 | Crested Eagle Shipping LLC | NL48ABNA0627137482 |
| 35 | Stellar Eagle Shipping LLC | NL80ABNA0627274161 |
| 36 | Crowned Eagle Shipping LLC | NL41ABNA0627138772 |
| 37 | Bittern Shipping LLC | NL65ABNA0627061710 |
| 38 | Canary Shipping LLC | NL61ABNA0627068960 |
| 39 | Crane Shipping LLC | NL52ABNA0627125867 |
| 40 | Egret Shipping LLC | NL07ABNA0627138802 |
| 41 | Oriole Shipping LLC | NL98ABNA0627477828 |
| 42 | Owl Shipping LLC | NL08ABNA0627217257 |
| 43 | Puffin Shipping LLC | NL12ABNA0627242502 |
| 44 | Petrel Shipping LLC | NL98ABNA0627232515 |
| 45 | Roadrunner Shipping LLC | NL45ABNA0627258786 |
| 46 | Sandpiper Shipping LLC | NL53ABNA0627262910 |
| 47 | Oslo Eagle LLC | NL61ABNA0887603491 |
| 48 | Stamford Eagle LLC | NL93ABNA0498915379 |
| 49 | Shanghai Eagle LLC | NL25ABNA0860717097 |
| 50 | Singapore Eagle LLC | NL41ABNA0474548848 |

(the **Accounts**), in favour of the Pledgee.

Until further notice in writing by the Pledgee, you are authorised to continue to carry out our payment instructions in connection with the Accounts. The Pledgee will inform you in writing if such authorisation is terminated. Upon receipt of such notice, you will take the necessary actions to ensure that the relevant Account is blocked immediately and carry out payment instructions of the Pledgee only in connection with the Accounts.

This notice is governed by Dutch law.

[signature page follows]

Yours faithfully,

EAGLE BULK ULTRACO LLC GANNET SHIPPING LLC GOLDEN
EAGLE SHIPPING LLC GREBE SHIPPING LLC
IBIS SHIPPING LLC
IMPERIAL EAGLE SHIPPING LLC JAY SHIPPING LLC
KINGFISHER SHIPPING LLC MARTIN SHIPPING LLC
NIGHTHAWK SHIPPING LLC CAPE TOWN EAGLE LLC
FAIRFIELD EAGLE LLC MYSTIC EAGLE LLC SOUTHPORT
EAGLE LLC STONINGTON EAGLE LLC GROTON EAGLE LLC
ROWAYTON EAGLE LLC MADISON EAGLE LLC WESTPORT
EAGLE LLC GREENWICH EAGLE LLC NEW LONDON EAGLE
LLC HAMBURG EAGLE LLC SYDNEY EAGLE LLC
COPENHAGEN EAGLE LLC DUBLIN EAGLE LLC
HONG KONG EAGLE LLC SANTOS EAGLE LLC SANKATY
EAGLE LLC NEWPORT EAGLE LLC MONTAUK EAGLE LLC
HELSINKI EAGLE LLC STOCKHOLM EAGLE LLC
ROTTERDAM EAGLE LLC
CRESTED EAGLE SHIPPING LLC STELLAR EAGLE SHIPPING LLC
CROWNED EAGLE SHIPPING LLC BITTERN SHIPPING LLC
CANARY SHIPPING LLC CRANE SHIPPING LLC EGRET
SHIPPING LLC ORIOLE SHIPPING LLC OWL SHIPPING LLC
PUFFIN SHIPPING LLC PETREL SHIPPING LLC
ROADRUNNER SHIPPING LLC SANDPIPER SHIPPING LLC

OSLO EAGLE LLC STAMFORD EAGLE
LLC SHANGHAI EAGLE LLC SINGAPORE
EAGLE LLC

Name: F. de Costanzo
Title: CFO

45910011 pledge agreement

FORM OF ACKNOWLEDGEMENT - ABN AMRO BANK N.V.

From: ABN AMRO BANK N.V. (the **Account Bank**)
Attn. Attn. C&CS / Victor Terribile / Sean Alleman
(cib.commercial.credit.support.gtl.nr@nl.abnamro.com) Gustav Mahlerlaan 10
1082 PP Amsterdam The Netherlands

To: Eagle Bulk Ultraco LLC, Gannet Shipping LLC, Golden Eagle Shipping LLC, Grebe Shipping LLC, Ibis Shipping LLC, Imperial Eagle Shipping LLC, Jay Shipping LLC, Kingfisher Shipping LLC, Martin Shipping LLC, Nighthawk Shipping LLC, Cape Town Eagle LLC, Fairfield Eagle LLC, Mystic Eagle LLC, Southport Eagle LLC, Stonington Eagle LLC, Groton Eagle LLC, Rowayton Eagle LLC, Madison Eagle LLC, Westport Eagle LLC, Greenwich Eagle LLC, New London Eagle LLC, Hamburg Eagle LLC, Sydney Eagle LLC, Copenhagen Eagle LLC, Dublin Eagle LLC, Hong Kong Eagle LLC, Santos Eagle LLC, Sankaty Eagle LLC, Newport Eagle LLC, Montauk Eagle LLC, Helsinki Eagle LLC, Stockholm Eagle LLC, Rotterdam Eagle LLC, Crested Eagle Shipping LLC, Stellar Eagle Shipping LLC, Crowned Eagle Shipping LLC, Bittern Shipping LLC, Canary Shipping LLC, Crane Shipping LLC, Egret Shipping LLC, Oriole Shipping LLC, Owl Shipping LLC, Puffin Shipping LLC, Petrel Shipping LLC, Roadrunner Shipping LLC, Sandpiper Shipping LLC, Oslo Eagle LLC, Stamford Eagle LLC, Shanghai Eagle LLC and
Singapore Eagle LLC (jointly, the **Pledgors**)
fdecostanzo@eagleships.com
c/o Eagle Shipping International (USA) LLC 300 Stamford Place
Stamford, CT 06902

To: Crédit Agricole Corporate and Investment Bank as Security Trustee (the **Pledgee**)
Attn. George Gkanasoulis / Manon Didier (george.gkanasoulis@ca-cib.com /
manon.didier@ca-cib.com)
12 Place des Etats-Unis CS 70052
92547 Montrouge Cedex
France

• October 2021

Dear Sir/Madam,

On October 2021 we, ABN AMRO Bank N.V., received a notice of the right of pledge (the **Right of Pledge**) from the Pledgors that each Pledgor as pledgor created pursuant to a deed of disclosed pledge dated October 2021 a right of pledge in favour of Crédit Agricole Corporate and Investment Bank as Security Trustee as pledgee over any and all present and future claims (*vorderingsrechten*) (the **Credit Balances**) that the Pledgors have or will at any time have against us under the following bank account numbers (the **Bank Accounts**) by way of security for, inter alia, its obligations under a credit agreement dated October 2021:

| # | Name Pledgor: | IBAN: |
|----|-----------------------------|--------------------|
| 1 | Eagle Bulk Ultraco LLC | NL37ABNA0246003049 |
| 2 | Gannet Shipping LLC | NL59ABNA0627179576 |
| 3 | Golden Eagle Shipping LLC | NL87ABNA0627188966 |
| 4 | Grebe Shipping LLC | NL53ABNA0627354866 |
| 5 | Ibis Shipping LLC | NL92ABNA0627381421 |
| 6 | Imperial Eagle Shipping LLC | NL51ABNA0627384099 |
| 7 | Jay Shipping LLC | NL93ABNA0627412637 |
| 8 | Kingfisher Shipping LLC | NL85ABNA0627445179 |
| 9 | Martin Shipping LLC | NL71ABNA0627467741 |
| 10 | Nighthawk Shipping LLC | NL46ABNA0627472168 |
| 11 | Cape Town Eagle LLC | NL07ABNA0836972015 |
| 12 | Fairfield Eagle LLC | NL63ABNA0246002484 |
| 13 | Mystic Eagle LLC | NL45ABNA0246002808 |
| 14 | Southport Eagle LLC | NL23ABNA0246002913 |
| 15 | Stonington Eagle LLC | NL22ABNA0246276665 |
| 16 | Groton Eagle LLC | NL28ABNA0246276460 |
| 17 | Rowayton Eagle LLC | NL38ABNA0246002352 |
| 18 | Madison Eagle LLC | NL35ABNA0246002697 |
| 19 | Westport Eagle LLC | NL56ABNA0246276150 |
| 20 | Greenwich Eagle LLC | NL69ABNA0246002182 |
| 21 | New London Eagle LLC | NL68ABNA0809420686 |
| 22 | Hamburg Eagle LLC | NL17ABNA0828821313 |
| 23 | Sydney Eagle LLC | NL64ABNA0860716589 |
| 24 | Copenhagen Eagle LLC | NL92ABNA0860716376 |
| 25 | Dublin Eagle LLC | NL20ABNA0860716120 |
| 26 | Hong Kong Eagle LLC | NL55ABNA0860716945 |
| 27 | Santos Eagle LLC | NL61ABNA0860716740 |
| 28 | Sankaty Eagle LLC | NL03ABNA0891560874 |
| 29 | Newport Eagle LLC | NL08ABNA0891561366 |

| | | |
|----|----------------------------|--------------------|
| 30 | Montauk Eagle LLC | NL58ABNA0100640702 |
| 31 | Helsinki Eagle LLC | NL02ABNA0888947518 |
| 32 | Stockholm Eagle LLC | NL58ABNA0888947577 |
| 33 | Rotterdam Eagle LLC | NL05ABNA0891561226 |
| 34 | Crested Eagle Shipping LLC | NL48ABNA0627137482 |
| 35 | Stellar Eagle Shipping LLC | NL80ABNA0627274161 |
| 36 | Crowned Eagle Shipping LLC | NL41ABNA0627138772 |
| 37 | Bittern Shipping LLC | NL65ABNA0627061710 |
| 38 | Canary Shipping LLC | NL61ABNA0627068960 |
| 39 | Crane Shipping LLC | NL52ABNA0627125867 |
| 40 | Egret Shipping LLC | NL07ABNA0627138802 |
| 41 | Oriole Shipping LLC | NL98ABNA0627477828 |
| 42 | Owl Shipping LLC | NL08ABNA0627217257 |
| 43 | Puffin Shipping LLC | NL12ABNA0627242502 |
| 44 | Petrel Shipping LLC | NL98ABNA0627232515 |
| 45 | Roadrunner Shipping LLC | NL45ABNA0627258786 |
| 46 | Sandpiper Shipping LLC | NL53ABNA0627262910 |
| 47 | Oslo Eagle LLC | NL61ABNA0887603491 |
| 48 | Stamford Eagle LLC | NL93ABNA0498915379 |
| 49 | Shanghai Eagle LLC | NL25ABNA0860717097 |
| 50 | Singapore Eagle LLC | NL41ABNA0474548848 |

This letter only applies to the Bank Accounts listed above, the arrangements in this letter are not applicable to any other bank account of the Pledgors. In case of additional bank accounts, the Pledgee and the Pledgors shall provide the Account Bank with an additional request. The Account Bank shall not be required to accommodate such additional request.

We herewith inform you that pursuant to our General Conditions ABN AMRO Bank N.V. (being the General Banking Conditions and the Client Relationship Conditions) and the General Credit Provisions (if applicable) we have a first and thus higher ranking right of pledge over the Credit Balances and right of set-off (*verrekening*) which was granted by the Pledgors. We acknowledge and consent to the Right of Pledge created in favour of the Pledgee.

This letter is governed by Dutch law. Any dispute arising out of or in connection with this letter shall be submitted to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands. This jurisdiction clause is governed by Dutch law.

Yours faithfully,

ABN AMRO BANK N.V.

Name:
Title:

Name:
Title:

We, the undersigned, acknowledge receipt of this letter and agree to be bound by its terms.

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK as the Pledgee

Name:
Title:

Name:
Title:

We, the undersigned as the Pledgors, acknowledge receipt of this letter and agree to be bound by its terms.

**EAGLE BULK ULTRACO LLC GANNET SHIPPING LLC GOLDEN
EAGLE SHIPPING LLC GREBE SHIPPING LLC
IBIS SHIPPING LLC
IMPERIAL EAGLE SHIPPING LLC JAY SHIPPING LLC
KINGFISHER SHIPPING LLC MARTIN SHIPPING LLC
NIGHTHAWK SHIPPING LLC CAPE TOWN EAGLE LLC
FAIRFIELD EAGLE LLC MYSTIC EAGLE LLC SOUTHPORT
EAGLE LLC STONINGTON EAGLE LLC GROTON EAGLE LLC
ROWAYTON EAGLE LLC MADISON EAGLE LLC WESTPORT
EAGLE LLC GREENWICH EAGLE LLC NEW LONDON EAGLE
LLC HAMBURG EAGLE LLC SYDNEY EAGLE LLC
COPENHAGEN EAGLE LLC DUBLIN EAGLE LLC**

HONG KONG EAGLE LLC SANTOS
EAGLE LLC SANKATY EAGLE LLC
NEWPORT EAGLE LLC MONTAUK
EAGLE LLC HELSINKI EAGLE LLC
STOCKHOLM EAGLE LLC
ROTTERDAM EAGLE LLC
CRESTED EAGLE SHIPPING LLC STELLAR EAGLE
SHIPPING LLC CROWNED EAGLE SHIPPING LLC
BITTERN SHIPPING LLC
CANARY SHIPPING LLC CRANE
SHIPPING LLC EGRET SHIPPING LLC
ORIOLE SHIPPING LLC OWL SHIPPING
LLC PUFFIN SHIPPING LLC PETREL
SHIPPING LLC
ROADRUNNER SHIPPING LLC
SANDPIPER SHIPPING LLC OSLO EAGLE
LLC STAMFORD EAGLE LLC SHANGHAI
EAGLE LLC SINGAPORE EAGLE LLC

Name: F. de Costanzo
Title: CFO

SIGNATURE PAGES

Pledgee

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT
BANK

Name:
Title:

Name:
Title:

Pledgors

EAGLE BULK ULTRACO LLC GANNET SHIPPING LLC GOLDEN
EAGLE SHIPPING LLC GREBE SHIPPING LLC
IBIS SHIPPING LLC
IMPERIAL EAGLE SHIPPING LLC JAY SHIPPING LLC
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SANDPIPER SHIPPING LLC OSLO EAGLE
LLC STAMFORD EAGLE LLC SHANGHAI
EAGLE LLC SINGAPORE EAGLE LLC

Name: F. de Costanzo
Title: CFO

FORM OF ACCOUNT PLEDGE (FRENCH ACCOUNT BANK)

103081194.6

Confidential

Date

2021

**EAGLE BULK ULTRACO LLC
(Pledgor)**

**THE BANKS AND FINANCIAL INSTITUTIONS
named herein in Schedule 1
(Lenders)**

**THE BANKS AND FINANCIAL INSTITUTIONS
named herein in Schedule 2
(Swap Banks)**

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
(Facility Agent)**

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
(Security Trustee)**

and

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
(Account Bank)**

**ACCOUNT PLEDGE AGREEMENT
(Eagle Bulk Ultraco LLC – Debts Service Account)**

 **NORTON ROSE FULBRIGHT**

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BETWEEN THE UNDERSIGNED:

- (1) **EAGLE BULK ULTRACO LLC**, a limited liability company formed under the laws of the Republic of Marshall Islands, whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH 96960, represented by the person identified on the signature page hereof (the **Pledgor**);
- (2) **CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK**, a French *société anonyme*, with a share capital of EUR 7,851,636,342.00 whose registered office is located at 12 Place des Etats-Unis CS 70052, 92547 Montrouge Cedex, France, with single identification number 304 187 701 R.C.S. Nanterre, represented by the person identified on the signature page hereof (the **Security Trustee**);
- (3) **CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK**, a French *société anonyme*, with a share capital of EUR 7,851,636,342.00 whose registered office is located at 12 Place des Etats-Unis CS 70052, 92547 Montrouge Cedex, France, with single identification number 304 187 701 R.C.S. Nanterre, represented by the person identified on the signature page hereof (the **Facility Agent**);
- (4) **THE BANKS AND FINANCIAL INSTITUTIONS** whose names are set out in Schedule 1 represented by the persons identified on the signature page hereof (the **Lenders**);
- (5) **THE BANKS AND FINANCIAL INSTITUTIONS** whose names are set out in Schedule 2 represented by the persons identified on the signature page hereof (the **Swap Banks**); and
- (6) **CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK**, a French *société anonyme*, with a share capital of EUR 7,851,636,342.00 whose registered office is located at 12 Place des Etats-Unis CS 70052, 92547 Montrouge Cedex, France, with single identification number 304 187 701 R.C.S. Nanterre, represented by the person identified on the signature page hereof (the **Account Bank**).

WHEREAS:

- (A) Pursuant to the Credit Agreement, the Lenders have granted to the Pledgor credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels, to consist of (i) the Term Facility (in the aggregate amount of up to \$300,000,000), for the purposes of refinancing the Existing Facilities and for general corporate purposes and (ii) the Revolving Facility (in the aggregate amount of up to \$100,000,000), for the purposes of refinancing the Existing Facilities and for general corporate purposes.
- (B) Pursuant to the Credit Agreement, the Pledgor has agreed to grant to the Beneficiaries, under the terms and conditions set out herein, a pledge over the Pledged Account Balance as security for the Secured Liabilities, in accordance with the provisions of the Agreement.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1 Definitions - Interpretation

1.1 Definitions

Unless otherwise stipulated, capitalised terms and expressions used in the Agreement, including in the recitals, shall have the meanings ascribed to such terms below or in the recitals or, if not so defined, shall have the meanings ascribed to such terms in the Credit Agreement.

Agreement means this agreement, together with the Schedules hereto, as it may be amended, restated or supplemented hereafter.

Beneficiaries means collectively the Security Trustee, the Facility Agent, the Lenders and the Swap Banks. [**Note – Please confirm if the list is still accurate.**]

Civil Code means the French *Code civil*.

Clause means any one of the clauses of the Agreement.

Commercial Code means the French *Code de commerce*.

Credit Agreement means the credit agreement dated [] 2021 between, amongst others, (i) the Pledgor as borrower, (ii) the companies listed therein as initial guarantors, (iii) Eagle Bulk Shipping Inc. as parent and guarantor, (iv) the banks and financial institutions listed therein as lenders, (v) the banks and financial institutions listed therein as swap banks, (vi) Crédit Agricole Corporate and Investment Bank as security trustee and facility agent, (vii) Crédit Agricole Corporate and Investment Bank, [] and [] as mandated lead arrangers and bookrunners and (viii) Crédit Agricole Corporate and Investment Bank as structurer and sustainability coordinator and (ix) DNB Bank ASA as swap coordinator, as it may from time to time be amended or supplemented.

Enforcement Event means the occurrence of an Event of Default in respect of which notice has been served by the Facility Agent in accordance with the last paragraph of clause [9.01] of the Credit Agreement.

Enforcement Notice means the written notification the form of which is attached hereto as Schedule 3, addressed to the Account Bank by the Security Trustee, with a copy to the Pledgor.

Parties means collectively the Pledgor, the Beneficiaries and the Account Bank and **Party** means any of them.

Pledge means the pledge (*nantissement*) constituted by the Pledgor in favour of the Beneficiaries pursuant to the terms of the Agreement.

Pledged Account means [the account number 31489 (bank), 00010 (branch), 00261286087 (account), 47 (key), FR7631489000100026128608747 (IBAN), BSUIFRPP (SWIFT), in USD, entitled "Eagle Bulk Ultraco LLC" opened in the name of the Pledgor with the Account Bank] **[Please confirm if still accurate]**, pledged in favour of the Beneficiaries pursuant to the Agreement and including any sub-accounts of said account.

Pledged Account Balance means the amount standing to the credit of the Pledged Account, whether provisionally or definitively, on the date of enforcement of the Pledge, subject to regularisation of transactions under way, in accordance with the provisions of Clause 4.

Schedule means any one of the schedules to the Agreement.

Secured Liabilities means all present and future indebtedness and obligations to pay any sums (whether actual or contingent), whether principal, interest, default interest, commissions, penalties, costs, expenses, taxes and other ancillary amounts due and owing by the Pledgor to the Beneficiaries under the Loan Documents.

1.2 Interpretation

Unless otherwise stipulated, in the Agreement:

- (a) the titles of Clauses and Schedules are for ease of reference only and shall not affect the interpretation thereof;
- (b) terms defined in Clause 1.1 may be used in the singular or the plural sense as required by the context thereof;
- (c) references to a person shall be construed as including such person's successors and assigns and any other person succeeding to the rights and obligations of such person in any manner whatsoever;

- (d) the Security Trustee shall act for and on behalf of the Beneficiaries, as agent (*mandataire*) pursuant to the terms of the Credit Agreement;
- (e) references to an agreement or any other document shall include any schedule thereto and any modifications or amendments thereof;
- (f) references to time of day are to Paris time; and
- (g) a reference to a law, decree, regulation, rule, directive, requirement, request, circular or guideline includes any (i) amendment or modification thereto, and any rules or regulations issued thereunder, (ii) replacement (with or without modification) or extension thereof, (iii) any re-enactment and (iv) restatement or consolidation of or any subordinate legislation or regulation made under such law.

2 Pledge of the Pledged Account Balance

2.1 Pledge

- (a) As security for the Secured Liabilities, the Pledgor hereby pledges the Pledged Account Balance in favour of the Beneficiaries pursuant to the provisions of this Agreement and of articles 2355 *et seq.* of Civil Code and article L. 521-1 *et seq.* of the Commercial Code, which pledge is hereby accepted by the Beneficiaries.
- (b) Each amount credited to the Pledged Account shall automatically become subject to the Pledge together with all interest.
- (c) It is expressly agreed between the Parties that the Pledge shall be a first ranking pledge (*nantissement de premier rang*).

2.2 Enforceability against third parties

The Parties acknowledge that pursuant to the provisions of Article 2361 of the Civil Code, the Pledge has become effective as between the Parties and has become enforceable (*opposable*) against third parties on the date of the Agreement.

2.3 Enforceability against the Account Bank

By its signature of the Agreement, the Pledge is rendered enforceable (*opposable*) against the Account Bank, in conformity with the provisions of article 2362 of the Civil Code.

3 Operation of the Pledged Account

Subject to the provisions of Clause 4, the Pledgor shall retain the free use of the Pledged Account but in compliance with the provisions of Clause 6. Taking into account the existence of the Pledge and notwithstanding any clause to the contrary contained in the agreements between the Pledgor and the Account Bank, the Account Bank agrees to waive its right to any set-off of any nature whatsoever relating to the credit balance of the Pledged Account (other than its set-off rights relating to the charges payable in connection with the maintenance or administration of the Pledged Account, or any other bank charges or fees payable by the Pledgor to the Account Bank in the ordinary course of trading).

4 Enforcement of the Pledge

- 4.1 Following the occurrence of an Enforcement Event, the Security Trustee (on behalf of the Beneficiaries) may exercise with respect to the Pledged Account all of the rights, remedies and privileges which the law affords to a secured creditor, including the enforcement of the Pledge.

- 4.2 Upon the occurrence of an Enforcement Event, the Security Trustee (on behalf of the Beneficiaries) shall be entitled to send an Enforcement Notice to the Account Bank, a copy thereof being sent concomitantly in writing to the Pledgor, thereby instructing the Account Bank:
- (a) to interrupt and to prevent the recording of any debit operation from the Pledged Account (with the exception of the regularisation of any operations under way prior to receipt of the Enforcement Notice in accordance with the provisions of article 2360 of the Civil Code); and
 - (b) to transfer immediately to the account indicated in the Enforcement Notice all amounts, including interest, standing to the credit of the Pledged Account on the date of receipt of the Enforcement Notice (subject to regularisation of the operations under way as referred to above).
- 4.3 The amounts received at any time by the Security Trustee in accordance with the terms of this Clause 4, shall be applied in satisfaction of the Secured Liabilities pursuant to the provisions of the Credit Agreement.
- 4.4 In accordance with article 2366 of the Civil Code, any amount received by the Security Trustee under this Clause 4 in excess of the then outstanding amount of the Secured Liabilities shall be promptly returned to the Pledgor.
- 4.5 The Security Trustee will have the right (or the obligation if the Default has been remedied and no further Event of Default has occurred), after each enforcement, to send a notice to the Account Bank (with a copy to the Pledgor) informing it that the Pledged Account is once again governed by the provisions of Clause 3 and that consequently the Pledged Account may be freely credited and debited in accordance with such Clause 3 until the Security Trustee sends to the Account Bank a new Enforcement Notice in accordance with this Clause 4.
- 4.6 The Account Bank shall have no duty to check that the payment claimed by the Security Trustee (on behalf of the Beneficiaries) in respect of the Secured Liabilities is actually owed to the Beneficiaries.
- 4.7 The Account Bank shall, in performing its obligations under this Clause, only act upon the instructions of the Security Trustee (on behalf of the Beneficiaries).

5 Representations and warranties

5.1 Representations and warranties of the Pledgor

In addition to the representations and warranties of the Pledgor set forth in the Credit Agreement, the Pledgor hereby represents and warrants to the Beneficiaries and to the Account Bank on the date of signature of the Agreement that:

- (a) it holds good title to the Pledged Account and to all sums credited to the Pledged Account, and it has full title to the positive balance of the Pledged Account;
- (b) it has not ceased making payment of its debts as they fall due (*état de cessation des paiements*), whether or not declared, and is not the subject of bankruptcy or similar proceedings pursuant to Book VI of the Commercial Code (or any similar or analogous provision under French or foreign law);
- (c) it is fully aware of the terms of the documents giving rise to the Secured Liabilities, a copy each of which it has either signed or received;
- (d) it has not granted any pledge, right, option or other security over the Pledged Account and no lien exists over the Pledged Account, whether resulting from its own actions or the actions of a third party, other than as permitted by the Credit Agreement; the Pledged Account is not subject to any lien, security interest, attachment, retention right, purchase

option, sale option, escrow, opposition or any other enforcement proceeding or any right of any third party whatsoever, other than the Pledge and, to the extent applicable, the general right of set-off provided in the general business conditions of the Account Bank in accordance with Clause 3;

- (e) subject to general principle of law, this Pledge constitutes a valid and legally binding pledge of the right of the Pledgor to receive restitution (*créance de restitution*) of the Pledged Account Balance from the Account Bank and is a first-ranking pledge;
- (f) no authorisation of a third party is necessary in the case of the attribution of the amount standing to the credit of the Pledged Account further to the enforcement of the Pledge;
- (g) the information set forth herein permitting the identification of the Pledged Account as well as any other information provided by the Pledgor to the Beneficiaries in connection herewith is true and correct; and
- (h) the choice by it of French law to govern the Agreement and the submission to the jurisdiction of the Paris Commercial Court are valid and binding.

5.2 Repetition of representations and warranties

The representations and warranties set out in Clause 5.1 are made on the signature date of this Agreement and are deemed to be repeated by the Pledgor on each date on which the representations and warranties contained in the Credit Agreement are made or deemed to be made with reference to the facts and circumstances then existing.

6 Undertakings of the Pledgor

- 6.1 In addition to the undertakings of the Pledgor set forth in the Loan Documents, the Pledgor hereby undertakes as follows, but subject to the exceptions contained in the Loan Documents:
 - (a) not to assign, pledge or grant any other security interest over its rights to the Pledged Account or the sums credited to it, and not to delegate the Account Bank to any of its creditors, and more generally, not to enter into any agreement, or undertake to do anything or grant and maintain any right of any nature whatsoever which would be likely to adversely affect the rights of the Beneficiaries under the Agreement;
 - (b) to maintain the Pledged Account open in the books of the Account Bank;
 - (c) to maintain at all times a positive balance in the Pledged Account;
 - (d) at its own cost, to promptly take any measure and sign any document which may reasonably be required by the Security Trustee at any time in order to prove, perfect, preserve or enforce the rights of the Beneficiaries under the Agreement; and
 - (e) if, after the date hereof, the passing of any law or regulation, or the amendment to, the change in interpretation or application of, any existing law or regulation, shall have any adverse effect on the validity or enforceability of the Agreement or of the security hereby created, to take, at its own cost, any steps which, from time to time, may be reasonably required by the Security Trustee, to enable each Beneficiary to benefit from rights at least as favourable as the rights contained herein prior to such passing or amendment.
- 6.2 The Pledgor hereby authorises the Account Bank to supply the Security Trustee with any information relating to the Pledged Account which the Security Trustee may reasonably request from the Account Bank, in particular (without limiting the generality of the foregoing), the amount of the Pledged Account Balance.

- 6.3 The Pledgor authorises the Security Trustee to supply the Account Bank with any information relating to the Secured Liabilities which may reasonably be required in order to perform the obligations required hereunder or in connection with the enforcement of the Pledge.

7 Notices

Except as otherwise agreed, any notices, requests or communication made under the Agreement shall be made in accordance with clause 11.01 of the Credit Agreement.

8 Term

- 8.1 The representations, warranties and undertakings contained herein shall bind the Pledgor and the Agreement shall remain in force and the Beneficiaries may exercise any right or privilege resulting from the Agreement, for so long as (i) any amount remains due in respect of the Secured Liabilities and/or (ii) any loan or credit facility is available under the Credit Agreement.
- 8.2 The Pledge shall expire automatically when (i) all of the Secured Liabilities are fully and irrevocably satisfied and (ii) no loan or credit facility is available and no sum is liable to be due under the Loan Documents. In the event of extinction of the Pledge in such manner, each Beneficiary undertakes, on the request and at the expense of the Pledgor, to promptly provide the Pledgor with a declaration of release (*mainlevée*) of the Pledge.

9 Costs and taxes

All taxes, imposts, duties or penalties, present or future, of any nature whatsoever, and any reasonable and documented costs incurred by the Beneficiaries (including any reasonable and documented fees and expenses of counsel) relating to the negotiation, preparation, execution, registration or notification in connection with the Agreement, and to the performance, amendment or enforcement thereof or consequent thereupon, its partial or total release, shall be borne by the Pledgor, who undertakes to pay such amounts on first demand to the Security Trustee (on behalf of the Beneficiaries) or to the relevant Beneficiary.

10 Miscellaneous

- 10.1 The Agreement does not affect and shall not affect in any way the nature and the scope of any undertaking or any security or guarantee relating to the Secured Liabilities that may have been, or may be, given or granted by the Pledgor or by any third party, and is in addition to them.
- 10.2 The Agreement is irrevocable and shall apply notwithstanding:
- (a) any renewal, extension or prorogation of the Loan Documents and/or the Secured Liabilities;
 - (b) any novation or amendment of the Loan Documents and/or the Secured Liabilities; and
 - (c) in the event that any provision of the Loan Documents and/or of the Secured Liabilities and/or of any other security or of any other document referred to in the Credit Agreement or referring to the Loan Documents or its schedules, in particular in guarantee of any restitution obligation of the Pledgor, shall be or become null and void, invalid or unenforceable.
- 10.3 The rights of the Beneficiaries pursuant to the Agreement or to any document issued pursuant to the Agreement, and any right granted by the Pledgor in favour of the Beneficiaries or provided by law, may be exercised as often as necessary, are cumulative and not exclusive of any rights provided by law or any other document to which the Pledgor is a party. The Beneficiaries may exercise their rights under the Agreement regardless of whether or not their other rights, remedies or security provided by law or by any other document with respect to the Secured Liabilities have been exercised.

- 10.4 The Pledge shall not be extinguished and no release, partial or total, of the Pledge shall occur by reason of any partial payment in the hands of the Security Trustee (on behalf of the Beneficiaries) in relation to the Secured Liabilities.
- 10.5 Subject to applicable limitation periods, the failure by the Beneficiaries to exercise any right or action hereunder or any delay in exercising such rights or actions shall not constitute a waiver thereof, no delay in exercising any right, power or privilege under the Agreement by any Beneficiary shall operate as a waiver of the same, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise of the same, or the exercise of any other right, power or privilege, and no waiver by any Beneficiary shall be binding unless effected by written instrument signed by all of the Parties and referring expressly to the Agreement. No delay or grace period granted to the Pledgor by any Beneficiary shall constitute a restriction or waiver by it of the exercise of any of the rights and options of such Beneficiary under the Agreement.
- 10.6 No Beneficiary shall have any liability towards the Pledgor with respect to the late exercise or the non-exercise of its rights under the Agreement.
- 10.7 In the event that any provision of the Agreement shall be deemed to be null and void or not binding or unenforceable due to the effect of any law or due to the interpretation of such provision by any authority, the invalidity of such provision shall not affect the validity of any other provision of the Agreement which shall be legal, valid and binding. In such a case, the Parties shall negotiate in good faith to replace the relevant provision by a new provision which shall be valid, binding, enforceable and compliant with the original intention of the Parties.
- 10.8 Each Party hereby acknowledges that the provisions of article 1195 of the Civil Code shall not apply to it with respect to its obligations hereunder and that it shall not be entitled to make any claim under article 1195 of the Civil Code.
- 10.9 The Parties agree that at any time and from time to time, and at the cost of the Pledgor, they shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as may reasonably be necessary in order to give full effect to the Agreement and the rights and powers herein granted.
- 10.10 This Agreement shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Agreement, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

11 Successors and assigns

- 11.1 All the rights, privileges, actions and options of the Beneficiaries under the Agreement will benefit their successors, transferees and assigns, as well as any of their own successors, transferees and assigns. All of the provisions, undertakings, covenants, representations and warranties made by the Pledgor in the Agreement will bind its successors and assigns, as well as any of their own successors and assigns.
- 11.2 The Pledgor acknowledges that each Beneficiary is entitled, pursuant to the provisions of the Loan Documents, to assign or transfer all or part of its rights under the Loan Documents, and agrees that the provisions of the Agreement will run to the benefit of any successor, transferee or assignee of the relevant Beneficiary. For the avoidance of doubt, it is acknowledged that in the event of an assignment, transfer or novation of all or part of the rights and obligations of any Beneficiary, the relevant Beneficiary expressly reserves the rights and privileges accruing to it hereunder in favour of its successor, transferee or assigns pursuant to the relevant provisions of the Civil Code (including, without limitation, articles 1216-3, 1321, 1328-1 and 1334 of the Civil Code). The Pledgor further acknowledges that in the event of the replacement of the Security Trustee pursuant to the provisions of the Loan Documents, the foregoing provisions will apply mutatis mutandis in favour of the replacement Security Trustee.

11.3 The Pledgor shall not be entitled to assign or transfer in whole or in part its rights or obligations under the Agreement.

11.4 The Pledge shall not be affected by any modification, amendment, supplement, transfer or assignment in connection with the Loan Documents. The Pledgor undertakes to execute any document which may reasonably be required to enable any successors, assigns or transferees of any Beneficiary to benefit from the rights of the relevant Beneficiary pursuant to the Agreement.

12 Modalities of signature

12.1 Each of the Parties hereby acknowledges and agrees that:

- (a) the Agreement is signed in electronic form in accordance with the provisions of articles 1366 et seq. of the *Code civil* and Decree n° 2017-1416 of 28 September 2017 relating to electronic signature (such provisions, together with all such other legislation and regulations of France as relate to electronic signature of agreements being referred to collectively herein as the Electronic Signature Laws), through the services of DocuSign, who will ensure the security and integrity of the digital copies hereof in accordance with such provisions;
- (b) the Agreement signed electronically constitutes valid consent and is an original of the Agreement, having the same probative value as a written document signed manually on paper and is consequentially admissible before the courts and any administration as proof of the content hereof, the identity of the signatories hereto and their consent to the obligations arising thereunder;
- (c) the electronic signature of the Agreement implemented by DocuSign provides an adequate level of reliability and, accordingly, hereby irrevocably and unconditionally waives any right such party may have to initiate any claim and/or legal action, directly or indirectly arising out of or relating to the reliability of said electronic signature process and/or the evidence of its intention to enter into such document via the abovementioned electronic process; and
- (d) it shall take such measures as may be appropriate to ensure that such electronic signature of the Agreement is effected by its duly authorised representative.

12.2 Notwithstanding the foregoing, each of the Parties further acknowledges and agrees that it shall manually sign such additional or further duplicates of the Agreement as may be required by any French or foreign administrative authorities, including for the purposes of filing or registration thereof.

13 Governing Law and Jurisdiction

13.1 The Agreement and any non-contractual obligations connected with it are governed by French law.

13.2 The Parties hereby irrevocably agree that any dispute concerning the Agreement, any documents or instruments, or any non-contractual obligations connected with it, shall be subject to the exclusive jurisdiction of the Paris Commercial Court.

The signature of the Parties is at the end of the document.

Schedule 1 The Lenders

[Note – *List of lenders to be confirmed*] On the date hereof:

1 CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK 2 []

3 []

4 []

5 []

Including their assigns, transferees and successors.

Schedule 2 The Swap Banks

[**Note – List of swap banks to be confirmed**] On the date hereof:

1 DNB BANK ASA

2 [SEB]

3 [NORDEA]

4 []

Including their assigns, transferees and successors.

Schedule 3
Agreed form Enforcement Notice

[On letterhead of the Security Trustee]

To: **CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK** (as **Account Bank**) Copy to: **EAGLE BULK ULTRACO LLC**

Dated: [] Dear Sirs,

Account N°[261286087] opened by EAGLE BULK ULTRACO LLC

Enforcement Notice

We refer to the account pledge agreement dated [] between (i) EAGLE BULK ULTRACO LLC as pledgor (the **Pledgor**), (ii) CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK as security trustee, facility agent and account bank, (iii) the banks and financial institutions listed therein as lenders and (iv) the banks and financial institutions listed therein as swap banks, pursuant to which the Pledged Account Balance (including any interest produced by such balance) has been pledged by the Pledgor in favour of the Beneficiaries (the **Pledge Agreement**).

Terms and expressions beginning with a capital letter herein and not defined shall, unless the context shall require otherwise, have the meaning ascribed to such terms in the Pledge Agreement.

We hereby inform you that an Enforcement Event has occurred.

In consequence thereof, and pursuant to clause 4 of the Pledge Agreement, we hereby irrevocably instruct and authorise you to:

- (a) interrupt and prevent the recording of any debit operation from the Pledged Account (with the exception of the regularisation of any operations under way prior to receipt of this Enforcement Notice, in accordance with the provisions of article 2360 of the Civil Code); and
- (b) transfer immediately to the account indicated below all amounts, including interest, standing to the credit of the Pledged Account on the date of receipt of this Enforcement Notice (subject to regularisation of the operations under way as referred to above).

Account of the Security Trustee to which such transfer should be made:

IBAN (*International Bank Account Number*): [FR7631489000100026128608747] BIC (*Bank Identification Code*): BSUIFRPP

Yours faithfully,

[LENDER 1]
[LENDER 2]
[LENDER 3]
[ETC: COMPLETE WITH CORPORATE NAME OF ALL OF THE LENDERS]

[SWAP BANK 1]
[SWAP BANK 2]
[SWAP BANK 3]

[ETC: COMPLETE WITH CORPORATE NAME OF ALL OF THE SWAP BANK] CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK (as Facility Agent)

by

SECURITY TRUSTEE,)

Lenders represented by the Security Trustee) __

By: *[name]*)

Title: *[authorised representative, directeur général]*) Attachment: Copy of the Pledge Agreement

Signature page

Signed electronically on ____.

EAGLE BULK ULTRACO LLC
Pledgor By: Title:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK
Security Trustee
By: By:
Title: Title:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK
Facility Agent
By: By:
Title: Title:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK
Account Bank
By: By:
Title: Title:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK
Lender
By: By:
Title: Title:

□
Lender
By: By:
Title: Title:

____ _

□
Lender
By: By:
Title: Title:

____ _

□
Lender
By: By:
Title: Title:

____ _

□
Lender
By: By:
Title: Title:

____ _

[NORDEA BANK ABP]
Swap Bank
By: By:
Title: Title:

____ _

[DNB BANK ASA, NEW YORK BRANCH]

Swap Bank
By: By:
Title: Title:

____ _

[SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)]

Swap Bank
By: By:
Title: Title:

____ _

□

Swap Bank
By: By:
Title: Title:

____ _

FORM OF ASSIGNMENT AND ASSUMPTION

[FORM OF ASSIGNMENT AND ASSUMPTION]

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each] Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Facility Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: ____

2. Assignee[s]: ____

[Assignee is an [Affiliate][Approved Fund] of [identify Lender]

3. Borrower(s): ____

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

³ Select as appropriate.

⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

4. Facility Agent: __, as the administrative agent under the Credit Agreement
5. Credit Agreement: [The [*amount*] Credit Agreement dated as of __ among [*name of Borrower(s)*], the Lenders parties thereto, [*name of Facility Agent*], as Facility Agent, and the other agents parties thereto]
6. Assigned Interest[s]:

| Assignor[s] ⁵ | Assignee[s] ⁶ | Aggregate Amount of Commitment/Loans for all Lenders ⁷ | Amount of Commitment/Loans Assigned ⁸ | Percentage Assigned of Commitment/ Loans ⁹ |
|--------------------------|--------------------------|---|--|--|
| | | \$ | \$ | % |
| | | \$ | \$ | % |
| | | \$ | \$ | % |

[7. Trade Date:

9

[Page break]

⁵ List each Assignor, as appropriate.

⁶ List each Assignee, as appropriate.

⁷ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁸ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

⁹ To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20__ [TO BE INSERTED BY FACILITY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]¹⁰

[NAME OF ASSIGNOR]

By: __

Title:

[NAME OF ASSIGNOR]

By: __

Title:

ASSIGNEE[S]¹¹

[NAME OF ASSIGNEE]

By: __

Title:

[NAME OF ASSIGNEE]

By: __

Title:

[Consented to and]¹² Accepted:

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as
Facility Agent

By: __

¹⁰ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable). ¹¹ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable). ¹² To be added only if the consent of the Facility Agent is required by the terms of the Credit Agreement.

Title:

[Consented to:]¹³

[NAME OF RELEVANT PARTY]

By: __

Title:

¹³ To be added only if the consent of the Borrower and/or other parties is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the] [the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents [or any collateral thereunder], (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 11.04 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Facility Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Facility Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Facility Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and

¹⁴ The term "Loan Document" should be conformed to that used in the Credit Agreement.

¹⁶ The concept of "Foreign Lender" should be conformed to the section in the Credit Agreement governing withholding taxes and gross-up.

other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.¹⁷ Notwithstanding the foregoing, the Facility Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

¹⁷ The Facility Agent should consider whether this method conforms to its systems. In some circumstances, the following alternative language may be appropriate: "From and after the Effective Date, the Facility Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Facility Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves."

FORM OF ASSIGNMENT OF EARNINGS

103081194.6

FORM OF ASSIGNMENT OF EARNINGS

THIS ASSIGNMENT OF EARNINGS, dated __, 20__(this “**Assignment**”), is made by [] [SHIPPING / EAGLE] LLC, a limited liability company formed in the Republic of The Marshall Islands (the “**Assignor**”), to and in favor of **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as Security Trustee (the “**Assignee**”, which expression includes its successors and assigns) for the Lenders, the Swap Banks and the Facility Agent. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Credit Agreement (as defined below).

WHEREAS:

1. The Assignor is the sole owner of the whole of the vessel [] registered under the laws and flag of the Republic of The Marshall Islands, Official Number [] (the “**Vessel**”).

2. Pursuant to a Credit Agreement dated as of [], 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among, *inter alios*, (i) Eagle Bulk Ultraco LLC, a Marshall Islands limited liability company, as borrower (the “**Borrower**”), (ii) the Assignor, Eagle Bulk Shipping Inc. and the other parties named therein, as joint and several guarantors (collectively, the “**Guarantors**”), (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the “**Lenders**”), (iv) the banks and financial institutions named therein as swap banks (together with their successors and assigns, the “**Swap Banks**”), (v) the Assignee, and (vi) Crédit Agricole Corporate and Investment Bank as Facility Agent (together with its successors and assigns, the “**Facility Agent**”), the Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$300,000,000 and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 (collectively, the “**Facility**”) on the terms and conditions stated therein.

3. Pursuant to Article VIII of the Credit Agreement, the Assignor and the other Guarantors jointly and severally guaranteed all of the Guaranteed Obligations (as defined in the Credit Agreement).

4. It is one of the conditions precedent under the Credit Agreement to the availability of the Facility that the Assignor executes and delivers this Assignment in favor of the Assignee as security for the Guaranteed Obligations and the performance and observance of and compliance with the covenants, terms and conditions contained in the Loan Documents to which the Assignor is or is to be a party (collectively, the “**Secured Obligations**”).

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor hereby agrees with the Assignee as follows:

SECTION 1. Assignment. (a) As security for the Secured Obligations, the Assignor hereby grants to the Assignee, for the benefit of the Lenders, the Swap Banks and the Facility Agent, a continuing, first priority security interest in and to all of the Assignor’s right, title and interest in, to and under the following property, whether now owned or existing or hereafter from time to time acquired or coming into existence (collectively, the “**Collateral**”):

(i) all moneys whatsoever which are now, or later become payable (actually or contingently) to the Assignor, and which arise out of the use or operation of the Vessel, including (but not limited to): (A) except to the extent they fall within part (B) of this provision: (1) all freight, hire and passage moneys, (2) compensation payable to the Assignor in the event of requisition of the Vessel for hire, (3) remuneration for salvage and towage services, (4) demurrage and detention moneys; (5) damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of the Vessel; and (6) all moneys which are at any time payable under Insurances in respect of loss of hire, and (B) if and whenever the Vessel is employed on terms whereby any moneys falling within part (A)(1) to (6) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to the Vessel;

(ii) all compensation or other moneys payable by reason of (A) any expropriation, confiscation, requisition or acquisition of the Vessel, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a governmental or official authority (excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension) unless it is within 30 days redelivered to the full control of the Assignor being the owner thereof, and (B) any arrest, capture or seizure of the Vessel (including any hijacking or theft) unless it is within [75] days redelivered to the full control of the Assignor; and

(iii) any proceeds of any of the foregoing.

(b) Upon the payment and performance in full of the Secured Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Assignor. Upon any such termination, the Assignee will, at the Assignor's expense, promptly execute and deliver to the Assignor such documents as the Assignor shall reasonably request to evidence such termination.

SECTION 2. Notice. The Assignor hereby covenants and agrees that it will:

(a) procure that notice of this Assignment in substantially the form of **Annex A** attached hereto shall be duly given to each person who becomes a party with the Assignor in respect of the Vessel to any charter or contract of affreightment or other contractual relationship with the Assignor in respect of the Vessel and to any other person (including, without limitation, the Assignor's agents and representatives) who may receive or have control of any of the Collateral; and

(b) use commercially reasonable efforts to cause each such person to whom such notice is given to provide consent to this Assignment where the consent of any such person is required pursuant to any such charter or contract of affreightment or other contractual relationship with the Assignor.

SECTION 3. Assignor to Remain Liable. Anything herein contained to the contrary notwithstanding, the Assignee, and its respective successors and assigns, shall have no obligation or liability by reason of or arising out of this Assignment under any agreement, including without limitation under any charter or contract of affreightment, pooling agreement or other contract for the transportation of cargo, shall not be required or obligated in any manner to perform or fulfill any obligations of the Assignor under or pursuant to any agreement, including without limitation under any charter or contract of affreightment, pooling agreement or other contract for the transportation of cargo, or to make any payment or to make any inquiry as to the nature or sufficiency of any payment received by it or to present or file any claim or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

SECTION 4. Assignee Appointed Attorney-in-Fact. (a) The Assignor hereby constitutes the Assignee, its successors and assigns, its true and lawful attorney, irrevocably, with full power (in the name of the Assignor), upon the occurrence of an Event of Default and so long as such Event of Default shall be continuing, to carry out the provisions of this Assignment and to take any action and execute any instruments which the Assignee may deem necessary to accomplish the purposes hereof, including without limitation, to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or institute any proceedings which the Assignee may deem necessary in the premises.

(b) The Assignor hereby further authorizes the Assignee to file financing statements (including Form UCC-1 and UCC-3) and amendments thereto as provided in Article 9 of the UCC, and any other instrument of like effect, as the Assignee may reasonably deem necessary in connection with the perfection of the Assignee's security interest in the Collateral.

(c) The powers and authority granted to the Assignee herein have been given for valuable consideration, are coupled with an interest and are hereby declared to be irrevocable.

SECTION 5. No Waiver. No failure on the part of the Assignee to exercise, and no delay in exercising, any right, remedy, power or privilege shall operate as waiver thereof, nor shall any single or partial exercise by the Assignee of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies of the Assignee under this Assignment are cumulative and may be exercised (where possible to do so) singly, concurrently, successively and/or in conjunction with or apart from and without prejudice to any other rights and remedies available to the Assignee under the other Loan Documents and are not exclusive of any rights or remedies provided by law.

SECTION 6. Further Assurances. The Assignor agrees that at any time and from time to time, upon the written request of the Assignee and at the reasonable expense of the Assignor, it shall promptly and duly execute and deliver any and all such further instruments and documents as the Assignee may deem necessary in obtaining the full benefits of this Assignment and of the rights and powers herein granted.

SECTION 7. Amendments. No amendment or waiver of any provision of this Assignment, nor consent to any departure by the Assignor herefrom, shall be effective unless the same shall be in writing and signed by the Assignor and the Assignee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 8. Notices. Any notice, demand or other communication to be given under, or for the purpose of this Assignment shall be made as provided in Section 11.01 of the Credit Agreement.

SECTION 9. Governing Law. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

SECTION 10. Inconsistency between Credit Agreement provisions and this Assignment. This Assignment shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Assignment, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, the Assignor has executed and delivered this Assignment of Earnings on the date first above written.

[] [SHIPPING / EAGLE] LLC, as Assignor

By: __ Name:
Title:

[Signature Page – Assignment of Earnings]

NOTICE OF ASSIGNMENT

To: [] [Address]

102974561.6

PLEASE TAKE NOTICE that, pursuant to an Assignment of Earnings dated _____, 20____ (the “**Assignment**”) made by the undersigned to and in favor of CRÉDIT AGRICOLE

CORPORATE AND INVESTMENT BANK as Security Trustee (the “**Assignee**”) in respect of the Marshall Islands registered vessel “[]” (the “**Vessel**”), the undersigned has granted to the Assignee a continuing, first priority security interest in and to all of the undersigned’s right, title and interest in, to and under:

- (i) all moneys whatsoever which are now, or later become payable (actually or contingently) to the undersigned, and which arise out of the use or operation of the Vessel, including:
 - (A) except to the extent they fall within part (B) of this provision: (1) all freight, hire and passage moneys, (2) compensation payable to the undersigned in the event of requisition of the Vessel for hire, (3) remuneration for salvage and towage services, (4) demurrage and detention moneys; (5) damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of the Vessel; and (6) all moneys which are at any time payable under Insurances in respect of loss of hire, and (B) if and whenever the Vessel is employed on terms whereby any moneys falling within part (A)(1) to (6) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to the Vessel;
- (ii) all compensation or other moneys payable by reason of (A) any expropriation, confiscation, requisition or acquisition of the Vessel, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a governmental or official authority (excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension) unless it is within 30 days redelivered to the full control of the undersigned being the owner thereof, and (B) any capture or seizure of the Vessel (including any hijacking or theft) unless it is within [75] days redelivered to the full control of the undersigned.

As from the date hereof and so long as the foregoing Assignment is in effect, you are hereby irrevocably authorized and instructed to pay all of the foregoing amounts from time to time due and payable to, or receivable by, the undersigned to our account as follows:

Bank: [ABN AMRO Bank N.V.
Rotterdam, The Netherlands]
IBAN No.: []
Swift Code: [ABNANL2A] Account No: [] Beneficiary: []
LLC,

or to such other account as the Assignee may direct by notice in writing to you from time to time, all such payments to be made in immediately available funds by wire transfer on the day when such payment is due.

[Signature Page Follows on Next Page]

Dated: __, 20__

[] [SHIPPING / EAGLE] LLC

By: __ Name:
Title:

FORM OF ASSIGNMENT OF INSURANCES

FORM OF ASSIGNMENT OF INSURANCES

THIS ASSIGNMENT OF INSURANCES, dated __, 20__(this “**Assignment**”), is made by [][**SHIPPING / EAGLE**] LLC, a limited liability company formed in the Republic of The Marshall Islands (the “**Assignor**”), to and in favor of **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as Security Trustee (the “**Assignee**”, which expression includes its successors and assigns) for the Lenders, the Swap Banks and the Facility Agent. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Credit Agreement (as defined below).

WHEREAS:

1. The Assignor is the sole owner of the whole of the vessel [] registered under the laws and flag of the Republic of The Marshall Islands, Official Number [] (the “**Vessel**”).

2. Pursuant to a Credit Agreement dated as of [], 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among, *inter alios*, (i) Eagle Bulk Ultraco LLC, a Marshall Islands limited liability company, as borrower (the “**Borrower**”), (ii) the Assignor, Eagle Bulk Shipping Inc. and the other parties named therein, as joint and several guarantors (collectively, the “**Guarantors**”), (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the “**Lenders**”), (iv) the banks and financial institutions named therein as swap banks (together with their successors and assigns, the “**Swap Banks**”), (v) the Assignee, and (vi) Crédit Agricole Corporate and Investment Bank as Facility Agent (together with its successors and assigns, the “**Facility Agent**”), the Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$[300,000,000] and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 (collectively, the “**Facility**”) on the terms and conditions stated therein.

3. Pursuant to Article VIII of the Credit Agreement, the Assignor and the other Guarantors jointly and severally guaranteed all of the Guaranteed Obligations (as defined in the Credit Agreement).

4. It is one of the conditions precedent under the Credit Agreement to the availability of the Facility that the Assignor executes and delivers this Assignment in favor of the Assignee as security for the Guaranteed Obligations and the performance and observance of and compliance with the covenants, terms and conditions contained in the Loan Documents to which the Assignor is or is to be a party (collectively, the “**Secured Obligations**”).

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor hereby agrees with the Assignee as follows:

SECTION 1. Assignment.

(a) As security for the Secured Obligations, the Assignor hereby grants, sells, transfers, assigns and sets over unto the Assignee, for the benefit of the Lenders, the Swap Banks and the Facility Agent, a continuing, first priority security interest in and to all of the Assignor’s right, title and interest in, to and under the following property, whether now owned or existing or hereafter from time to time acquired or coming into existence (collectively, the “**Collateral**”):

(i) all policies and contracts of insurance, including entries of the Vessel in any protection and indemnity or war risks association, and excluding loss of hire, effected in respect of the Vessel, its Earnings or otherwise in relation to the Vessel whether before, on or after the date of the Credit Agreement;

(ii) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of the Credit Agreement;

(iii) all other rights of the Assignor under or in respect of said insurances; and

(iv) any proceeds of any of the foregoing.

(b) Any payments made pursuant to the terms hereof shall be made to such account as may, from time to time, be designated by the Assignee.

(c) Upon the payment and performance in full of the Secured Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Assignor. Upon any such termination, the Assignee will, at the Assignor's expense, promptly execute and deliver to the Assignor such documents as the Assignor shall reasonably request to evidence such termination.

SECTION 2. Notice; Loss Payable Clauses. The Assignor hereby covenants and agrees to procure that notice of this Assignment in the form attached hereto as **Exhibit 1** shall be duly given to all insurance brokers, underwriters and protection and indemnity clubs, and that where the consent of any underwriter or protection and indemnity club is required pursuant to any of the insurances assigned hereby, it shall be obtained and evidence thereof shall be given to the Assignee, or, in the alternative, the Assignor shall obtain, with the Assignee's approval, a letter of undertaking by each of the underwriters and the protection and indemnity club that there shall be duly endorsed upon all slips, cover notes, policies, certificates of entry or other instruments issued or to be issued in connection with the insurances assigned hereby such notice of this Assignment and the loss payable clauses in the forms attached hereto as **Exhibit 2(a)** and **Exhibit 2(b)** or as the Assignee may otherwise approve in its sole discretion.

SECTION 3. Assignor to Remain Liable. Anything contained in this Assignment to the contrary notwithstanding, the Assignor shall at all times remain fully liable under said insurances to perform all of the duties and obligations assumed by it thereunder to the same extent as if this Assignment had not been executed, and the Assignee shall have no obligation or liability (including, without limitation, any obligation or liability with respect to the payment of premiums, calls or assessments) under said insurances by reason of or arising out of this Assignment nor shall the Assignee be required or obligated in any manner to perform or fulfill any of the duties or obligations of the Assignor under or pursuant to said insurances or to make any payment or to make any inquiry as to the nature or sufficiency of any payment received by the Assignee or to present or file any claim or to take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

SECTION 4. Assignee Appointed Attorney-in-Fact. (a) The Assignor hereby constitutes the Assignee, its successors and assigns, its true and lawful attorney, irrevocably, with full power (in the name of the Assignor or otherwise), upon the occurrence of an Event of Default and so long as such Event of Default shall be continuing, to carry out the provisions of this Assignment and to take any action and execute any instruments which the Assignee may deem necessary to accomplish the purposes hereof, including without limitation, to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of the Collateral, to endorse

any checks or other instruments or orders in connection therewith and to file any claims or to take any action or institute any proceedings which the Assignee may deem necessary in the premises.

(b) The Assignor hereby further authorizes the Assignee to file financing statements (including Form UCC-1 and UCC-3) and amendments thereto as provided in Article 9 of the UCC, and any other instrument of like effect, as the Assignee may reasonably deem necessary in connection with the perfection of the Assignee's security interest in the Collateral.

(c) The powers and authority granted to the Assignee herein have been given for valuable consideration, are coupled with an interest and are hereby declared to be irrevocable.

SECTION 5. No Waiver. No failure on the part of the Assignee to exercise, and no delay in exercising, any right, remedy, power or privilege shall operate as waiver thereof, nor shall any single or partial exercise by the Assignee of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies of the Assignee under this Assignment are cumulative and may be exercised (where possible to do so) singly, concurrently, successively and/or in conjunction with or apart from and without prejudice to any other rights and remedies available to the Assignee under the other Loan Documents are not exclusive of any rights or remedies provided by law.

SECTION 6. Further Assurances. The Assignor agrees that at any time and from time to time, upon the written request of the Assignee and at the expense of the Assignor, it shall promptly and duly execute and deliver any and all such further instruments and documents as the Assignee may deem desirable in obtaining the full benefits of this Assignment and of the rights and powers herein granted.

SECTION 7. Amendments. No amendment or waiver of any provision of this Assignment, nor consent to any departure by the Assignor herefrom, shall be effective unless the same shall be in writing and signed by the Assignor and the Assignee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 8. Notices, Etc. Any notice, demand or other communication to be given under, or for the purpose of this Assignment shall be made as provided in Section 11.01 of the Credit Agreement.

SECTION 9. Governing Law. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

SECTION 10. Inconsistency between Credit Agreement provisions and this Assignment. This Assignment shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Assignment, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, the Assignor has executed and delivered this Assignment of Insurances on the date first above written.

[] [SHIPPING / EAGLE] LLC, as Assignor

By: __ Name:
Title:

[Signature Page – Assignment of Insurances]

NOTICE OF ASSIGNMENT

[] [SHIPPING / EAGLE] LLC, as Owner of the Marshall Islands registered vessel [] (the “**Vessel**”), HEREBY GIVES NOTICE that by an Assignment of Insurances dated the date hereof and made by it in favor of CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK as Security Trustee (the “**Assignee**”), it has assigned to the Assignee all of its right, title and interest in, to and under the following property in relation to the Vessel: (i) all policies and contracts of insurance, including entries of the Vessel in any protection and indemnity or war risks association, and excluding loss of hire, effected in respect of the Vessel, its Earnings or otherwise in relation to the Vessel whether before, on or after the date of the Credit Agreement; (ii) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of the Credit Agreement; (iii) all other rights of the Assignor under or in respect of said insurances; and (iv) any proceeds of any of the foregoing. This Notice is to be endorsed on all policies and certificates of entry evidencing such insurance.

Dated: __, 20

[] [SHIPPING / EAGLE] LLC

By: __ Name:
Title:

LOSS PAYABLE CLAUSEHull and War Risks

Loss, if any, payable to CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK as Security Trustee and Mortgagee (the “**Mortgagee**”), for distribution by the Mortgagee to itself and [] [SHIPPING / EAGLE] LLC, as Owner (the “**Owner**”), as their respective interests may appear, or order, except that, unless underwriters have been otherwise instructed by notice in writing from the Mortgagee, in the case of any loss involving any damage to the Vessel or liability of the Vessel, the underwriters may pay directly for the repair, salvage, liability or other charges involved or, if the Owner shall have first fully repaired the damage and paid the cost thereof, or discharged the liability or paid all of the salvage or other charges, then the underwriters may pay the Owner as reimbursement therefor; **provided that** if such damage involves a loss in excess of U.S. \$1,500,000 or its equivalent the underwriters shall not make such payment without first obtaining the written consent thereto of the Mortgagee.

In the event of an actual or constructive total loss or a compromised or arranged total loss or requisition of title, all insurance payments therefor shall be paid to the Mortgagee for distribution in accordance with the terms of the mortgage on the Vessel.

LOSS PAYABLE CLAUSE

Protection and Indemnity

Payment of any recovery that the Owner is entitled to make out of the funds of the club in respect of any liability, cost or expenses incurred by it shall be made to the Owner or its order unless and until the club receives notice from CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK as security trustee and as mortgagee, 12 Place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, that the Owner is in default under the Mortgage, in which event all recoveries shall thereafter be paid to CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, 12 Place des Etats-Unis, CS 70052, 92547

Montrouge Cedex, France, or to their order, provided always that no liability whatsoever shall attach to the club, its managers or their agents for failure to comply with the latter obligation until after the expiry of two business days from the receipt of such notice.

FORM OF BORROWING REQUEST

103081194.6

FORM OF BORROWING REQUEST

To: Crédit Agricole Corporate and Investment Bank, as Facility Agent Asset Finance Groups – Ship

Finance

12 Place des Etats-Unis CS 70052
92547 Montrouge Cedex, France
Attn : Agency and Middle-Office for Shipping Telephone: +33 1 41 89 98 05 / +33 1 41898696
Email: cyprien.foulfoin@ca-cib.com / rosine.serra-joannides@ca-cib.com

Crédit Agricole Corporate and Investment Bank 1301 Avenue of the Americas
New York, New York 10019 United States
Attn: George Gkanasoulis / Manon Didier Telephone: +1 212 261 3869 / +1 212 261 3962
Email: George.GKANASOULIS@ca-cib.com / manon.didier@ca-cib.com / NYShipFinance@ca-cib.com

[Date]

BORROWING REQUEST

1. We refer to the Credit Agreement dated as of [], 2021 (the “**Credit Agreement**”) among ourselves, as Borrower, the Guarantors referred to therein, the Lenders referred to therein, the Swap Banks referred to therein, and yourselves as Facility Agent and as Security Trustee in connection with senior secured credit facilities in an aggregate principal amount of up to lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$300,000,000 and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 (collectively, the “**Facility**”) on the terms and conditions stated therein.
2. Terms defined in the Credit Agreement have their defined meanings when used in this Borrowing Request.
3. We request a Borrowing as follows:
 - (a) Borrowing: [Term Facility]/[Revolving Facility] Borrowing
 - (b) Amount: US\$[];
 - (c) Drawdown Date: [];
 - (d) Duration of the first Interest Period shall be [] months; and
 - (e) Payment instructions:

[]

4. We represent and warrant that:

- (a) no Event of Default has occurred or would result from the Borrowing;
- (b) the representations and warranties in Article III of the Credit Agreement and those of the Borrower or any other Security Party which are set out in the other Loan Documents are true and not misleading as of the date of this Borrowing Request and will be true and not misleading as of the date of the Borrowing, in each case with reference to the circumstances then existing;
- (c) there has been no Material Adverse Effect; and
- (d) if the tests set out in Article VII or Section 5.04 were applied immediately following the making of the Borrowing, the Borrower would not be obliged to provide additional Collateral or prepay part of the Borrowings as therein provided (determined on the basis of the most recent valuation for each Vessel delivered pursuant to Section 5.03).

5. This notice cannot be revoked without the prior consent of the Required Lenders.

EAGLE BULK ULTRACO LLC

By: __ Name:
Title:

FORM OF CHARTER ASSIGNMENT

103081194.6

FORM OF CHARTER ASSIGNMENT

THIS CHARTER ASSIGNMENT, dated __, 20__ (this “**Assignment**”), is made by [] **[SHIPPING / EAGLE] LLC**, a limited liability company formed in the Republic of The Marshall Islands (the “**Assignor**”), to and in favor of **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as Security Trustee (the “**Assignee**”, which expression includes its successors and assigns) for the Lenders, the Swap Banks and the Facility Agent. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Credit Agreement (as defined below).

WHEREAS:

1. The Assignor is the sole owner of the whole of the vessel [] registered under the laws and flag of the Republic of The Marshall Islands, Official Number [] (the “**Vessel**”).

2. The Assignor has chartered the Vessel to [], a [corporation incorporated] [limited liability company formed] [company organized] in [] (the “**Charterer**”), pursuant to the terms of a [time] charter agreement dated [] (as the same may be amended or supplemented from time to time, the “**Charter**”) between the Assignor and the Charterer.

3. Pursuant to a Credit Agreement dated as of [], 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among, *inter alios*, (i) Eagle Bulk Ultraco LLC, a Marshall Islands limited liability company, as borrower (the “**Borrower**”), (ii) the Assignor, Eagle Bulk Shipping Inc. and the other parties named therein, as joint and several guarantors (collectively, the “**Guarantors**”), (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the “**Lenders**”), (iv) the banks and financial institutions named therein as swap banks (together with their successors and assigns, the “**Swap Banks**”), (v) the Assignee, and (vi) Crédit Agricole Corporate and Investment Bank as Facility Agent (together with its successors and assigns, the “**Facility Agent**”), the Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$300,000,000 and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 (collectively, the “**Facility**”) on the terms and conditions stated therein.

4. Pursuant to Article VIII of the Credit Agreement, the Assignor and the other Guarantors jointly and severally guaranteed all of the Guaranteed Obligations (as defined in the Credit Agreement).

5. It is one of the conditions precedent under the Credit Agreement to the availability of the Facility that the Assignor executes and delivers this Assignment in favor of the Assignee as security for the Guaranteed Obligations and the performance and observance of and compliance with the covenants, terms and conditions contained in the Loan Documents to which the Assignor is or is to be a party (collectively, the “**Secured Obligations**”).

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor hereby agrees with the Assignee as follows:

SECTION 1. Assignment. (a) As security for the Secured Obligations, the Assignor hereby grants to the Assignee, for the benefit of the Lenders, the Swap Banks and the Facility Agent, a continuing,

first priority security interest in and to all of the Assignor's right, title and interest in, to and under the following property, whether now owned or existing or hereafter from time to time acquired or coming into existence (collectively, the "**Collateral**");

- (i) the Charter;
- (ii) all claims, rights, remedies, powers and privileges for moneys due and to become due to the Assignor pursuant to the Charter;
- (iii) all claims, rights, remedies, powers and privileges for failure of the Charterer to meet any of its obligations under the Charter;
- (iv) the right to make all waivers, consents and agreements under the Charter;
- (v) the right to give and receive all notices and other instruments or communications under the Charter;
- (vi) the right to take such action, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Charter, or by law;
- (vii) the right to do any and all other things whatsoever which the Assignor is, or may be, entitled to do under the Charter including, without limitation, termination of the Charter pursuant to the terms and conditions stated therein; and
- (viii) any proceeds of the foregoing.

(b) Upon the payment and performance in full of the Secured Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Assignor. Upon any such termination, the Assignee will, at the Assignor's expense, promptly execute and deliver to the Assignor such documents as the Assignor shall reasonably request to evidence such termination.

(c) For the avoidance of doubt, so long as no Event of Default has occurred and is continuing, the Assignor shall be entitled, subject to the other provisions of this Assignment and the other Loan Documents, to exercise its rights under the Charter.

SECTION 2. Notice and Consent. The Assignor hereby covenants and agrees that it will upon the execution and delivery of this Assignment:

- (a) procure that notice of this Assignment in substantially the form of **Annex A** attached hereto shall be duly given to the Charterer; and
- (b) use reasonable commercial efforts to cause the Charterer to execute a consent to this Assignment in the form of **Annex B** attached hereto (or such other form agreed between the Assignor and the Assignee).

SECTION 3. Assignor to Remain Liable. Anything herein contained to the contrary notwithstanding:

(a) The Assignor shall at all times remain fully liable under the Charter to perform all of the duties and obligations assumed by it thereunder to the same extent as if this Assignment had not been executed, and the Assignee shall have no obligation or liability under the Charter by reason of or arising out

of this Assignment nor shall the Assignee be required or obligated in any manner to perform or fulfill any of the duties or obligations of the Assignor under or pursuant to the Charter or to make any payment or to make any inquiry as to the nature or sufficiency of any payment received by the Assignee or to present or file any claim or to take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times; and

(b) No notice, request or demand under the Charter shall be valid as against the Assignee unless and until a copy thereof is furnished to the Assignee.

SECTION 4. Event of Default. Upon the occurrence of an Event of Default and so long as such Event of Default shall be continuing:

(a) In addition to its rights under Section 9.01 of the Credit Agreement, the Assignee shall have the right (but not the obligation) to assume the Assignor's position in the Charter and in such capacity perform the Assignor's obligations under the Charter and to exercise the Assignor's rights under the Charter;

(b) The Assignor shall forthwith, and the Assignee may at any time thereafter, instruct the Charterer to deliver directly to the Assignee copies of all notices and other instruments, certificates, reports and communications required or permitted to be given or made by the Charterer to the Assignor pursuant to the Charter; and

(c) The Assignor shall do or permit to be done each and every act or thing which the Assignee may from time to time reasonably require to be done for the purpose of enforcing the Assignee's rights under this Assignment and the Charter.

SECTION 5. Assignee Appointed Attorney-in-Fact. (a) The Assignor hereby constitutes the Assignee, its successors and assigns, its true and lawful attorney, irrevocably, with full power of substitution (in the name of the Assignor), upon the occurrence of an Event of Default and so long as such Event of Default shall be continuing, to carry out the provisions of this Assignment and to take any action and execute any instruments which the Assignee may deem necessary or advisable to accomplish the purposes hereof, including without limitation, to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or institute any proceedings which the Assignee may deem necessary or advisable in the premises, including, without limitation, termination of the Charter to the extent permitted by the terms thereof.

(b) The Assignor hereby further authorizes the Assignee to file financing statements (including Form UCC-1 and UCC-3) and amendments thereto as provided in Article 9 of the Uniform Commercial Code, and any other instrument of like effect, as the Assignee may reasonably deem necessary in connection with the perfection of the Assignee's security interest in the Collateral.

(c) The powers and authority granted to the Assignee herein have been given for valuable consideration, are coupled with an interest and are hereby declared to be irrevocable.

SECTION 6. No Waiver. No failure on the part of the Assignee to exercise, and no delay in exercising, any right, remedy, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise by the Assignee of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies of the Assignee under this Assignment are cumulative and may be exercised (where possible to do

so) singly, concurrently, successively and/or in conjunction with or apart from and without prejudice to any other rights and remedies available to the Assignee under the other Loan Documents and are not exclusive of any rights or remedies provided by law.

SECTION 7. Further Assurances. The Assignor agrees that at any time and from time to time, upon the written request of the Assignee and at the reasonable expense of the Assignor, it shall promptly and duly execute and deliver any and all such further instruments and documents as the Assignee may deem necessary in obtaining the full benefits of this Assignment and of the rights and powers herein granted.

SECTION 8. Amendments. No amendment or waiver of any provision of this Assignment, nor consent to any departure by the Assignor herefrom, shall be effective unless the same shall be in writing and signed by the Assignor and the Assignee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 9. Notices. Any notice, demand or other communication to be given under, or for the purpose of this Assignment shall be made as provided in Section 11.01 of the Credit Agreement.

SECTION 10. Governing Law. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

SECTION 11. Inconsistency between Credit Agreement provisions and this Assignment. This Assignment shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Assignment, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, the Assignor has executed and delivered this Charter Assignment on the date first above written.

[] [SHIPPING / EAGLE] LLC, as Assignor

By: __ Name:
Title:

[Signature Page – Charter Assignment]

NOTICE OF ASSIGNMENT

To: [], as Charterer [Address]

PLEASE TAKE NOTICE that, pursuant to a Charter Assignment dated [] (the “**Assignment**”) made by the undersigned to and in favor of CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK as Security Trustee (the “**Assignee**”), the undersigned has granted to the Assignee a continuing, first priority security interest in and to all of the undersigned’s right, title and interest in, to and under the [Time] Charter dated [] (the “**Charter**”) between the undersigned as Owner and [] as charterer (the “**Charterer**”) for the Marshall Islands registered vessel [] (the “**Vessel**”), including without limitation:

- (i) all claims, rights, remedies, powers and privileges for moneys due and to become due to the undersigned pursuant to the Charter;
- (ii) all claims, rights, remedies, powers and privileges for failure of the Charterer to meet any of its obligations under the Charter;
- (iii) the right to make all waivers, consents and agreements under the Charter;
- (iv) the right to give and receive all notices and other instruments or communications under the Charter;
- (v) the right to take such action, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Charter, or by law;
- (vi) the right to do any and all other things whatsoever which the undersigned is, or may be, entitled to do under the Charter including, without limitation, termination of the Charter pursuant to the terms and conditions stated therein; and
- (vii) any proceeds of the foregoing.

As from the date hereof and so long as the Assignment is in effect, you are hereby irrevocably authorized and instructed to pay all amounts from time to time due and payable to, or receivable by, the undersigned under the Charter to our account as follows:

Bank: [ABN AMRO Bank N.V.
Rotterdam, The Netherlands]
IBAN No. [●]
Swift Code: [ABNANL2A] Account No: [●]
Beneficiary: [●],

or to such other account as the Assignee may direct by notice in writing to you from time to time, all such payments to be made in immediately available funds by wire transfer on the day when such payment is due in accordance with the terms of the Charter.

Please confirm your consent to the Assignment by executing and returning the Consent and Agreement attached below.

Dated: __, 20__ [] [SHIPPING / EAGLE] LLC

By: __ Name:
Title:

102975023.6

CONSENT AND AGREEMENT

TO: Crédit Agricole Corporate and Investment Bank

Asset Finance Groups – Ship Finance 12 Place des Etats-Unis
CS 70052
92547 Montrouge Cedex, France
Attn : Agency and Middle-Office for Shipping Telephone: +33 1 41 89 98 05 / +33 1 41898696
Email: cyprien.foulfoin@ca-cib.com / rosine.serra-joannides@ca-cib.com

Crédit Agricole Corporate and Investment Bank 1301 Avenue of the Americas
New York, New York 10019 United States
Attn: George Gkanasoulis / Manon Didier Telephone: +1 212 261 3869 / +1 212 261 3962
Email: George.GKANASOULIS@ca-cib.com / manon.didier@ca-cib.com / NYShipFinance@ca-cib.com

The undersigned refers to the notice (the “**Notice**”) given to them by [] [SHIPPING / EAGLE] LLC (the “**Assignor**”) in respect of the Charter Assignment dated [] (the “**Assignment**”) made by the Assignor to and in favor of you (the “**Assignee**”). Capitalized terms used but not defined herein shall have the meaning assigned such terms in the Notice.

The undersigned, as Charterer, in consideration of one dollar (\$1.00) lawful money of the United States of America paid to it, hereby acknowledges receipt of the Notice, consents and agrees to the Assignment and to all of the respective terms thereof and hereby confirms and further agrees that:

- (a) The Charter is in full force and effect and is the legal, valid and binding obligation of the undersigned, enforceable against it in accordance with its terms.
- (b) As from the date hereof and so long as the Assignment is in effect, the undersigned will pay all amounts from time to time due and payable to, or receivable by, the Assignor under the Charter to the Assignor’s account as follows:

Bank: [ABN AMRO Bank N.V.
Rotterdam, The Netherlands]
IBAN No. [●]
Swift Code: [ABNANL2A] Account No: [●]
Beneficiary: [●],

or to such other account as the Assignee may direct by notice in writing to us from time to time, all such payments to be made in immediately available funds by wire transfer on the day when such payment is due in accordance with the terms of the Charter.

- (c) Upon receipt by the undersigned of notice from the Assignee that an event of default has occurred and is continuing in respect of the Assignment:
- (i) the undersigned acknowledges and agrees that the Assignee shall have the right but not the obligation to perform the Assignor's obligations under the Charter and to exercise the Assignor's rights under the Charter;
 - (ii) the undersigned shall deliver to the Assignee at its address above copies of all notices and other instruments, certificates, reports and communications required or permitted to be given or made to the Assignor pursuant to the Charter; and
 - (iii) the undersigned shall fully cooperate with the Assignee in exercising rights available to the Assignee under the Assignment.

This Consent and Agreement shall be governed by the laws of the State of New York and may be relied on by the Assignor and the Assignee.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has caused this Consent and Agreement to be duly executed.

Dated: __, 20__ [], as Charterer

By: __ Name:
Title:

FORM OF GUARANTOR ACCESSION AGREEMENT

103081194.6

FORM OF GUARANTOR ACCESSION AGREEMENT

THIS GUARANTOR ACCESSION AGREEMENT, dated __, 20__ (this “**Agreement**”), is made between [], a [corporation incorporated][limited liability company formed][company formed] in [] (the “**Acceding Guarantor**”), and CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Facility Agent (the “**Facility Agent**”) for itself and each of the Lenders and the Swap Banks party to the Credit Agreement referred to below. Capitalized terms used but not defined herein shall have the meaning assigned such terms in the Credit Agreement (as defined below).

WHEREAS:

1. Pursuant to a Credit Agreement dated as of [], 2021 (as the same may be amended restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among, *inter alios*, (i) Eagle Bulk Ultraco LLC, a Marshall Islands limited liability company, as borrower (the “**Borrower**”), (ii) Eagle Bulk Shipping Inc. and the other parties named therein, as joint and several guarantors (collectively, the “**Guarantors**”), (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the “**Lenders**”), (iv) the banks and financial institutions named therein as swap banks (together with their successors and assigns, the “**Swap Banks**”), (v) Crédit Agricole Corporate and Investment Bank as security trustee and (vi) the Facility Agent, the Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$300,000,000 and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 (collectively, the “**Facility**”) on the terms and conditions stated therein.

2. Pursuant to Article VIII of the Credit Agreement, the Guarantors jointly and severally guaranteed all of the Guaranteed Obligations (as defined in the Credit Agreement).

3. The Acceding Guarantor is a subsidiary of the Borrower and has agreed to become a party to the Credit Agreement as a Guarantor with effect from the date hereof in all respects as if it had been an original party to the Credit Agreement.

NOW, THEREFORE, it is agreed as follows:

SECTION 1. Accession. The Acceding Guarantor shall become a party to the Credit Agreement as a Guarantor with effect from the date hereof in all respects as if it had been an original Guarantor party to the Credit Agreement. The Acceding Guarantor confirms that it intends to be party to the Credit Agreement as a Guarantor, undertakes to perform all the obligations expressed to be assumed by a Guarantor under the Credit Agreement and agrees that it shall be bound by all the provisions of the Credit Agreement applicable to a Guarantor as if it had been an original party to the Credit Agreement. The Acceding Guarantor confirms that it has received a copy of the Credit Agreement, the other Loan Documents and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and to become a Guarantor under the Credit Agreement.

SECTION 2. Address for Notices. For purposes of Section 11.01 of the Loan Agreement, the Acceding Guarantor’s address for notice is:

[]
[]

[] Attention: []

SECTION 3. Amendment. This Agreement may only be changed, modified or varied by written instrument in accordance with the requirements for the modification of Loan Documents pursuant to Section 11.02 of the Credit Agreement.

SECTION 4. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Inconsistency between Credit Agreement provisions and this Agreement. This Agreement shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Agreement, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, the Acceding Guarantor and the Facility Agent have executed and delivered this Agreement on the date first above written.

[],
as Acceding Guarantor

CRÉDIT AGRICOLE CORPORATE
AND INVESTMENT BANK,
as Facility Agent

By: __
Name:
Title:

By: __
Name:
Title:

FORM OF MANAGER’S UNDERTAKING

FORM OF [TECHNICAL] / [COMMERCIAL] MANAGER'S UNDERTAKING

To: CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Facility Agent and as Security Trustee

Asset Finance Groups – Ship Finance 12 Place des Etats-Unis
CS 70052
92547 Montrouge Cedex, France
Attn : Agency and Middle-Office for Shipping Telephone: +33 1 41 89 98 05 / +33 1 41898696
Email: cyprien.foulfoin@ca-cib.com / rosine.serra-joannides@ca-cib.com

Crédit Agricole Corporate and Investment Bank 1301 Avenue of the Americas
New York, New York 10019 United States
Attn: George Gkanasoulis / Manon Didier Telephone: +1 212 261 3869 / +1 212 261 3962
Email: George.GKANASOULIS@ca-cib.com / manon.didier@ca-cib.com / NYShipFinance@ca-cib.com

From: [Eagle [Ship] / [Bulk] Management LLC 300 First Stamford Place
Stamford, CT 06902 United States]

Date: __, 20__

Re: [] (the “Vessel”)

Dear Sirs

1 BACKGROUND

- 1.1** Entry into Credit Agreement. We refer to the Credit Agreement dated of as [], 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among, *inter alios*, (i) Eagle Bulk Ultraco LLC, a Marshall Islands limited liability company, as borrower (the “**Borrower**”), (ii) Eagle Bulk Shipping Inc. and the parties named therein, as joint and several guarantors (collectively, the “**Guarantors**”), (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the “**Lenders**”), (iv) the banks and financial institutions named therein as swap banks (together with their successors and assigns, the “**Swap Banks**”), (v) Crédit Agricole Corporate and Investment Bank as facility agent (together with its successors and assigns, the “**Facility Agent**”), and (vi) Crédit Agricole Corporate and Investment Bank as security trustee (the “**Security Trustee**”), the Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$300,000,000 and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 (collectively, the “**Facility**”) on the terms and conditions stated therein.

- 1.2 Entry into Manager's Undertaking. We have been further advised by the Borrower that one of the conditions to the availability of the Facility under the Credit Agreement is that we enter into this Manager's Undertaking in favor of the Facility Agent in respect of the Vessel which is owned by [] [SHIPPING / EAGLE] LLC (the "Owner").

2 INTERPRETATION

- 2.1 Defined expressions. Words and expressions defined in the Credit Agreement shall have the same meanings when used in this Manager's Undertaking unless the context otherwise requires.

3 CONFIRMATION OF APPOINTMENT, ETC.

- 3.1 Confirmation of appointment. We confirm that we have been appointed by the Owner as the manager of the Vessel on the terms of a Management Agreement dated [], 20[] (the "**Management Agreement**"), a copy of which is attached to this Manager's Undertaking.
- 3.2 Certification. We certify that the attached Management Agreement is a true and complete copy of such document and that no addenda or supplements to it exist as at the date of this Manager's Undertaking.

4 UNDERTAKINGS

- 4.1 Undertakings. In consideration of the Facility Agent granting its approval to our appointment as manager of the Vessel, we irrevocably and unconditionally undertake with the Facility Agent, for as long as any amount remains owing to any Finance Party under the Loan Documents, but only for so long as the Management Agreement remains in force, as follows:
- (a) that we shall not, without the Facility Agent's prior written consent, supplement or amend the Management Agreement;
 - (b) that all claims of whatsoever nature which we have or may have at any time after the date of this Manager's Undertaking against or in connection with the Vessel, the Earnings, the Insurances or any Requisition Compensation or against the Owner shall rank after and be in all respects subordinate to all of the rights and claims of all the Finance Parties under the Loan Documents;
 - (c) that we shall not take any step to exercise or enforce any right or remedy which we now or at any later time have under any applicable law against the Owner or the Vessel, the Earnings, the Insurances or any Requisition Compensation;
 - (d) that we shall not institute any legal or administrative action or any quasi-legal proceedings under any applicable law at any time after the date of this Manager's Undertaking against the Vessel, the Earnings, the Insurances or any Requisition Compensation or against the Owner in any capacity;
 - (e) that we shall not compete with any of the Finance Parties in a liquidation or other winding-up or bankruptcy of the Owner or in any legal or administration action or any quasi legal proceedings in connection with the Vessel, the Earnings, the Insurances or any Requisition Compensation;
 - (f) that we shall upon the Facility Agent's first written request deliver to the Facility Agent all documents of whatever nature which we hold in connection with the Owner, the Vessel, the Earnings, the Insurances or any Requisition Compensation;

- (g) that we shall continue to act as manager of the Vessel pursuant to the terms and conditions of the Management Agreement for as long as the Vessel remains in the ownership of the Owner and any Guaranteed Obligations remain outstanding pursuant to the Loan Documents;
- (h) that we shall not do or omit to do or cause anything to be done or omitted which might be contrary to or incompatible with the obligations undertaken by the Owner under the Credit Agreement and the other Loan Documents;
- (i) that, upon giving us reasonable notice, we shall sign any consent reasonably required by any insurance broker and/or underwriter and shall provide all documents, evidence and information and do all other things reasonably necessary so that the Security Trustee can collect or recover any moneys payable in respect of the Insurances;
- (j) that, to the extent we are or may be named as an assured under any Insurances, any deductible payable in respect of a claim under such Insurances shall be apportioned between us, every other named assured and the Security Trustee in proportion to the aggregate claims made or paid by each such party; and
- (k) that we shall cooperate with the Security Trustee and afford access to the Vessel to permit the Security Trustee to take possession of the Vessel in the event of enforcement of the Vessel Mortgage over the Vessel.

5 GOVERNING LAW AND JURISDICTION

5.1 Governing law. THIS MANAGER'S UNDERTAKING SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

5.2 Consent to jurisdiction.

- (a) We hereby irrevocably and unconditionally submit to the non-exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York County, and any appellate court thereof, in any action or proceeding arising out of or relating to this Manager's Undertaking or for recognition or enforcement of any judgment, and we hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard and determined in such New York State Court or, to the extent permitted by law, in such Federal court. We agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
- (b) We hereby irrevocably and unconditionally waive, to the fullest extent we may legally and effectively do so, any objection which we may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Manager's Undertaking in any New York State or Federal court and the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any immunity from jurisdiction of any court or from any legal process.
- (c) We hereby irrevocably consent to the service of any and all process in any such action or proceeding by the mailing of copies of such process to our address at [300 First Stamford Place, Stamford, CT 06902, United States]. We also agree that service of process may be made on us by any other method of service provided for under the applicable laws in effect in the State of New York.

5.3 Waiver of jury trial. WE IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS MANAGER'S UNDERTAKING.

- 5.4 Facility Agent and Security Trustee's rights unaffected. Nothing in this Clause 5 shall exclude or limit any right which the Facility Agent and the Security Trustee may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.
- 5.5 Meaning of "proceedings". In this paragraph "**proceedings**" means proceedings of any kind, including an application for a provisional or protective measure
- 5.6 Inconsistency between Credit Agreement provisions and this Manager's Undertaking. This Manager's Undertaking shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Manager's Undertaking, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

[Signature Page Follows on Next Page]

[EAGLE [SHIP] /[BULK] MANAGEMENT LLC]

By: __ Name:
Title:

[Signature Page – [Technical] / [Commercial] Manager’s Undertaking]

FORM OF MASTER AGREEMENT ASSIGNMENT

103081194.6

FORM OF MASTER AGREEMENT ASSIGNMENT

THIS MASTER AGREEMENT ASSIGNMENT, dated __, 20__ (this “**Assignment**”), is made by **EAGLE BULK ULTRACO LLC**, a Marshall Island limited liability company (the “**Assignor**”), to and in favor of **CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK** in its capacity as Security Trustee under the Credit Agreement described below (the “**Assignee**”). Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Credit Agreement (as defined below).

PRELIMINARY STATEMENTS

WHEREAS, [] in its capacity as Swap Bank (the “**Relevant Swap Bank**”) and the Assignor have entered into a Master Agreement (on the 2002 ISDA (Multicurrency – Crossborder) form) dated [], 20[] (said Master Agreement, including all Transactions entered into pursuant thereto, and Confirmations exchanged thereunder (as such terms are defined therein), from time to time, as the same may be amended or supplemented from time to time, collectively, the “**Master Agreement**”); and

WHEREAS, pursuant to a Credit Agreement dated of as [], 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among, *inter alios*, (i) the Assignor, as borrower (the “**Borrower**”), (ii) Eagle Bulk Shipping Inc. and the other parties named therein, as joint and several guarantors (collectively, the “**Guarantors**”), (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the “**Lenders**”), (iv) the banks and financial institutions named therein as swap banks (together with their successors and assigns, the “**Swap Banks**”), (v) Crédit Agricole Corporate and Investment Bank as facility agent (together with its successors and assigns, the “**Facility Agent**”), and (vi) the Assignee, the Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$300,000,000 and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 (collectively, the “**Facility**”) on the terms and conditions stated therein.

WHEREAS, pursuant to Article VIII of the Credit Agreement, the Guarantors jointly and severally guaranteed all of the Guaranteed Obligations.

WHEREAS, it is one of the conditions precedent under the Credit Agreement to the availability of the Facility that the Assignor shall have granted the Lien contemplated by this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the Assignor hereby agrees as follows:

1. The Assignor has sold, assigned, transferred and set over and by this instrument does sell, assign, transfer and set over, unto the Assignee, and unto the Assignee’s successors and assigns, to it and its successors’ and assigns’ own proper use and benefit, as collateral security for the Assignor’s indebtedness to the Lenders, the Swap Banks and the Facility Agent now or hereafter existing under any Loan Document or any Secured Swap Contract, and does hereby grant the Assignee a security interest in, all of the Assignor’s right, title and interest in and to: (i) the Master Agreement, (ii) all moneys due and to become due to the Assignor under the Master Agreement, (iii) all claims for damages arising out of the breach of the Master Agreement and rights to terminate any Transaction under the Master Agreement, and (iv) any proceeds of any of the foregoing.

2. The Assignor hereby warrants that it will promptly obtain the consent of the Relevant

Swap Bank as evidenced by the execution by the Relevant Swap Bank of the Consent and Agreement in the form attached as **Annex A**.

3. Upon satisfaction of all indebtedness of the Assignor to the Lenders, the Swap Banks and the Facility Agent secured by this Assignment, this Assignment shall terminate and all right, title and interest hereby assigned shall revert to the Assignor. Upon any such termination, the Assignee will, at the Assignor's expense, execute and deliver to the Assignor such documents as the Assignor shall reasonably request to evidence such termination.

4. The Assignor covenants that it will have all amounts payable to it under the Master Agreement and other moneys payable to it hereby assigned promptly paid over to its Operating Account.

5. The Assignor hereby agrees to furnish the Assignee in writing with any information which it reasonably requests in relation to the Master Agreement.

6. No amendment or modification of the Master Agreement (including any Transaction), and no consent, waiver or approval with respect thereto shall be valid unless joined in, in writing, by the Assignee. No notice, request or demand under the Master Agreement, shall be valid as against the Assignee unless and until a copy thereof is furnished to the Assignee.

7. It is expressly agreed that anything herein contained to the contrary notwithstanding, the Assignee shall have no obligation or liability under the Master Agreement by reason of or arising out of this Assignment nor shall the Assignee be required or obligated in any manner to perform or to fulfill any obligations of the Assignor under or pursuant to the Master Agreement nor to make any payment nor to make any inquiry as to the nature or sufficiency of any payment received by the Assignee nor to present or file any claim, nor to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

8. The Assignor does hereby constitute the Assignee, its successors and assigns, the Assignor's true and lawful attorney, irrevocably, with full power (in the name of the Assignor or otherwise), upon the occurrence and continuance of any Event of Default, to ask, require, demand, receive, compound and give acquittance for any and all moneys, claims, property and rights hereby assigned, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or institute any proceedings which the Assignee may deem to be necessary or advisable in the premises.

9. The powers and authority granted to the Assignee herein have been given for a valuable consideration and are hereby declared to be irrevocable.

10. The Assignor agrees that at any time and from time to time, upon the written request of the Assignee, the Assignor will promptly and duly execute and deliver any and all such further instruments and documents as the Assignee may deem desirable in obtaining the full benefits of this Assignment and of the rights and powers herein granted.

11. The Assignor does hereby represent and warrant that the Master Agreement is in full force and effect and is enforceable in accordance with the terms thereof and the Assignor is not in default thereunder. The Assignor does hereby further warrant and represent that neither the whole nor any part of the right, title and interest hereby assigned are the subject of any present assignment or pledge, and hereby covenants that, without the prior written consent thereto of the Assignee, so long as this Assignment shall remain in effect, the Assignor will not assign or pledge the whole or any part of the right, title and interest hereby assigned to anyone other than the Assignee, its successors or assigns, and the Assignor will not take

or omit to take any action, the taking or omission of which might result in any alteration or impairment of said rights or this Assignment.

12. This Assignment and the Consent and Agreement annexed hereto may be executed by the Assignor and the Relevant Swap Bank, respectively, on separate counterparts without in any way affecting the validity of said Consent and Agreement.

13. This Assignment shall be governed by the laws of the State of New York and may not be amended or changed except by an instrument in writing signed by the party against whom enforcement is sought.

14. The Assignor hereby authorizes the Assignee to file financing statements (Form UCC-1) and amendments thereto as provided in Article 9 of the Uniform Commercial Code with respect to the collateral assigned hereby.

15. This Assignment shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Assignment, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

IN WITNESS WHEREOF the Assignor has caused this Assignment to be duly executed on the day and year first above written.

[SIGNATURE PAGE FOLLOWS]

EAGLE BULK ULTRACO LLC, as Assignor

By: __ Name:
Title:

[Signature Page – Master Agreement Assignment]

FORM OF CONSENT AND AGREEMENT OF SWAP BANK

The undersigned, in its capacity as Party A to the Master Agreement (on the 2002 ISDA (Multicurrency – Crossborder) form) dated [], 20[] (the “**Master Agreement**”) between the undersigned and Eagle Bulk Ultraco LLC as Party B (the “**Assignor**”), hereby consents to the assignment by the Assignor of all the Assignor’s right, title and interest in and to the Master Agreement to CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Security Trustee (the “**Assignee**”), pursuant to a Master Agreement Assignment dated [], 20[] (as the same may be amended, supplemented or otherwise modified from time to time, the “**Assignment**”), and agrees that, it will make payment of all moneys due and to become due to the Assignor under the Master Agreement, without setoff or deduction for any claim not arising under the Master Agreement, and notwithstanding the existence of a default or event of default by the Assignor under the Master Agreement, to the Operating Account of the Assignor as follows:

Bank: [ABN AMRO Bank N.V.
Rotterdam, The Netherlands]
IBAN No. []
Swift Code: [ABNANL2A] Account No: []
Beneficiary: [Eagle Bulk Ultraco LLC]

or such other account specified by the Assignee at such address as the Assignee shall request the undersigned in writing until receipt of written notice from the Assignee that all obligations of the Assignor to it have been paid in full.

The undersigned agrees that it shall look solely to the Assignor for performance of the Master Agreement and that the Assignee shall have no obligation or liability under or pursuant to the Master Agreement arising out of the Assignment, nor shall the Assignee be required or obligated in any manner to perform or fulfill any obligations of the Assignor under or pursuant to the Master Agreement. Notwithstanding the foregoing, if in the sole opinion of the Assignee an Event of Default (as defined in the Credit Agreement (as defined in or by reference in the Assignment)) shall have occurred and be continuing, the undersigned agrees that the Assignee shall have the right, but not the obligation, to perform all of the Assignor’s obligations under the Master Agreement as though named therein as Party B.

The undersigned agrees that it shall not seek the recovery of any payment actually made by it to the Assignee pursuant to this Consent and Agreement once such payment has been made. This provision shall not be construed to relieve the Assignor of any liability to the undersigned.

The undersigned agrees to execute and deliver, or cause to be executed and delivered, upon the written request of the Assignee, any and all such further instruments and documents as the Assignee may deem desirable for the purpose of obtaining the full benefits of the Assignment and of the rights and power therein granted.

The undersigned agrees that no amendment, modification or alteration of the terms or provisions

of the Master Agreement shall be made unless the same shall be consented to in writing by the Assignee.

The undersigned hereby confirms that the Master Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms.

[SIGNATURE PAGE FOLLOWS]

Date: []

[], as Swap Bank

By: __ Name:
Title:

102976468.4

FORM OF MEMBERSHIP INTEREST PLEDGE

103081194.6

FORM OF PLEDGE AND SECURITY AGREEMENT (MEMBERSHIP INTERESTS)

PLEDGE AND SECURITY AGREEMENT, dated __, 2021 (as hereafter amended, amended and restated, supplemented or otherwise modified from time to time, this “**Agreement**”), made by [EAGLE BULK ULTRACO LLC] / [EAGLE BULK SHIPPING INC.], a [limited liability company] / [corporation] formed and existing under the laws of the Republic of The Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the “**Pledgor**”), to and in favor of CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK in its capacity as Security Trustee (the “**Pledgee**”, which expression includes its successors and assigns) for the Lenders, the Swap Banks and the Facility Agent (as each term is defined below).

WHEREAS:

1. Pursuant to a Credit Agreement dated as of [], 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among, *inter alios* (i) [the Pledgor] / [Eagle Bulk Ultraco, LLC], as borrower, (ii) [Eagle Bulk Shipping Inc.] / [the Pledgor] and the [other] parties named therein, as joint and several guarantors (collectively, the “**Guarantors**”), (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the “**Lenders**”), (iv) the banks and financial institutions named therein as swap banks (together with their successors and assigns, the “**Swap Banks**”), (v) Crédit Agricole Corporate and Investment Bank as facility agent (together with its successors and assigns, the “**Facility Agent**”), and (ix) the Pledgee, the Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$300,000,000 and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 (collectively, the “**Facility**”) on the terms and conditions stated therein.

2. Pursuant to Article VIII of the Credit Agreement, the Pledgor and the other Guarantors jointly and severally guaranteed all of the Guaranteed Obligations (as defined in the Credit Agreement).

3. It is one of the conditions precedent under the Credit Agreement to the availability of the Facility that the Pledgor shall have granted the Lien contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and to induce the Lenders to make the Facility pursuant to the Credit Agreement, the Pledgor hereby agrees with the Pledgee as follows:

SECTION 1. Definitions and Interpretation. (a) As used in this Agreement, the following terms shall have the following meanings:

“**Collateral**” has the meaning given such term in Section 2.

“**Company**” means [each of] the Marshall Islands limited liability [companies] / [company] identified in **Schedule 1** hereto.

“**Credit Agreement**” has the meaning given such term in the recitals hereof.

“**Limited Liability Company Assets**” means all assets, whether tangible or intangible and whether real, personal or mixed, at any time owned or represented by any Limited Liability Company Interest.

“**Limited Liability Company Interests**” means the entire limited liability company membership interest at any time owned by the Pledgor in [a] / [the] Company.

“**Pledgee**” has the meaning given such term in the introduction hereof, subject to Section 10.01(b) of the Credit Agreement.

“**Pledgor**” has the meaning given such term in the introduction hereof. “**Secured Obligations**” has the meaning given such term in Section 3.

“**Securities Act**” means the Securities Act of 1933, as amended, as in effect from time to time.

“**Security Period**” means the period commencing on the date hereof and ending on the date that all amounts which have become due for payment by the Pledgor or any Security Party under the Loan Documents have been paid, no amount is owing or has accrued under any Loan Document and none of the Security Parties has any future or contingent liability under the Loan Documents (of which the Facility Agent has given the Pledgor notice) (other than contingent indemnification or reimbursement obligations) (both dates inclusive).

“**UCC**” means the Uniform Commercial Code as in effect, from time to time, in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, “**UCC**” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

(b) Each other capitalized term used and not otherwise defined herein has the meaning given such term in the Credit Agreement. Further, unless otherwise defined in this Agreement or in the Credit Agreement, terms defined in Article 9 of the UCC are used in this Agreement as such terms are defined in such Article 9.

(c) Sections 1.02 and 1.03 of the Credit Agreement apply, with any necessary modifications, to this Agreement.

SECTION 2. Pledge of Limited Liability Company Interests. The Pledgor hereby grants to the Pledgee, for the benefit of the Lenders, the Swap Banks and the Facility Agent, a security interest in the Pledgor’s right, title and interest in, to and under the following, in each case, as to each type of property described below, whether now owned or hereafter acquired by the Pledgor, wherever located, and whether now or hereafter existing or arising (collectively, the “**Collateral**”):

(a) all Limited Liability Company Interests and all of the Pledgor’s right, title and interest in [each] / [the] Company [to which such interest relates], whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing the Limited Liability Company Interests and applicable law:

(i) all the capital thereof and its interest in all profits, losses, Limited Liability Company Assets and other distributions to which the Pledgor shall at any time be entitled in respect of such Limited Liability Company Interests;

(ii) all other payments due or to become due to the Pledgor in respect of the Limited Liability Company Interests, whether under [such] / [the] Company's limited liability company agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(iii) all of the Pledgor's claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under [such] / [the] Company's limited liability company agreement or operating agreement, or at law or otherwise in respect of the Limited Liability Company Interests;

(iv) all present and future claims, if any, of the Pledgor against [such] / [the] Company for moneys loaned or advanced, for services rendered or otherwise;

(v) all of the Pledgor's rights under [such] / [the] Company's limited liability company agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of the Pledgor relating to the Limited Liability Company Interests, including any power to terminate, cancel or modify [such] / [the] Company's limited liability company agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of the Pledgor in respect of the Limited Liability Company Interests and [such] / [the] Company, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(vi) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof; and

(b) all proceeds of and all other payments now or hereafter due and payable with respect to any and all of the Collateral (including proceeds that constitute property of the types described in clause (a) of this Section 2 and cash).

SECTION 3. Security for Secured Obligations This Agreement secures the payment of all obligations of the Pledgor and the other Security Parties to the Lenders, the Swap Banks and the Facility Agent now or hereafter existing under the Credit Agreement or the other Loan Documents and Secured Swap Contracts, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, fees, premiums, penalties, indemnifications, contract causes of action, costs, expenses or otherwise including, without limitation, the Obligations (all such obligations being the "**Secured Obligations**"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Secured Obligations and would be owed by the Pledgor or any other Security Party to any of the Lenders, the Swap Banks and the Facility Agent under any Loan Document and Secured Swap Contract but for the fact that they are unenforceable or not

allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Pledgor, [the] / [any] Company or any other Security Party.

SECTION 4. Pledgee not a Limited Liability Company Member. (a) Nothing herein shall be construed to make the Pledgee liable as a member of [any] / [the] Company, and the Pledgee shall not by virtue of this Agreement or otherwise (except as referred to in the following sentence) have any of the duties, obligations or liabilities of a member of [any] / [the] Company.

(b) The Pledgee, by accepting this Agreement, does not intend to become a member of [any] / [the] Company or otherwise be deemed to be a co-venturer with respect to the Pledgor, [any] / [the] Company and/or any other Person either before or after an Event of Default shall have occurred. The Pledgee shall have only those powers set forth herein and the Pledgee shall assume none of the duties, obligations or liabilities of a member of [any] / [the] Company or the Pledgor.

(c) The Pledgee shall not be obligated to perform or discharge any obligation of the Pledgor as a result of the pledge hereby effected.

(d) The acceptance by the Pledgee of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Pledgee to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

SECTION 5. Representations and Warranties. The Pledgor represents and warrants as follows:

(a) The Pledgor's exact legal name, as defined in Section 9-503(a) of the UCC, jurisdiction and type of organization and organizational identification number, and chief executive office address is correctly set forth in **Schedule 2**. The Pledgor is located (within the meaning of Section 9-307 of the UCC) in the jurisdiction set forth in **Schedule 2**. The information set forth in **Schedule 1** is true and accurate in all respects. The Pledgor has not previously changed its name, type of organization, jurisdiction of organization or organizational identification number or location from those set forth in **Schedule 2**.

(b) The Pledgor is the legal and beneficial owner of all the Limited Liability Company Interests of [each of] the [Companies] / [Company] (such Limited Liability Company Interests constituting one hundred percent (100%) of the issued and outstanding equity interests of [each of] the [Companies] / [Company]) and of the Collateral, free and clear of any Lien, claim, option or right of others, except for the Liens created under this Agreement or permitted under the Credit Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral or listing the Pledgor or any trade name of the Pledgor as debtor is on file in any recording office, except such as may have been filed in favor of the Pledgee relating to the Finance Documents or as otherwise permitted under the Credit Agreement.

(c) Provided that the Pledgee has made all filings and take such other actions necessary to perfect the Lien in the Collateral created under this Agreement and such filings and other actions are in full force and effect, this Agreement creates in favor of the Pledgee a valid and, together with such filings and other actions, perfected first-priority Lien in the Collateral securing the payment of the Secured Obligations.

(d) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for (i) the grant by the Pledgor of the Lien

granted hereunder or for the execution, delivery or performance of this Agreement by the Pledgor, (ii) the perfection or maintenance of the Lien created hereunder (including the first-priority nature of such Lien), except for the filings referenced in clause 6(c) below which filings remain in the purview of the Pledgee to make and maintain, or (iii) the exercise by the Pledgee of its rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement.

SECTION 6. Further Assurances. (a) Concurrently with the execution of this Agreement, the Pledgor shall cause [each] / [the] Company to duly authorize and execute, and deliver to the Pledgee, an agreement for the benefit of the Pledgee substantially in the form of **Annex A** hereto (appropriately completed to the reasonable satisfaction of the Pledgee and with such modifications, if any, as shall be reasonably satisfactory to the Pledgee).

(b) The Pledgor shall from time to time, at the reasonable expense of the Pledgor, promptly execute and deliver, or otherwise authenticate, all further instruments and documents, and take all further action that may be necessary or desirable, or that the Pledgee may request, to perfect and protect any pledge or Lien granted or purported to be granted by the Pledgor hereunder or to enable the Pledgee to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

(c) The Pledgor hereby authorizes the Pledgee to file one or more financing or continuation statements, and amendments thereto, including one or more financing statements indicating that such financing statements cover the Collateral pledged pursuant hereto. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law. The Pledgor ratifies its authorization for the Pledgee to have filed such financing statements, continuation statements or amendments filed prior to the date hereof which reflect the Collateral pledged pursuant hereto.

SECTION 7. Post-Closing Changes. The Pledgor shall not change its name, type of organization, jurisdiction of organization, organizational identification number, chief executive office or location from those set forth in **Schedule 2** of this Agreement without first giving at least thirty days' prior written notice (or such shorter notice as reasonably accepted by the Pledgee) to the Pledgee and taking all action required by the Pledgee for the purpose of perfecting or protecting the Lien granted by this Agreement. The Pledgor shall not become bound by a security agreement authenticated by another person (determined as provided in Section 9-203(d) of the UCC) without giving the Pledgee at least thirty days' prior written notice thereof and taking all action required by the Pledgee to ensure that the perfection and first-priority nature of the Pledgee's Lien in the Collateral will be maintained. The Pledgor shall hold and preserve its records relating to the Collateral, and shall permit representatives of the Pledgee at any time during normal business hours, without undue interference with the Pledgor's business, to inspect and make abstracts from such records and other documents.

SECTION 8. Voting, etc., While No Event of Default. (a) Unless and until there shall have occurred and be continuing an Event of Default, the Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral owned by it, and to give consents, waivers or ratifications in respect thereof; **provided that**, in each case, no vote shall be cast or any consent, waiver or ratification given or any action taken or omitted to be taken which would violate or be inconsistent with any of the terms of any Loan Document, or which could reasonably be expected to have the effect of impairing the value of the Collateral or any part thereof or the position or interests of the Pledgee in the Collateral unless expressly permitted by the terms of the Loan Documents. All such rights of the Pledgor to vote and to give consents, waivers and ratifications shall cease in case an Event of Default has occurred and is continuing and Section 12 hereof shall become applicable.

(b) Unless and until there shall have occurred and be continuing an Event of Default, all cash dividends, cash distributions, cash proceeds and other cash amounts payable in respect of the Collateral shall be paid to the Pledgor. The Pledgee shall be entitled to receive, and to retain as security as part of the Collateral:

(i) all other or additional limited liability company interests, instruments or other securities or property (including, but not limited to, cash dividends or distributions other than as set forth above in the first sentence of this Section 8(b)) paid or distributed by way of dividend or otherwise in respect of the Collateral; and

(ii) all other or additional limited liability company interests, instruments or other securities or property (including, but not limited to, cash) which may be paid in respect of the Collateral by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate or other reorganization.

All dividends, distributions or other payments which are received by the Pledgor contrary to the provisions of this Section 8(b) shall be received in trust for the benefit of the Pledgee, shall be segregated from other property or funds of the Pledgor and shall be promptly paid over and/or delivered to the Pledgee as Collateral in the same form as so received (with any necessary endorsement).

SECTION 9. Transfers and Other Security Interests. The Pledgor shall not (a) sell, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral, except as otherwise permitted by Section 6.03 of the Credit Agreement or (b) create or suffer to exist any Lien upon or with respect to any of the Collateral except for the pledge, assignment and Liens created by this Agreement and Liens permitted by the Credit Agreement.

SECTION 10. Pledgee Appointed Attorney-in-Fact. The Pledgor hereby irrevocably appoints the Pledgee the Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time, upon the occurrence and during the continuance of an Event of Default, in the Pledgee's discretion, to take any action and to execute any instrument that the Pledgee may deem necessary or advisable to accomplish the purposes of this Agreement, including:

(i) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(ii) to receive, indorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) above; and

(iii) to file any claims or take any action or institute any proceedings that the Pledgee may deem necessary or advisable for the collection of any of the Collateral or otherwise to enforce the rights of the Pledgee with respect to any of the Collateral.

SECTION 11. The Pledgee's Duties. (a) The powers conferred on the Pledgee hereunder are solely to protect the Pledgee's interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Pledgee shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Pledgee has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Pledgee shall be deemed to have exercised reasonable care in the

custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which it accords its own property.

(b) Anything contained herein to the contrary notwithstanding, the Pledgee may from time to time, when the Pledgee deems it to be necessary, appoint one or more agents (each an “**Agent**”) with respect to all or any part of the Collateral. In the event that the Pledgee so appoints any Agent with respect to any Collateral:

(i) the assignment and pledge of such Collateral and the Lien granted in such Collateral by the Pledgor hereunder shall be deemed for purposes of this Agreement to have been made to such Agent, in addition to the Pledgee, as security for the Secured Obligations;

(ii) such Agent shall automatically be vested, in addition to the Pledgee, with all rights, powers, privileges, interests and remedies of the Pledgee hereunder with respect to such Collateral; and

(iii) the term “Pledgee,” when used herein in relation to any rights, powers, privileges, interests and remedies of the Pledgee with respect to such Collateral, shall include such Agent; **provided that** no such Agent shall be authorized to take any action with respect to any such Collateral unless and except to the extent expressly authorized in writing by the Pledgee.

SECTION 12. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Pledgee may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Collateral) and also may:

(i) receive all amounts payable in respect of the Collateral otherwise payable under Section 8(b) hereof to the Pledgor;

(ii) transfer all or any part of the Collateral into the Pledgee’s name or the name of its nominee or nominees;

(iii) vote all or any part of the Collateral (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (the Pledgor hereby irrevocably constituting and appointing the Pledgee the proxy and attorney-in-fact of the Pledgor, with full power of substitution to do so);

(iv) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Pledgee’s offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Pledgee may deem commercially reasonable.

The Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten days’ notice to the Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Pledgee shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Pledgee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the

Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Pledgee may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption.

(b) Any cash held by or on behalf of the Pledgee and all cash proceeds received by or on behalf of the Pledgee in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Pledgee, be held by the Pledgee as collateral for, or then or at any time thereafter applied in whole or in part by the Pledgee against, all or any part of the Secured Obligations.

(c) The Pledgee may, without notice to the Pledgor except as required by law and at any time or from time to time, charge, set-off and otherwise apply all or any part of the Secured Obligations against any funds held as Collateral.

SECTION 13. Registration, etc. If at any time when the Pledgee shall determine to exercise its right to sell all or any part of the Collateral consisting of Limited Liability Company Interests pursuant to Section 12 hereof, and the Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, as then in effect, the Pledgee may, in its sole and absolute discretion, sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Pledgee may deem necessary or advisable in order that such sale may legally be effected without such registration. Without limiting the generality of the foregoing, in any such event the Pledgee, in its sole and absolute discretion:

(i) may proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof shall have been filed under such Securities Act;

(ii) may approach and negotiate with a single possible purchaser to effect such sale;
and

(iii) may restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof.

In the event of any such sale, the Pledgee shall incur no responsibility or liability for selling all or any part of the Collateral at a price which the Pledgee, in its sole and absolute discretion, in good faith deems reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until after registration as aforesaid.

SECTION 14. Remedies Cumulative. Each and every right, power and remedy of the Pledgee provided for in this Agreement or in any other Loan Document, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Pledgee of any one or more of the rights, powers or remedies provided for in this Agreement or any other Loan Document or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Pledgee of all such other rights, powers or remedies, and no failure or delay on the part of the Pledgee to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on the Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Pledgee to any other or further action in any circumstances without notice or demand.

SECTION 15. Amendments, Waivers, etc. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Pledgee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Pledgee to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

SECTION 16. Notices. Unless otherwise expressly provided herein, all notices or other communications under or in respect of this Agreement to any party shall be made in accordance with Section 11.01 of the Credit Agreement.

SECTION 17. Continuing Security Interest; Assignments under the Credit Agreement. (a) This Agreement shall create a continuing Lien in the Collateral and shall (i) remain in full force and effect until the end of the Security Period, (ii) be binding upon the Pledgor, its successors and assigns, and (iii) inure, together with the rights and remedies of the Pledgee hereunder, to the benefit of the Pledgee and its successors, transferees and assigns.

(b) Without limiting the generality of Section 17(a), the Pledgee may assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement as provided in Section 11.04 of the Credit Agreement, and such relevant transferee or assignee shall thereupon become vested with all the benefits in respect thereof granted to the Pledgee herein or otherwise.

SECTION 18. Release. At the end of the Security Period, the Lien granted hereby shall automatically and immediately terminate and all rights to the Collateral shall automatically and immediately revert to the Pledgor. Upon any such termination, the Pledgee will, at the Pledgor's reasonable expense, promptly execute and deliver to the Pledgor such documents as the Pledgor shall reasonably request to evidence such release.

SECTION 19. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 20. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

SECTION 21. Inconsistency between Credit Agreement provisions and this Agreement. This Agreement shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Agreement, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be duly executed and delivered on the date first above written.

**[EAGLE BULK ULTRACO LLC] / [EAGLE BULK SHIPPING INC.], as
PLEDGOR**

By: __ Name:
Title:

Accepted and Agreed:

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Security Trustee, as PLEDGEE

By: __ Name:
Title:

SCHEDULE 1

COMPANIES¹

| <u>Name</u> | <u>Jurisdiction of Formation</u> | <u>Registration Number (or equivalent, if any).</u> | Shares Authorized |
|-----------------------------|--------------------------------------|---|--------------------------|
| NIGHTHAWK SHIPPING LLC | The Republic of the Marshall Islands | 961842 | 100 LLC Shares |
| GANNET SHIPPING LLC | The Republic of the Marshall Islands | 961584 | 100 LLC Shares |
| GREBE SHIPPING LLC | The Republic of the Marshall Islands | 961585 | 100 LLC Shares |
| IBIS SHIPPING LLC | The Republic of the Marshall Islands | 961586 | 100 LLC Shares |
| KINGFISHER SHIPPING LLC | The Republic of the Marshall Islands | 961655 | 100 LLC Shares |
| JAY SHIPPING LLC | The Republic of the Marshall Islands | 961654 | 100 LLC Shares |
| MARTIN SHIPPING LLC | The Republic of the Marshall Islands | 961656 | 100 LLC Shares |
| GOLDEN EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 960908 | 100 LLC Shares |
| IMPERIAL EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 960909 | 100 LLC Shares |
| CAPE TOWN EAGLE LLC | The Republic of the Marshall Islands | 964456 | 100 LLC Shares |
| FAIRFIELD EAGLE LLC | The Republic of the Marshall Islands | 963789 | 100 LLC Shares |
| MYSTIC EAGLE LLC | The Republic of the | 963790 | 100 LLC Shares |

¹ To be split out based on membership interests being pledged- first table for Ultraco pledge over interest in Upstream Guarantors; second table for Parent pledge over interest in Ultraco

| <u>Name</u> | <u>Jurisdiction of Formation</u> | <u>Registration Number (or equivalent, if any)</u> | Shares Authorized |
|----------------------|--------------------------------------|--|--------------------------|
| | Marshall Islands | | |
| SOUTHPORT EAGLE LLC | The Republic of the Marshall Islands | 963786 | 100 LLC Shares |
| STONINGTON EAGLE LLC | The Republic of the Marshall Islands | 963825 | 100 LLC Shares |
| GROTON EAGLE LLC | The Republic of the Marshall Islands | 963826 | 100 LLC Shares |
| ROWAYTON EAGLE LLC | The Republic of the Marshall Islands | 963788 | 100 LLC Shares |
| MADISON EAGLE LLC | The Republic of the Marshall Islands | 963791 | 100 LLC Shares |
| WESTPORT EAGLE LLC | The Republic of the Marshall Islands | 963827 | 100 LLC Shares |
| GREENWICH EAGLE LLC | The Republic of the Marshall Islands | 963787 | 100 LLC Shares |
| NEW LONDON EAGLE LLC | The Republic of the Marshall Islands | 964089 | 100 LLC Shares |
| HAMBURG EAGLE LLC | The Republic of the Marshall Islands | 964288 | 100 LLC Shares |
| SYDNEY EAGLE LLC | The Republic of the Marshall Islands | 964697 | 100 LLC Shares |
| COPENHAGEN EAGLE LLC | The Republic of the Marshall Islands | 964698 | 100 LLC Shares |
| DUBLIN EAGLE LLC | The Republic of the Marshall Islands | 964695 | 100 LLC Shares |
| HONG KONG EAGLE LLC | The Republic of the Marshall Islands | 964721 | 100 LLC Shares |
| SANTOS EAGLE LLC | The Republic of the Marshall Islands | 964696 | 100 LLC Shares |
| SANKATY EAGLE LLC | The Republic of the Marshall Islands | 965107 | 100 LLC Shares |

| <u>Name</u> | <u>Jurisdiction of Formation</u> | <u>Registration Number (or equivalent, if any)</u> | Shares Authorized |
|----------------------------|--------------------------------------|--|--------------------------|
| NEWPORT EAGLE LLC | The Republic of the Marshall Islands | 965108 | 100 LLC Shares |
| MONTAUK EAGLE LLC | The Republic of the Marshall Islands | 965131 | 100 LLC Shares |
| HELSINKI EAGLE LLC | The Republic of the Marshall Islands | 965061 | 100 LLC Shares |
| STOCKHOLM EAGLE LLC | The Republic of the Marshall Islands | 965062 | 100 LLC Shares |
| ROTTERDAM EAGLE LLC | The Republic of the Marshall Islands | 965097 | 100 LLC Shares |
| CRESTED EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 961008 | 100 LLC Shares |
| STELLAR EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 961061 | 100 LLC Shares |
| CROWNED EAGLE SHIPPING LLC | The Republic of the Marshall Islands | 961009 | 100 LLC Shares |
| BITTERN SHIPPING LLC | The Republic of the Marshall Islands | 961510 | 100 LLC Shares |
| CANARY SHIPPING LLC | The Republic of the Marshall Islands | 961511 | 100 LLC Shares |
| CRANE SHIPPING LLC | The Republic of the Marshall Islands | 961536 | 100 LLC Shares |
| EGRET SHIPPING LLC | The Republic of the Marshall Islands | 961537 | 100 LLC Shares |
| ORIOLE SHIPPING LLC | The Republic of the Marshall Islands | 960848 | 100 LLC Shares |
| OWL SHIPPING LLC | The Republic of the Marshall Islands | 961886 | 100 LLC Shares |
| PUFFIN SHIPPING LLC | The Republic of the Marshall Islands | 961147 | 100 LLC Shares |

| <u>Name</u> | <u>Jurisdiction of Formation</u> | <u>Registration Number (or equivalent, if any)</u> | Shares Authorized |
|-------------------------|--------------------------------------|--|--------------------------|
| PETREL SHIPPING LLC | The Republic of the Marshall Islands | 961146 | 100 LLC Shares |
| ROADRUNNER SHIPPING LLC | The Republic of the Marshall Islands | 961148 | 100 LLC Shares |
| SANDPIPER SHIPPING LLC | The Republic of the Marshall Islands | 961149 | 100 LLC Shares |
| OSLO EAGLE LLC | The Republic of the Marshall Islands | 965024 | 100 LLC Shares |
| STAMFORD EAGLE LLC | The Republic of the Marshall Islands | 963701 | 100 LLC Shares |
| SHANGHAI EAGLE LLC | The Republic of the Marshall Islands | 964722 | 100 LLC Shares |
| SINGAPORE EAGLE LLC | The Republic of the Marshall Islands | 963722 | 100 LLC Shares |

| <u>Name</u> | <u>Jurisdiction of Formation</u> | <u>Registration Number (or equivalent, if any)</u> | Shares Authorized |
|------------------------|--------------------------------------|--|--------------------------|
| EAGLE BULK ULTRACO LLC | The Republic of the Marshall Islands | 963776 | 100 LLC Shares |

CHIEF EXECUTIVE OFFICE, NAME, TYPE OF ORGANIZATION, JURISDICTION OF ORGANIZATION, ORGANIZATIONAL IDENTIFICATION NUMBER, AND LOCATION

| Name | Type of Organization | Jurisdiction of Organization | Organizational I.D. No. | Chief Executive Office | Location |
|---|---|--------------------------------------|-------------------------|--|-------------------|
| [Eagle Bulk Ultraco LLC] / [EAGLE BULK SHIPPING INC.] | [Limited Liability Company] [Corporation] | The Republic of the Marshall Islands | [] | [c/o Eagle Bulk Shipping Inc. 300 Stamford Place, Stamford, CT 06902] | [Connecticut] |

AGREEMENT (as amended, modified or supplemented from time to time, this “**Agreement**”), dated as of __, 20__ among [EAGLE BULK ULTRACO LLC] / [EAGLE BULK SHIPPING INC.] (the “**Pledgor**”), CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK in its capacity as Security Trustee (the “**Pledgee**”), and [] [SHIPPING] / [EAGLE] LLC, as the issuer of the Limited Liability Company Interests (as defined below) (the “**Company**”).

W I T N E S S E T H :

WHEREAS, the Pledgor and the Pledgee have entered into a Pledge and Security Agreement dated [], 2021 (as amended, restated, supplemented or otherwise modified from time to time, the “**Pledge Agreement**”), under which, among other things, in order to secure the payment of the Secured Obligations (as defined in the Pledge Agreement), the Pledgor has pledged and granted to the Pledgee, a first priority security interest in favor of the Pledgee in, all of the right, title and interest of the Pledgor in and to any and all Limited Liability Company Interests (as defined in the Pledge Agreement) issued from time to time by the Company, whether now existing or hereafter from time to time acquired by the Pledgor (with all of such Limited Liability Company Interests being herein collectively called the “**Company Pledged Interests**”); and

WHEREAS, the Pledgor desires the Company to enter into this Agreement in order to protect the security interest of the Pledgee under the Pledge Agreement in the Company Pledged Interests, to vest in the Pledgee control of the Company Pledged Interests and to provide for the rights of the parties under this Agreement;

NOW THEREFORE, in consideration of the premises and the mutual promises and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Pledgor hereby irrevocably authorizes and directs the Company, and the Company hereby agrees, after the Company receives a notice from the Pledgee stating that an “Event of Default” has occurred and is continuing, (a) to comply with any and all instructions and orders originated by the Pledgee (and its successors and assigns) regarding any and all of the Company Pledged Interests without the further consent by the Pledgor, and (b) not to comply with any instructions or orders regarding any or all of the Company Pledged Interests originated by any person or entity other than the Pledgee (and its successors and assigns) or a court of competent jurisdiction.

2. The Company hereby certifies that (i) no notice of any security interest or other encumbrance or claim affecting the Company Pledged Interests (other than the Lien of the Pledgee) has been received by it, and (ii) the security interest of the Pledgee in the Limited Liability Company Interests has been registered in the books and records of the Company. The Company hereby certifies that the Limited Liability Company Interests are in uncertificated form and hereby agrees that the Limited Liability Company Interests shall remain in uncertificated form at all times during the existence of the Pledge Agreement.

3. The Company hereby represents and warrants that (i) the pledge by the Pledgor of, and the granting by the Pledgor of a security interest in, the Company Pledged Interests to the Pledgee does not violate the membership agreement or any other agreement governing the Company or the Company Pledged Interests, and (ii) the Company Pledged Interests are fully paid and nonassessable.

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4. All notices, statements of accounts, reports, prospectuses, financial statements and, after an Event of Default, other communications to be sent to the Pledgor by the Company in respect of the Company will also be sent to the Pledgee at the address set forth in Paragraph 6 below.

5. Until the Pledgee shall have delivered written notice to the Company that all of the Secured Obligations have been paid in full and this Agreement is terminated, the Company will, upon receiving notice from the Pledgee stating that an "Event of Default" has occurred and is continuing, send any and all redemptions, distributions, interest or other payments in respect of the Company Pledged Interests from the Company for the account of the Pledgor only by wire transfers to such account as the Pledgee shall instruct.

6. Except as expressly provided otherwise in Sections 4 and 5, all notices or other communications under or in respect of this Agreement to any party hereto shall be in writing (that is by letter or telefacsimile or Email) and shall be deemed to be duly given or made when delivered (in the case of personal delivery or letter) and when dispatched (in the case of facsimile or an Email) to such party addressed to it at the address appearing below (or at such address as such party may hereafter specify for such purpose to the other by notice in writing):

(a) if to the Pledgor:

c/o Eagle Shipping International (USA) LLC 300 First Stamford Place
Stamford, CT 06902
Email: fdecostanzo@eagleships.com

(b) if to the Pledgee:

Crédit Agricole Corporate and Investment Bank Asset Finance Groups –

Ship Finance

12 Place des Etats-Unis

CS 70052

92547 Montrouge Cedex, France

Attn : Agency and Middle-Office for Shipping Telephone: +33 1 41899805 /

+33 1 41898696

Email: cyprien.foulfoin@ca-cib.com / rosine.serra-joannides@ca-cib.com

Crédit Agricole Corporate and Investment Bank 1301 Avenue of the Americas

New York, New York 10019 United States

Attn: George Gkanasoulis / Manon Didier Telephone: +1 212 261 3869 / +1

212 261 3962

Email: George.GKANASOULIS@ca-cib.com / manon.didier@ca-cib.com / NYShipFinance@ca-cib.com

A notice or other communication received on a non-working day or after business hours in the place of receipt, shall be deemed to be served on the next following working day in such place.

7. This Agreement shall be binding upon the successors and assigns of the Pledgor and the Company and shall inure to the benefit of and be enforceable by the Pledgee and its successors and assigns. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Agreement shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Agreement which shall remain binding on all parties hereto. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in writing signed by the Pledgee, the Company and the Pledgor.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

9. This Agreement shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Agreement, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Pledgor, the Pledgee and the Company have caused this Agreement to be executed by their representatives duly authorized as of the date first above written.

[EAGLE BULK ULTRACO LLC] / [EAGLE BULK SHIPPING INC.], as PLEDGOR

By: __ Name:
Title:

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as
PLEDGEE**

By: __ Name:
Title:

[] [SHIPPING / EAGLE] / [EAGLE BULK ULTRACO] LLC, as COMPANY

By: __ Name:
Title:

102976368.5

FORM OF VESSEL MORTGAGE

103081194.6

Date: __, 20

[] [SHIPPING / EAGLE] LLC
as Owner

- and -

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
in its capacity as Security Trustee as Mortgagee

FORM OF FIRST PREFERRED MARSHALL ISLANDS MORTGAGE

“[NAME OF VESSEL]”

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THIS FIRST PREFERRED MORTGAGE is made on __, 20__

BY

- (1) [] **[SHIPPING / EAGLE] LLC**, a limited liability company formed under the laws of the Republic of The Marshall Islands, whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the “**Owner**”),

IN FAVOR OF

- (2) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK**, acting through its office at 12 Place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, in its capacity as Security Trustee (hereinafter the “**Mortgagee**”, which expression includes its successors and assigns) for the Finance Parties (as defined in the Credit Agreement).

BACKGROUND

- (A) The Owner is the sole owner of the whole of the vessel “[]” registered under the laws and flag of the Republic of The Marshall Islands with Official Number [].
- (B) By a Credit Agreement dated of as [], 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among, *inter alios*, (i) Eagle Bulk Ultraco LLC, a Marshall Islands limited liability company, as borrower (the “**Borrower**”), (ii) the Owner, Eagle Bulk Shipping Inc. and the other parties named therein, as joint and several guarantors (collectively, the “**Guarantors**”), (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the “**Lenders**”), (iv) the banks and financial institutions named therein as swap banks (together with their successors and assigns, the “**Swap Banks**”), (v) the Mortgagee, and (vi) Crédit Agricole Corporate and Investment Bank as Facility Agent (together with its successors and assigns, the “**Facility Agent**”), the Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$300,000,000 and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 on the terms and conditions stated therein. A copy of the Credit Agreement without appendices is annexed to this Mortgage as **Exhibit A** and made a part hereof.
- (C) [The Borrower may from time to time enter into a Secured Swap Contract, on the 2002 ISDA Master Agreement form, with the Swap Banks, and may in the future enter into Transactions, each of which shall be evidenced by a Confirmation (as such terms are defined in the relevant Secured Swap Contract) providing for, among other things, the payment of certain amounts by the Borrower to the Swap Banks. As of the date hereof, the Owner and the Mortgagee agree that the net aggregate amount in relation to the Secured Swap Contracts secured by the Mortgage is [] United States Dollars (US\$[]) (the “**Swap Exposure**”).]¹
- (D) Pursuant to Article VIII of the Credit Agreement, the Owner and the other Guarantors jointly and severally guaranteed all of the Guaranteed Obligations (as defined in the Credit Agreement), which

¹ Subject to revision pending timing of any Master Agreements, including attachment of any such Master Agreements as Exhibits hereto.

obligations include the obligations of the Borrower under the Secured Swap Contracts.

- (E) Pursuant to Section 10.01(b) of the Credit Agreement, it was agreed that the Mortgagee would hold this Mortgage for the benefit of the Finance Parties.
- (F) Pursuant to the Credit Agreement, the Owner has agreed to execute and deliver this Mortgage, which is one of the Vessel Mortgages referred to in the Credit Agreement, in favor of the Mortgagee, in its capacity as Security Trustee, as security for the Secured Obligations and for its performance and observance of and compliance with its covenants, terms and conditions contained in the Loan Documents to which the Owner is or is to be a party.
- (G) The Owner has authorized the execution and delivery of this Mortgage under and pursuant to Chapter 3 of the Republic of The Marshall Islands Maritime Act 1990 as amended.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Defined expressions. Words and expressions defined in the Credit Agreement shall have the same meanings when used in this Mortgage unless the context otherwise requires.

1.2 Definitions. In this Mortgage, unless the contrary intention appears:

“**Secured Obligations**” means all liabilities which the Owner has, at the date of this Mortgage or at any later time or times, under or in connection with any Loan Document to which the Owner is or is to be a party or any judgment relating to any such Loan Documents; and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country;

“**Security Period**” means the period commencing on the date hereof and ending on the date that all amounts which have become due for payment by the Borrower or any Security Party under the Loan Documents and the Secured Swap Contracts have been paid, no amount is owing or has accrued under any Loan Document or any Secured Swap Contract and none of the Security Parties has any future or contingent liability under the Loan Documents and the Secured Swap Contracts (of which the Facility Agent has given the Borrower notice) (both dates inclusive); and

“**Vessel**” means the vessel described in Recital (A) and includes its engines, machinery, boats, tackle, outfit, spare gear (if property of the Owner), fuel, consumable or other stores, belongings and appurtenances whether on board or ashore and whether now owned or later acquired.

1.3 Application of construction and interpretation provisions of Credit Agreement. Sections 1.02 and 1.03 of the Credit Agreement apply, with any necessary modifications, to this Mortgage.

1.4 Inconsistency between Credit Agreement provisions and this Mortgage. This Mortgage shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Mortgage, the provisions of the Credit Agreement shall prevail to the extent permitted by Marshall Islands law.

2 COVENANT TO PAY AND PERFORM

- 2.1 Covenant to pay.** The Owner shall duly and punctually pay and discharge the Secured Obligations in the manner provided for in the Loan Documents to which it is a party.
- 2.2 Covenant to perform.** The Owner covenants with the Mortgagee to observe and perform all its obligations to the Mortgagee and the other Finance Parties or any of them under the Loan Documents to which it is a party.

3 MORTGAGE

- 3.1 Mortgage.** In consideration of the premises and other good and valuable consideration, the Owner grants, conveys, mortgages, pledges, confirms, assigns, transfers and sets over the whole of the Vessel to the Mortgagee as a continuing security for the due and punctual payment and discharge by the Owner of the Secured Obligations under Clause 2.1 and the observation and performance by the Owner of all its obligations under Clause 2.2.
- 3.2 Extent of property mortgaged.** This Mortgage shall not cover property other than the Vessel as the term “vessel” is used in Sub-division 2 of Section 308 of Chapter 3 of the Republic of The Marshall Islands Maritime Act 1990 as amended.
- 3.3 Void provisions.** Any provision of this Mortgage construed as waiving the preferred status of this Mortgage shall, to such extent, be void and of no effect.
- 3.4 Continuing and additional security.**
- (a) This Mortgage shall remain in force until the end of the Security Period as a continuing security for the Secured Obligations and, in particular:
- (i) the Liens created by Clause 3.1 will extend to the ultimate balance of all sums payable by the Owner under the Loan Documents to which it is a party, regardless of any intermediate payment or discharge in part;
 - (ii) the Liens created by Clause 3.1, and the rights of the Mortgagee under this Mortgage, are only capable of being extinguished, limited or otherwise adversely affected by an express and specific term in a document signed by or on behalf of the Mortgagee; and
 - (iii) no failure or delay by or on behalf of the Mortgagee to enforce or exercise a Lien created by Clause 3.1 or a right of the Mortgagee under this Mortgage, and no act, course of conduct, acquiescence or failure to act (or to prevent the Owner from taking certain action) which is inconsistent with such a Lien or such a right shall preclude or estop the Mortgagee (either permanently or temporarily) from enforcing or exercising it.
- (b) This Mortgage is in addition to and is not in any way prejudiced by, and shall not prejudice any other guarantee or Collateral or any other right of recourse now or subsequently held by any Finance Party or any right of set-off or netting or rights to combine accounts in connection with the Loan Documents.
- 3.5 Principal and independent debtor.** The Owner shall be liable under this Mortgage as a principal and independent debtor and accordingly it shall not have, as regards this Mortgage, any of the rights or defenses of a surety.

3.6 Waiver of rights and defenses. Without limiting the generality of Clause 3.5, the Owner shall neither be discharged by, nor have any claim against any Finance Party in respect of:

- (a) any amendment or supplement being made to any Loan Document;
- (b) any arrangement or concession (including a rescheduling or acceptance of partial payments) relating to, or affecting, any Loan Document;
- (c) any release or loss (even though negligent) of any right or Lien created by the Loan Documents;
- (d) any failure (even though negligent) promptly or properly to exercise or enforce any such right or Lien, including a failure to realize for its full market value an asset covered by such a Lien; or
- (e) any other Loan Document or any Lien now being or later becoming void, unenforceable, illegal or invalid or otherwise defective for any reason, including a neglect to register it.

3.7 Subordination of rights of Owner. All rights which the Owner at any time has (whether in respect of this Mortgage or any other transaction) against the Borrower, any other Security Party or their respective assets shall be fully subordinated to the rights of the Finance Parties under the Loan Documents; and in particular, the Owner shall not:

- (a) claim, or in a bankruptcy of the Borrower or any other Security Party prove for, any amount payable to the Owner by the Borrower or any other Security Party, whether in respect of this Mortgage or any other transaction;
- (b) take or enforce any Lien for any such amount;
- (c) claim to set-off any such amount against any amount payable by the Owner to the Borrower or any other Security Party; or
- (d) claim any subrogation or other right in respect of any Loan Document or any sum received or recovered by any Finance Party under a Loan Document.

3.8 No obligations imposed on Mortgagee. The Owner shall remain liable to perform all obligations connected with the Vessel and the Mortgagee shall not, in any circumstances, have or incur any obligation of any kind in connection with the Vessel.

3.9 Release of security. At the end of the Security Period, the Mortgagee shall, at the request and cost of the Owner, promptly discharge this Mortgage and execute and deliver, at the reasonable expense of the Owner, such documents and instruments, and take such action, reasonably requested by the Owner to evidence such discharge.

4 COVENANTS

4.1 General. The Owner shall comply with the following provisions of this Clause 4 at all times during the Security Period except as the Mortgagee may otherwise permit in writing.

4.2 Insurance and Vessel covenants. The Owner shall comply with the following provisions of the Credit Agreement relating to the Vessel, all of which are expressly incorporated in this Mortgage with any necessary modifications:

Section 5.02(e); Section 5.02(f) Section 5.05(f);

Section 5.05(g); Section 5.05(h); Section 5.05(i);

Section 5.05(j); Section 5.05(k);

Section 5.09, Insurances;

Section 5.10, Insurance Documentation; Letters of Undertaking; Certificates; Section 5.11, Mortgagee's Insurance;

Section 5.15, Vessel Registration; Section 5.16, Vessel Repair;

Section 5.17, Classification Society Instructions and Undertakings; Section 5.18, Charters; Charter

Assignments; Assignments of Earnings; Section 5.19, Compliance with Laws;

Section 5.21, Environmental Matters; Section 5.23, Inspection

Rights; Section 5.24, Surveys;

Section 5.25, Notice of Mortgages; Section 5.26, Green Passport;

Section 5.28, Prevention of and Release from Arrest; Section 5.34, Scrapping;

Section 6.02, Liens;

Section 6.12, Restriction on Chartering; Section 6.13, Lawful Use;

Section 6.14, Approved Manager;

Section 6.15, Insurances; and

Section 6.16, Modification; Removal of Parts.

4.3 Perfection of Mortgage. The Owner shall:

- (a) comply with and satisfy all the requirements and formalities established by the Republic of The Marshall Islands Maritime Act 1990 as amended and any other pertinent legislation of the Republic of The Marshall Islands to perfect this Mortgage as a legal, valid and enforceable first preferred mortgage and maritime lien upon the Vessel; and
- (b) upon the Mortgagee's reasonable request, provide the Mortgagee from time to time with evidence in such form as the Mortgagee requires that the Owner is complying with Clause 4.3(a).

4.4 Notice of Mortgage. The Owner shall:

- (a) carry on board the Vessel with its papers a certified copy of this Mortgage and cause that certified copy of this Mortgage to be exhibited to any person having business with the Vessel which might give rise to a lien on the Vessel other than a lien for crew's wages and salvage and to any representative of the Mortgagee on demand; and
- (b) place and maintain in a conspicuous place in the navigation room and the Master's cabin of the Vessel a framed printed notice in plain type in English of such size that the paragraph of reading matter shall cover a space not less than 6 inches wide and 9 inches high reading as follows:

"NOTICE OF MORTGAGE

This Vessel is covered by a First Preferred Mortgage to CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK in its capacity as Security Trustee, as Mortgagee under authority of Chapter 3 of the Republic of The Marshall Islands Maritime Act 1990 as amended. Under the terms of the said Mortgage neither the Owner nor any Charterer nor the Master of this Vessel nor any other person has any right, power or authority to create, incur or permit to be imposed upon this Vessel any lien whatsoever other than for crew's wages and salvage."

5 PROTECTION OF SECURITY

5.1 Mortgagee's right to protect or maintain security. The Mortgagee may, but shall not be obliged to, take any action which it may think fit for the purpose of protecting or maintaining the security created by this Mortgage or for any similar or related purpose.

5.2 Mortgagee's right to insure, repair etc. Without limiting the generality of Clause 5.1, if the Owner does not comply with Clause 4, the Mortgagee may:

- (a) effect, replace and renew any Insurances;
- (b) arrange for the carrying out of such surveys and/or repairs of the Vessel as it deems expedient or necessary; and

- (c) discharge any liabilities charged on the Vessel, or otherwise relating to or affecting it, and/or take any measures which the Mortgagee may think expedient or necessary for the purpose of securing its release.

6 ENFORCEABILITY AND MORTGAGEE'S POWERS

6.1 Right to enforce security. If an Event of Default occurs and is continuing and irrespective of whether a notice has been served under Section 9.01 of the Credit Agreement and without the necessity for the Mortgagee to serve any notice or take any other action or for any court order in any jurisdiction to the effect that an Event of Default has occurred and is continuing or that the Lien constituted by this Mortgage has become enforceable:

- (a) the Lien constituted by this Mortgage shall immediately become enforceable;
- (b) the Mortgagee shall be entitled at any time or times to exercise the powers set out in Clause 6.2 and in any other Loan Document;
- (c) the Mortgagee shall be entitled at any time or times to exercise the powers possessed by it as mortgagee of the Vessel conferred by the law of any country or territory the courts of which have or claim any jurisdiction in respect of the Owner or the Vessel; and
- (d) the Mortgagee shall be entitled to exercise all the rights and remedies in foreclosure and otherwise given to mortgagees by applicable law including the provisions of Chapter 3 of the Republic of The Marshall Islands Maritime Act 1990 as amended.

6.2 Right to take possession, sell etc. If the Lien constituted by this Mortgage has become enforceable, the Mortgagee shall be entitled then or at any later time or times:

- (a) to take possession of the Vessel whether actually or constructively and/or otherwise to take control of the Vessel wherever the Vessel may be and cause the Owner or any other person in possession of the Vessel forthwith upon demand to surrender the Vessel to the Mortgagee without legal process and without the Mortgagee or any other Finance Party being liable for any losses thereby caused or to account to the Owner in connection therewith unless any such loss is caused by the Mortgagee's gross negligence, fraud or willful misconduct;
- (b) to sell the Vessel with or without prior notice to the Owner, and with or without the benefit of any charterparty or other contract for its employment, by public auction or private contract at any time, at any place and upon any terms (including, without limitation, on terms that all or any part or parts of the purchase price be satisfied by shares, loan stock or other securities and/or be left outstanding as a debt, whether secured or unsecured and whether carrying interest or not) which the Mortgagee may think fit, with power for the Mortgagee to purchase the Vessel at any such public auction and to set off the purchase price against all or any part of the Secured Obligations;
- (c) to manage, insure, maintain and repair the Vessel and to charter, employ, lay up or in any other manner whatsoever deal with the Vessel, upon any terms and for any period which the Mortgagee may think fit, in all respects as if the Mortgagee were the owner of the Vessel and without the Mortgagee or any other Finance Party being responsible for any loss thereby incurred unless any such loss is caused by the Mortgagee's gross negligence, fraud or willful misconduct;

- (d) to collect, recover and give good discharge for any moneys or claims arising in relation to the Vessel and to permit any brokers through whom collection or recovery is effected to charge the usual brokerage therefor;
- (e) to take over or commence or defend (if necessary using the name of the Owner) any claims or proceedings relating to, or affecting, the Vessel which the Mortgagee may think fit and to abandon, release or settle in any way any such claims or proceedings; and
- (f) generally, to enter into any transaction or arrangement of any kind and to do anything in relation to the Vessel which the Mortgagee may think fit.

6.3 No liability of Mortgagee.

- (a) The Mortgagee shall not be obliged to check the nature or sufficiency of any payment received by it under this Mortgage or to preserve, exercise or enforce any right relating to the Vessel.
- (b) In addition to, and without limiting, any exclusion or limitation of liability of any Finance Party under any Loan Document, the Mortgagee shall not have any liability to any Security Party:
 - (i) for any loss caused by an exercise of, or failure to exercise, rights under or enforcement of, or failure to enforce any Lien created by this Mortgage;
 - (ii) as mortgagee-in-possession or otherwise, to account for any income or principal amount which might have been produced or realized from the Vessel; or
 - (iii) as mortgagee-in-possession or otherwise, for any reduction in the value of the Vessel, unless such reduction is caused by the Mortgagee's gross negligence, fraud or willful misconduct.

6.4 No requirement to commence proceedings against Borrower. Neither the Mortgagee nor any other Finance Party will need to commence any proceedings under, or enforce any Lien created by, the Credit Agreement or any other Loan Document or Secured Swap Contract before commencing proceedings under, or enforcing any Lien created by, this Mortgage.

6.5 Suspense account. The Mortgagee may, for the purpose of claiming or proving in a bankruptcy of the Borrower or any other Security Party, place any sum received or recovered under or by virtue of this Mortgage or any Lien connected with it on a separate suspense or other nominal account without applying it in satisfaction of the Borrower's obligations under the Credit Agreement.

7 APPLICATION OF MONEYS

7.1 General. All sums received by the Mortgagee:

- (a) in respect of a sale of the Vessel;
- (b) in respect of net profits arising out of the employment of the Vessel pursuant to Clause 6.2(c); or
- (c) in respect of any other transaction or arrangement under Clauses 6.1 or 6.2, shall be held by the Mortgagee upon trust:

- (i) **first** to pay or discharge any expenses or liabilities (including any interest) which have been paid or incurred by the Mortgagee in or in connection with the exercise of its powers under the Mortgage; and
- (ii) **second** to pay the balance over to the Facility Agent for application in accordance with Section 9.02 of the Credit Agreement.

8 FURTHER ASSURANCES

8.1 Owner's obligation to execute further documents etc. The Owner shall:

- (a) execute and deliver to the Mortgagee (or as it may direct) any assignment, mortgage, power of attorney, proxy or other document as the Mortgagee may, in any particular case, reasonably specify; and
- (b) effect any registration or notarization, give any notice or take any other step,

which the Mortgagee may, by notice to the Owner, reasonably specify for any of the purposes described in Clause 8.2 or for any similar or related purpose.

8.2 Purposes of further assurances. The purposes referred to in Clause 8.1 are:

- (a) validly and effectively to create any Lien or right of any kind which the Mortgagee intended should be created by or pursuant to this Mortgage or any other Loan Document;
- (b) to protect the priority or effectiveness, in any jurisdiction of any Lien which is created, or which the Mortgagee intended should be created, by or pursuant to this Mortgage or any other Loan Document;
- (c) if an Event of Default occurs and is continuing, to enable or assist the Mortgagee to sell or otherwise deal with the Vessel, to transfer title to, or grant any interest or right relating to, the Vessel or to exercise any power which is referred to in Clauses 6.1 or 6.2 or which is conferred by any Loan Document; or
- (d) if an Event of Default occurs and is continuing, to enable or assist the Mortgagee to enter into any transaction to commence, defend or conduct any proceedings and/or to take any other action relating to the Vessel in any country or under the law of any country.

8.3 Terms of further assurances. The Mortgagee may specify the terms of any document to be executed by the Owner under Clause 8.1, and those terms may include any covenants, undertakings, powers and provisions which the Mortgagee reasonably considers appropriate to protect its, and any other Finance Party's, interests.

8.4 Obligation to comply with notice. The Owner shall comply with a notice under Clause 8.1 by the date specified in the notice.

8.5 Additional corporate action. At the same time as the Owner delivers to the Mortgagee any document executed under Clause 8.1(a), the Owner shall also deliver to the Mortgagee a certificate signed by the sole member of the Owner which shall:

- (a) set out the text of a resolution of the sole member of the Owner (or equivalent governing body) specifically authorizing the execution of the document specified by the Mortgagee; and
- (b) state that the resolution was duly adopted by the sole member of the Owner (or equivalent governing body) and is valid under the Owner's constitutional documents.

9 POWER OF ATTORNEY

9.1 Appointment. For the purpose of securing the Mortgagee's interest in the Vessel and the due and punctual performance of the Owner's obligations to the Mortgagee under this Mortgage and every other Loan Document to which the Owner is or is to be a party, the Owner irrevocably and by way of security appoints (with full power of substitution) the Mortgagee as its attorney-in-fact:

- (a) to do all acts and execute or sign all documents which the Owner itself can do and execute in relation to the Vessel including, without limitation, all acts and documents necessary to sell the Vessel by such means and on such terms as the Mortgagee may determine; and
- (b) to do all acts and things and execute or sign all documents which the Owner is obliged to do, execute or sign under this Mortgage and the other Loan Documents and which it has failed so to do, execute or sign immediately upon the Mortgagee's first written demand.

The power of attorney constituted by this Clause 9.1 shall be exercisable only on the occurrence and during the continuance of an Event of Default.

9.2 General power of attorney. The power of attorney constituted by Clause 9.1 shall be a general power of attorney.

9.3 Ratification. The Owner ratifies and confirms, and agrees to ratify and confirm, any act, deed or document which the Mortgagee (or any substitute) does or executes pursuant to its terms.

9.4 Conclusiveness of exercise. The exercise of the power of attorney constituted by Clause 9.1 shall not put any person dealing with the Mortgagee (or any substitute) on enquiry whether, by its terms, the power of attorney is exercisable and the exercise by the Mortgagee (or any substitute) of its powers shall, as between the Mortgagee (or any substitute) and any third party, be conclusive evidence of the Mortgagee's right (or the right of any substitute) to exercise the same.

9.5 Delegation. The Mortgagee may delegate to any person or persons all or any of the powers and discretions conferred on the Mortgagee by Clause 9.1 and may do so on terms authorizing successive sub-delegations.

9.6 Duration. The power of attorney constituted by Clause 9.1 shall be granted for the duration of the Security Period.

10 INCORPORATION OF CREDIT AGREEMENT PROVISIONS

10.1 Incorporation of specific provisions. The following provisions of the Credit Agreement apply to this Mortgage as if they were expressly incorporated in this Mortgage with any necessary modifications:

Section, 2.16, Taxes

Section 11.01, Notices; Public Information; Section 11.02, Waivers;

Amendments;

Section 11.06, Counterparts; Integration; Effectiveness; Electronic Execution Section 11.07, Severability; and

Section 11.08, Right of Setoff

10.2 Incorporation of general provisions. Clause 10.1 is without prejudice to the application to this Mortgage of any provision of the Credit Agreement which, by its terms, applies or relates to the Loan Documents generally or this Mortgage specifically.

11 ASSIGNMENT

11.1 Assignment and transfer by Mortgagee. The Mortgagee may assign its rights, or transfer any of its rights and obligations, under and in connection with this Mortgage in accordance with the provisions of the Credit Agreement.

12 TOTAL AMOUNT, ETC.

12.1 Total amount. For the purpose of recording this Mortgage as required by Chapter 3 of the Republic of The Marshall Islands Maritime Act 1990 as amended, the total amount of the direct and contingent obligations secured by this Mortgage is \$[] comprised of (i) \$[400,000,000] in respect of the Facility and (ii) \$[] in respect of the Swap Exposure, together with interest, costs, fees, commissions and performance of mortgage covenants. The date of maturity of this Mortgage is on demand and there is no separate discharge amount.

13 SUPPLEMENTAL

13.1 No restriction on other rights. Nothing in this Mortgage shall be taken to exclude or restrict any power, right or remedy which the Mortgagee or any other Finance Party may at any time have under:

- (a) any other Loan Document; or
- (b) the law of any country or territory the courts of which have or claim any jurisdiction in respect of the Owner or the Vessel.

13.2 Exercise of other rights. The Mortgagee may exercise any right under this Mortgage before it or any other Finance Party has exercised any right referred to in Clause 13.1(a) or (b).

13.3 Invalidity of Credit Agreement. In the event of:

- (a) the Credit Agreement now being or later becoming void, illegal, unenforceable or otherwise invalid for any reason whatsoever; or
- (b) a bankruptcy of the Owner, the introduction of any law or any other matter resulting in the Owner being discharged from liability under the Credit Agreement, or the Credit Agreement ceasing to operate (for example, by interest ceasing to accrue);

this Mortgage shall cover any amount which would have been or become payable under or in connection with the Credit Agreement if the Credit Agreement had been and remained entirely valid and enforceable and the Owner had remained fully liable under it; and references in this Mortgage to amounts payable by the Owner under or in connection with the Credit Agreement shall include references to any amount which would have so been or become payable as aforesaid.

13.4 Invalidity of Loan Documents. Clause 13.3 also applies to each of the other Loan Documents to which the Owner is a party.

13.5 Settlement or discharge conditional. Any settlement or discharge under this Mortgage between the Mortgagee and the Owner shall be conditional upon no security or payment to the Mortgagee or any other Finance Party by the Owner or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

14 LAW AND JURISDICTION

14.1 Marshall Islands law. This Mortgage shall be governed by, and construed in accordance with, Marshall Islands law.

14.2 Choice of forum. The Mortgagee reserves the rights:

- (a) to commence proceedings in relation to any matter which arises out of or in connection with this Mortgage in the courts of any country which have or claim jurisdiction to that matter; and
- (b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in the Marshall Islands or without commencing proceedings in the Marshall Islands.

14.3 Action against Vessel. The rights referred to in Clause 14.2 include the right of the Mortgagee to arrest and take action against the Vessel at whatever place the Vessel shall be found lying and for the purpose of any action which the Mortgagee may bring before the courts of that jurisdiction or other judicial authority and for the purpose of any action which the Mortgagee may bring against the Vessel, any writ, notice, judgment or other legal process or documents may (without prejudice to any other method of service under applicable law) be served upon the Master of the Vessel (or upon anyone acting as the Master) and such service shall be deemed good service on the Owner for all purposes.

14.4 Mortgagee's rights unaffected. Nothing in this Clause 14 shall exclude or limit any right which the Mortgagee may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

14.5 Meaning of "proceedings". In this Clause 14, "proceedings" means proceedings of any kind, including an application for a provisional or protective measure.

EXECUTION

THIS MORTGAGE has been executed by the duly authorized [Attorney-in-Fact] of the Owner on the date stated at the beginning of this Mortgage.

[] [SHIPPING / EAGLE] LLC

By:
Name:
Title:

ACKNOWLEDGEMENT OF MORTGAGE

STATE OF NEW YORK)
) S.S.
COUNTY OF NEW YORK)

On this day of ___ before me personally appeared [] to me known who being by me duly sworn did depose and say that he/she resides at [] that he/she is an attorney-in-fact for [] [SHIPPING / EAGLE] LLC the limited liability company described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of said limited liability company.

Notary Public/ Special Agent

EXHIBIT A CREDIT AGREEMENT

102973514.5

[Signature Page – Mortgage]

FORM OF NOTE

103081194.6

FORM OF NOTE
[(Term Facility)][(Revolving Facility)]

FOR VALUE RECEIVED, the undersigned, EAGLE BULK ULTRACO LLC, a Marshall Islands limited liability company (the “**Borrower**”), HEREBY PROMISES TO PAY CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK in its capacity as facility agent (in such capacity, the “**Facility Agent**”, which expression includes its successors or assigns) for the Lenders under the Credit Agreement referred to below, the principal sum of [] (U.S. \$[]), or, if less, the then aggregate amount of all Loans made by the Lenders under the [Term/Revolving] Facility pursuant to the Credit Agreement, and to pay interest on the outstanding principal amount of this Note on the dates and at the rates specified in the Credit Agreement. All payments due to the Lenders hereunder shall be made to the Facility Agent at the place, in the type of money and funds and in the manner specified in such Credit Agreement. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement referred to below.

The holder hereof is authorized to endorse on the grid attached hereto and forming a part hereof, or on a continuation thereof, appropriate notations evidencing the Loans made by such holder and the date and amount of each principal payment or repayment with respect thereto.

The Borrower hereby waives presentment, demand, protest, notice of dishonor and notice of intent to accelerate.

This Note is one of the Notes referred to in, and is subject to and entitled to the benefits of, the Credit Agreement dated as of [], 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among, *inter alios*, (i) the Borrower

(ii) Eagle Bulk Shipping Inc. and the parties named therein, as joint and several guarantors, (iii) the banks and financial institutions named therein as lenders (the “**Lenders**”), (iv) the banks and financial institutions named therein as swap banks, (v) Crédit Agricole Corporate and Investment Bank as security trustee, and (vi) Crédit Agricole Corporate and Investment Bank as facility agent, the Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$400,000,000 and (b) 45% of the Fair Market Value of the Vessels (as each term is defined in the Credit Agreement), consisting of a term loan facility in an aggregate principal amount of up to \$300,000,000 and a revolving credit facility in an aggregate principal amount of up to \$100,000,000 on the terms and conditions stated therein. Reference is made to the Credit Agreement for provisions relating to the repayment and the acceleration of the maturity hereof. This Note is also entitled to the benefits of the Security Documents referred to therein.

This Note shall be construed in accordance with and governed by the laws of the State of New York.

This Note shall be read together with the Credit Agreement, but in case of any conflict between the Credit Agreement and this Note, the provisions of the Credit Agreement shall prevail to the extent permitted by applicable law.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

EAGLE BULK ULTRACO LLC

By: __ Name:
Title:

[Signature Page – [Term Facility] / [Revolving Facility] Note]

GRID NOTE

[illegible]

[illegible]

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [] (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among [], and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "ten percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Facility Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Facility Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Facility Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: __ Name:
Title:

Date: __, 20[]

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [] (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among [], and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "ten percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: __ Name:
Title:

Date: __, 20[]

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [] (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among [], and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "ten percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: __ Name:
Title:

Date: __, 20[]

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [] (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among [], and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "ten percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Facility Agent and the Borrower with IRS Form W- 8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W- 8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Facility Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Facility Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: __ Name:
Title:

Date: __, 20[]

FORM OF COMPLIANCE CERTIFICATE

103081194.6

Exhibit N
Form of Compliance Certificate

To: Crédit Agricole Corporate and Investment Bank (the “**Facility Agent**”), as Facility Agent From: Eagle Bulk Ultraco LLC (the “**Borrower**”), as Borrower

Dated []

Compliance Certificate for the [] months ended [] (the “**Reporting Period**”)

US \$400,000,000 Credit Agreement, dated [], 2021, as the same may be amended, restated, supplemented or otherwise modified from time to time, made by, among others, the Borrower, as borrower, and the Facility Agent, as facility agent (the “Agreement”)

1. I/We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. I/We confirm that, as at the date hereof:
 - (a) attached hereto are a true, correct and complete copy of the **[as applicable:]** [audited] / [unaudited] consolidated financial statements for the Parent and its Subsidiaries for the Reporting Period;
 - (b) I/we have reviewed such financial statements and they fairly present the financial condition and the results of operations of the Parent and its Subsidiaries for the Reporting Period.
 - (c) Minimum Consolidated Liquidity: as required by Section 7.01(a) of the Agreement, the cash and cash equivalents (as construed in conformity with GAAP) or availability longer than six (6) months under the Revolving Facility held by the Parent and its Subsidiaries, on a consolidated basis, is equal to \$[], which is not less than the greater of (i) \$600,000 per vessel owned directly or indirectly by the Parent and its Subsidiaries and (ii) 7.5% of Consolidated Total Debt of the Parent and its Subsidiaries, on a consolidated basis, as evidenced by the calculations set forth in Schedule A hereto;

- (d) Debt to Capitalization Ratio: as required by Section 7.01(b) of the Agreement, the Debt to Capitalization Ratio of the Parent, on a consolidated basis, is not greater than 0.60:1.00, as evidenced by the calculations set forth in Schedule A hereto;
- (e) Positive Working Capital: as required by Section 7.01(c) of the Agreement, the Consolidated Current Assets less Consolidated Current Liabilities of the Parent is equal to \$[], which is greater than \$0, as evidenced by the calculations set forth in Schedule A hereto; and
- (f) Consolidated Net Leverage Ratio: for the four (4) consecutive fiscal quarters of the Parent most recently ended, the ratio of Consolidated Net Debt to Consolidated EBITDA for the Parent is []:[], as evidenced by calculations set forth in Schedule A hereto.

Based on the foregoing and pursuant to the definition of “Applicable Margin” in Section 1.01 of the Agreement, the Applicable Margin as of [first Business Day immediately following the final date on which the Compliance Certificate is required to be delivered pursuant to Section 5.02 of the Agreement] shall be: [2.15][2.45][2.75]

3. **[end of second and fourth fiscal quarters of each fiscal year:] Vessel Value Maintenance:** I/We confirm that, as at the date hereof, as required by Section 5.04 of the Agreement, the Fair Market Value of the Vessels subject to a Vessel Mortgage (plus the market value of any additional security for the time being actually provided to the Lenders pursuant to Section 5.04 of the Agreement) is \$[], which is not less than one hundred forty percent (140%) of the aggregate outstanding principal amount of the Loans, as evidenced by the [two (2)] / [three (3)] valuations meeting the requirements of Section 5.03 delivered together with this Compliance Certificate, and as evidenced by the calculations set forth in Schedule A hereto.

4. [I/We confirm that no Default is continuing.] / [I/We confirm that Default has occurred, as follows:

[specify the details thereof and any action taken or proposed to be taken with respect thereto]. Signed on behalf of **Eagle Bulk**

Ultraco LLC

By:

Name:

Title: [Chief Financial Officer]

SCHEDULE A

Calculations

(a) Minimum Consolidated Liquidity:

(b) Debt to Capitalization Ratio:

(c) Positive Working Capital:

(d) Consolidated Net Leverage Ratio:

FORM OF SUSTAINABILITY CERTIFICATE

Exhibit O
Form of Sustainability Certificate

To: Crédit Agricole Corporate and Investment Bank, as Facility Agent and as Sustainability Coordinator From: Eagle Bulk Ultraco LLC, as Borrower

Dated []

US \$400,000,000 Credit Agreement, dated [], 2021 (the “Agreement”)

1. I/We refer to the Agreement. This is a Sustainability Certificate. Terms defined in the Agreement have the same meaning when used in this Sustainability Certificate unless given a different meaning in this Sustainability Certificate.

2. I/We confirm that, as at the date hereof:

(a) the calculation of the Fleet EEOI Performance for the prior calendar year ending December 31, 20[] is as follows, as verified by the External Reviewer pursuant to the External Reviewer certificate for the 20[] calendar year, a true and correct copy of which is attached hereto as Annex A (the “**External Reviewer Certificate**”):

[]

(b) the calculation of the Fleet Sustainability Performance Target for the prior calendar year ending December 31, 20[] is as follows, as verified by the External Reviewer pursuant to the External Reviewer Certificate:

[]

(c) the calculation of the Green Spending Performance for the prior calendar year ending December 31, 20[] is as follows:

Total Amount Spent on Green Spending Categories ____

Average Number of Fleet Vessels owned during the entire year ____

Green Spending Performance per Fleet Vessel ____

(d) the calculation of the Green Spending Target for the prior calendar year ending December 31, 20[] is as follows:

[]

(e) accordingly, the Sustainability Pricing Adjustment is as follows: []

Signed on behalf of **Eagle Bulk Ultraco LLC**

By:

Name:

Title: [Chief Financial Officer]

External Reviewer Certificate

**RESTRICTED STOCK AWARD AGREEMENT
UNDER THE EAGLE BULK SHIPPING INC.
2016 EQUITY INCENTIVE PLAN**

This Restricted Stock Award Agreement (the “Restricted Stock Award Agreement”) effective as of September 3, 2021 (the “Date of Grant”), is made by and between Eagle Bulk Shipping Inc., a Republic of the Marshall Islands company (the “Company”), and Gary Vogel (the “Participant”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan (the “Plan”). Where the context permits, references to the Company shall include any successor to the Company.

1. Grant of Restricted Stock. The Company hereby grants to the Participant 35,748 shares of restricted Common Stock (the “Restricted Stock”), subject to all of the terms and conditions of this Restricted Stock Award Agreement and the Plan.

2. Time-Vesting Restricted Stock. Subject to Section 5, 8,937 shares of the Restricted Stock (the “Time-Vested Restricted Shares”) shall vest, and have the forfeiture restrictions applicable thereto lapse, in three (3) substantially equal installments on each of the first three (3) anniversaries of the Date of Grant (each, a “Time Vesting Date”), subject to the Participant’s continued employment with the Company or any of its Affiliates on each Time Vesting Date; provided, however, that in the event that the Participant’s employment with the Company is terminated by the Company without Cause or by the Participant for Good Reason, as defined below (a “Qualifying Termination”) prior to a Time Vesting Date, then, notwithstanding anything herein to the contrary, the Participant shall become vested in the number of Time-Vested Restricted Shares that would otherwise have become vested on the next applicable Time Vesting Date, if any, following such Qualifying Termination.

For purposes of this Restricted Stock Award Agreement, “Good Reason” shall have the meaning set forth in the Employment Agreement by and among the Company, Eagle Shipping International (USA) LLC and the Participant, dated July 6, 2015, as may be amended from time to time.

3. Performance-Vesting Restricted Stock.

(a) Subject to Section 5, a maximum of 17,874 shares of the Restricted Stock (the “EPS Performance-Vested Restricted Shares”) shall vest and have the forfeiture restrictions applicable thereto lapse, in three (3) substantially equal installments with the first installment vesting on the later of certification by the Administrator of the EPS Performance (as defined below) and the first anniversary of the Date of Grant, and the second and third installments vesting on each of the second and third anniversaries of the Date of Grant (each, an “EPS Vesting Date”), subject to the Participant’s continued employment with the Company or any of its Affiliates on each EPS Vesting Date; provided that the actual number of EPS Performance-Vested Restricted Shares that may become vested under the foregoing schedule shall be equal the product, rounded down to the nearest whole number, of (i) the maximum number of EPS Performance-Vested Restricted Shares multiplied by (ii) the EPS Percentage determined as follows:

(b)

| <u>Performance Level</u> | <u>EPS Performance</u> | <u>EPS Percentage</u> ¹ |
|--------------------------|------------------------|------------------------------------|
| Threshold | -\$4.50 | 10% |
| Target | -\$0.58 | 50% |
| Maximum | \$8.37 or greater | 100% |

For purposes of this Section 3(a), “EPS Performance” means the Company’s basic earnings per share (basic net (loss)/income per share) as reported in the Company’s audited consolidated financial statements for fiscal year 2021 (the “EPS Performance Period”).

Notwithstanding anything herein to the contrary, if prior to the first EPS Vesting Date the Participant’s employment with the Company is terminated in a Qualifying Termination or there occurs a Change in Control, then:

(i) In the case of a Qualifying Termination, the Participant shall become vested on the first EPS Vesting Date in the number of EPS Performance-Vested Restricted Shares that otherwise would thereon become vested based on actual EPS Performance through the end of the EPS Performance Period; or

(ii) In the case of a Change in Control (prior to the first EPS Vesting Date), the Participant shall be eligible to continue to vest upon the Change in Control in EPS Performance-Vested Restricted Shares that would be eligible to vest based on actual EPS Performance as of the date of the Change in Control, if determinable; provided that if actual EPS Performance as of the date of the Change in Control is not determinable, the Participant shall be eligible to vest in the number of EPS Performance-Vested Restricted Shares that otherwise would have been earned assuming Target Performance Level was achieved. Earned EPS Performance-Vested Restricted Shares would continue to vest per their normal vesting schedule (i.e., the anniversary of grant date).

If the Participant’s employment with the Company is terminated in a Qualifying Termination after the first EPS Vesting Date, then, notwithstanding anything herein to the contrary, the Participant shall become vested in the number of EPS-Vested Restricted Shares that would otherwise have become vested on the next applicable EPS Vesting Date, if any, following such Qualifying Termination.

(b) Subject to Section 5, 8,937 shares of the Restricted Stock (the “TSR Performance-Vested Restricted Shares”) shall vest, and have the forfeiture restrictions applicable thereto lapse, in three (3) substantially equal installments with the first installment vesting on the later of certification by the Administrator of the Relative TSR Performance (as defined below) and the first anniversary of the Date of Grant, and the second and third installments vesting on each of the second and third anniversaries of the Date of Grant (each, a “TSR Vesting Date”), subject to the Participant’s continued employment with the Company or any of its Affiliates on each TSR Vesting Date; provided that the actual number of TSR Performance-Vested Restricted Shares that may become vested under the foregoing schedule shall be equal to the product, rounded down to the nearest whole number, of (i) the maximum number of TSR Performance-Vested Restricted Shares multiplied by (ii) the TSR Percentage determined as follows:

¹ The EPS Percentage shall be 0% for EPS Performance below the Threshold Performance Level. For EPS Performance between Threshold and Target Performance Levels or between Target and Maximum Performance Levels, the EPS Percentage shall be determined by straight line interpolation between the percentages set forth for such Performance Levels.

| <u>Relative TSR²</u> | <u>TSR Percentage</u> |
|---------------------------------|-----------------------|
| 7 th vs. Competitors | 0.0% |
| 6 th vs. Competitors | 16.5% |
| 5 th vs. Competitors | 33.5% |
| 4 th vs. Competitors | 50.0% |
| 3 rd vs. Competitors | 66.5% |
| 2 nd vs. Competitors | 83.5% |
| 1 st vs. Competitors | 100.0% |

Where the TSR Percentage is determined by interpolating the Company's performance between peers ranked immediately above and below the Company's performance level; provided, however, that the TSR Percentage shall be capped at 50% if the Company's absolute TSR over the performance period is negative.

For purposes of this Section 3(b), "TSR" means the appreciation (depreciation) between the per share beginning price and ending price of a relevant company's common stock for the Company's 2021 fiscal year (the "TSR Performance Period") on an applicable securities exchange or interdealer quotation system, plus dividends paid during the TSR Performance Period; provided that the per share beginning price shall be determined using the 20-trading-day average for the averaging period of 20 trading days beginning on the first day of the TSR Performance Period, and the per share ending price shall be determined using the 20-trading-day average for the averaging period of 20 trading days ending on the final day of the TSR Performance Period; provided further, that if for any reason a company's common stock ceases during the TSR Performance Period to be publicly traded and is no longer listed or quoted on any securities exchange or interdealer quotation system, then the averaging period for determining the per share ending price for such company's common stock shall be the 20 trading days ending on the final trading date for that company's common stock.

Notwithstanding anything herein to the contrary, if prior to the first TSR Vesting Date the Participant's employment with the Company is terminated in a Qualifying Termination or there occurs a Change in Control, then:

(i) In the case of a Qualifying Termination, the Participant shall become vested on the first TSR Vesting Date in the number of TSR Performance-Vested Restricted Shares that otherwise would thereon become vested based on actual Relative TSR for the TSR Performance Period; or

(ii) In the case of a Change in Control (prior to the first TSR Vesting Date), the Participant shall be eligible to continue to vest upon the Change in Control in TSR Performance-Vested Restricted Shares that would be eligible to vest based on actual TSR Performance through of the date of the Change in Control, if determinable; provided that if actual TSR Performance as of the date of the Change in Control is not determinable, the Participant shall be eligible to vest in the number of TSR Performance-Vested Restricted Shares that otherwise would have been earned assuming TSR Percentage of 50% (i.e., Target Level achievement). Earned TSR Performance-Vested Restricted Shares would continue to vest per their normal vesting schedule (i.e., the anniversary of grant date).

² Relative TSR reflects relative performance compared to the following seven direct competitors: Genco Shipping, Pacific Basin Shipping, Star Bulk Carriers, Diana Shipping, Golden Ocean Group, Safe Bulkers, and Pangaea Logistics Solutions.

If the Participant's employment with the Company is terminated in a Qualifying Termination after the first TSR Vesting Date, then, notwithstanding anything herein to the contrary, the Participant shall become vested in the number of TSR-Vested Restricted Shares that would otherwise have become vested on the next applicable TSR Vesting Date, if any, following such Qualifying Termination.

4. Restrictions. The Restricted Stock granted hereunder may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered, and shall be subject to a risk of forfeiture as described in Sections 2 and 3 and until any additional requirements or restrictions contained in this Restricted Stock Award Agreement have been otherwise satisfied, terminated or expressly waived by the Company in writing.

5. Holding Period for TSR Performance-Vested Restricted Shares. If and when any TSR Performance-Vested Restricted Shares become vested under Section 3(b), each such share of Common Stock that is not withheld by the Company to satisfy tax withholding obligations pursuant to Section 11 shall be subject to a mandatory holding period of one year starting on the applicable TSR Vesting Date for such share, and may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered until the first anniversary of the applicable TSR Vesting Date.

6. Termination of Employment. Except as provided above in Sections 2 and 3, upon the Participant's termination of employment for any reason, any portion of Restricted Stock which has not vested as of the date of such termination shall be forfeited.

7. Voting; Dividends. The Participant shall have the right to vote the Restricted Stock prior to vesting. Except as provided in Section 1.5(c)(iv) of the Plan, the Participant shall receive payment of dividends with respect to the Restricted Stock; provided, that dividends in respect of the portion of the Restricted Stock that has not vested on or prior to the date dividends are paid shall be accumulated, held back and paid to the Participant if and when such portion of the Restricted Stock becomes vested.

8. Notification of Election Under Section 83(b) of the Code. If the Participant makes an election under Section 83(b) of the Code (to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code), the Participant shall notify the Administrator of such election within ten days of filing notice of the election with the U.S. Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code.

9. Restricted Stock Award Agreement Subject to Plan. This Restricted Stock Award Agreement is made pursuant to all of the provisions of the Plan, which is incorporated herein by this reference, and is intended, and shall be interpreted in a manner, to comply therewith. In the event of any conflict between the provisions of this Restricted Stock Award Agreement and the provisions of the Plan, the provisions of this Restricted Stock Award Agreement shall govern.

10. No Rights to Continuation of Employment. Nothing in the Plan or this Restricted Award Agreement shall confer upon Participant any right to continue in the employ of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company or its shareholders (or of a Subsidiary or its shareholders, as the case may be) to terminate Participant's employment at any time for any reason whatsoever, with or without Cause.

11. Tax Withholding. The Company shall withhold the amount of applicable withholding taxes by having the Company deduct from any shares delivered upon vesting of the Restricted Stock Award such shares having a value equal to the statutory withholding liability with respect to the Restricted Stock Award. Such shares shall be valued at their Fair Market Value as of the date on

which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash.

12. Governing Law. This Restricted Stock Award Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choices of laws, of the State of New York applicable to agreements made and to be performed wholly within the State of New York.

13. Restricted Stock Award Agreement Binding on Successors. The terms of this Restricted Stock Award Agreement shall be binding upon Participant and upon Participant's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest, and upon the Company and its successors and assignees, subject to the terms of the Plan.

14. No Assignment. Notwithstanding anything to the contrary in this Restricted Stock Award Agreement, neither this Restricted Stock Award Agreement nor any rights granted herein shall be assignable by Participant.

15. Necessary Acts. Participant hereby agrees to perform all acts, and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Restricted Stock Award Agreement, including but not limited to all acts and documents related to compliance with federal and/or state securities and/or tax laws.

16. Entire Restricted Stock Award Agreement. This Restricted Stock Award Agreement and the Plan contain the entire agreement and understanding among the parties as to the subject matter hereof and supersede all prior agreements with respect to the subject matter thereof.

17. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or descriptive of the contents of any such Section.

18. Counterparts. This Restricted Stock Award Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

19. Amendment. No amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Restricted Stock Award Agreement as of the date set forth above.

EAGLE BULK SHIPPING INC.

By: /s/ Frank De Costanzo
Name: Frank De Costanzo
Title: Chief Financial Officer

The undersigned hereby accepts and agrees to all the terms and provisions of the foregoing Restricted Stock Award Agreement.

PARTICIPANT

/s/ Gary Vogel
Name: Gary Vogel

**RESTRICTED STOCK AWARD AGREEMENT
UNDER THE EAGLE BULK SHIPPING INC.
2016 EQUITY INCENTIVE PLAN**

This Restricted Stock Award Agreement (the “Restricted Stock Award Agreement”) effective as of September 3, 2021 (the “Date of Grant”), is made by and between Eagle Bulk Shipping Inc., a Republic of the Marshall Islands company (the “Company”), and Frank De Costanzo (the “Participant”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan (the “Plan”). Where the context permits, references to the Company shall include any successor to the Company.

1. Grant of Restricted Stock. The Company hereby grants to the Participant 17,078 shares of restricted Common Stock (the “Restricted Stock”), subject to all of the terms and conditions of this Restricted Stock Award Agreement and the Plan.

2. Time-Vesting Restricted Stock. Subject to Section 5, 4,269 shares of the Restricted Stock (the “Time-Vested Restricted Shares”) shall vest, and have the forfeiture restrictions applicable thereto lapse, in three (3) substantially equal installments on each of the first three (3) anniversaries of the Date of Grant (each, a “Time Vesting Date”), subject to the Participant’s continued employment with the Company or any of its Affiliates on each Time Vesting Date; provided, however, that in the event that the Participant’s employment with the Company is terminated by the Company without Cause or by the Participant for Good Reason, as defined below (a “Qualifying Termination”) prior to a Time Vesting Date, then, notwithstanding anything herein to the contrary, the Participant shall become vested in the number of Time-Vested Restricted Shares that would otherwise have become vested on the next applicable Time Vesting Date, if any, following such Qualifying Termination.

For purposes of this Restricted Stock Award Agreement, “Good Reason” shall have the meaning set forth in the Employment Agreement by and among the Company, Eagle Shipping International (USA) LLC and the Participant, dated September 3, 2016, as may be amended from time to time.

3. Performance-Vesting Restricted Stock.

(a) Subject to Section 5, a maximum of 8,539 shares of the Restricted Stock (the “EPS Performance-Vested Restricted Shares”) shall vest and have the forfeiture restrictions applicable thereto lapse, in three (3) substantially equal installments with the first installment vesting on the later of certification by the Administrator of the EPS Performance (as defined below) and the first anniversary of the Date of Grant, and the second and third installments vesting on each of the second and third anniversaries of the Date of Grant (each, an “EPS Vesting Date”), subject to the Participant’s continued employment with the Company or any of its Affiliates on each EPS Vesting Date; provided that the actual number of EPS Performance-Vested Restricted Shares that may become vested under the foregoing schedule shall be equal the product, rounded down to the nearest whole number, of (i) the maximum number of EPS Performance-Vested Restricted Shares multiplied by (ii) the EPS Percentage determined as follows:

| <u>Performance Level</u> | <u>EPS Performance</u> | <u>EPS Percentage</u> ¹ |
|--------------------------|------------------------|------------------------------------|
| Threshold | -\$4.50 | 10% |
| Target | -\$0.58 | 50% |
| Maximum | \$8.37 or greater | 100% |

For purposes of this Section 3(a), “EPS Performance” means the Company’s basic earnings per share (basic net (loss)/income per share) as reported in the Company’s audited consolidated financial statements for fiscal year 2021 (the “EPS Performance Period”).

Notwithstanding anything herein to the contrary, if prior to the first EPS Vesting Date the Participant’s employment with the Company is terminated in a Qualifying Termination or there occurs a Change in Control, then:

(i) In the case of a Qualifying Termination, the Participant shall become vested on the first EPS Vesting Date in the number of EPS Performance-Vested Restricted Shares that otherwise would thereon become vested based on actual EPS Performance through the end of the EPS Performance Period; or

(ii) In the case of a Change in Control (prior to the first EPS Vesting Date), the Participant shall be eligible to continue to vest upon the Change in Control in EPS Performance-Vested Restricted Shares that would be eligible to vest based on actual EPS Performance as of the date of the Change in Control, if determinable; provided that if actual EPS Performance as of the date of the Change in Control is not determinable, the Participant shall be eligible to vest in the number of EPS Performance-Vested Restricted Shares that otherwise would have been earned assuming Target Performance Level was achieved. Earned EPS Performance-Vested Restricted Shares would continue to vest per their normal vesting schedule (i.e., the anniversary of grant date).

If the Participant’s employment with the Company is terminated in a Qualifying Termination after the first EPS Vesting Date, then, notwithstanding anything herein to the contrary, the Participant shall become vested in the number of EPS-Vested Restricted Shares that would otherwise have become vested on the next applicable EPS Vesting Date, if any, following such Qualifying Termination.

(b) Subject to Section 5, 4,270 shares of the Restricted Stock (the “TSR Performance-Vested Restricted Shares”) shall vest, and have the forfeiture restrictions applicable thereto lapse, in three (3) substantially equal installments with the first installment vesting on the later of certification by the Administrator of the Relative TSR Performance (as defined below) and the first anniversary of the Date of Grant, and the second and third installments vesting on each of the second and third anniversaries of the Date of Grant (each, a “TSR Vesting Date”), subject to the Participant’s continued employment with the Company or any of its Affiliates on each TSR Vesting Date; provided that the actual number of TSR Performance-Vested Restricted Shares that may become vested under the foregoing schedule shall be equal to the product, rounded down to the nearest whole number, of (i) the maximum number of TSR Performance-Vested Restricted Shares multiplied by (ii) the TSR Percentage determined as follows:

¹ The EPS Percentage shall be 0% for EPS Performance below the Threshold Performance Level. For EPS Performance between Threshold and Target Performance Levels or between Target and Maximum Performance Levels, the EPS Percentage shall be determined by straight line interpolation between the percentages set forth for such Performance Levels.

| <u>Relative TSR²</u> | <u>TSR Percentage</u> |
|---------------------------------|-----------------------|
| 7 th vs. Competitors | 0.0% |
| 6 th vs. Competitors | 16.5% |
| 5 th vs. Competitors | 33.5% |
| 4 th vs. Competitors | 50.0% |
| 3 rd vs. Competitors | 66.5% |
| 2 nd vs. Competitors | 83.5% |
| 1 st vs. Competitors | 100.0% |

Where the TSR Percentage is determined by interpolating the Company's performance between peers ranked immediately above and below the Company's performance level; provided, however, that the TSR Percentage shall be capped at 50% if the Company's absolute TSR over the performance period is negative.

For purposes of this Section 3(b), "TSR" means the appreciation (depreciation) between the per share beginning price and ending price of a relevant company's common stock for the Company's 2021 fiscal year (the "TSR Performance Period") on an applicable securities exchange or interdealer quotation system, plus dividends paid during the TSR Performance Period; provided that the per share beginning price shall be determined using the 20-trading-day average for the averaging period of 20 trading days beginning on the first day of the TSR Performance Period, and the per share ending price shall be determined using the 20-trading-day average for the averaging period of 20 trading days ending on the final day of the TSR Performance Period; provided further, that if for any reason a company's common stock ceases during the TSR Performance Period to be publicly traded and is no longer listed or quoted on any securities exchange or interdealer quotation system, then the averaging period for determining the per share ending price for such company's common stock shall be the 20 trading days ending on the final trading date for that company's common stock.

Notwithstanding anything herein to the contrary, if prior to the first TSR Vesting Date the Participant's employment with the Company is terminated in a Qualifying Termination or there occurs a Change in Control, then:

(i) In the case of a Qualifying Termination, the Participant shall become vested on the first TSR Vesting Date in the number of TSR Performance-Vested Restricted Shares that otherwise would thereon become vested based on actual Relative TSR for the TSR Performance Period; or

(ii) In the case of a Change in Control (prior to the first TSR Vesting Date), the Participant shall be eligible to continue to vest upon the Change in Control in TSR Performance-Vested Restricted Shares that would be eligible to vest based on actual TSR Performance through of the date of the Change in Control, if determinable; provided that if actual TSR Performance as of the date of the Change in Control is not determinable, the Participant shall be eligible to vest in the number of TSR Performance-Vested Restricted Shares that otherwise would have been earned assuming TSR Percentage of 50% (i.e., Target Level achievement). Earned TSR Performance-Vested Restricted Shares would continue to vest per their normal vesting schedule (i.e., the anniversary of grant date).

² Relative TSR reflects relative performance compared to the following seven direct competitors: Genco Shipping, Pacific Basin Shipping, Star Bulk Carriers, Diana Shipping, Golden Ocean Group, Safe Bulkers, and Pangaea Logistics Solutions.

If the Participant's employment with the Company is terminated in a Qualifying Termination after the first TSR Vesting Date, then, notwithstanding anything herein to the contrary, the Participant shall become vested in the number of TSR-Vested Restricted Shares that would otherwise have become vested on the next applicable TSR Vesting Date, if any, following such Qualifying Termination.

4. Restrictions. The Restricted Stock granted hereunder may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered, and shall be subject to a risk of forfeiture as described in Sections 2 and 3 and until any additional requirements or restrictions contained in this Restricted Stock Award Agreement have been otherwise satisfied, terminated or expressly waived by the Company in writing.

5. Holding Period for TSR Performance-Vested Restricted Shares. If and when any TSR Performance-Vested Restricted Shares become vested under Section 3(b), each such share of Common Stock that is not withheld by the Company to satisfy tax withholding obligations pursuant to Section 11 shall be subject to a mandatory holding period of one year starting on the applicable TSR Vesting Date for such share, and may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered until the first anniversary of the applicable TSR Vesting Date.

6. Termination of Employment. Except as provided above in Sections 2 and 3, upon the Participant's termination of employment for any reason, any portion of Restricted Stock which has not vested as of the date of such termination shall be forfeited.

7. Voting; Dividends. The Participant shall have the right to vote the Restricted Stock prior to vesting. Except as provided in Section 1.5(c)(iv) of the Plan, the Participant shall receive payment of dividends with respect to the Restricted Stock; provided, that dividends in respect of the portion of the Restricted Stock that has not vested on or prior to the date dividends are paid shall be accumulated, held back and paid to the Participant if and when such portion of the Restricted Stock becomes vested.

8. Notification of Election Under Section 83(b) of the Code. If the Participant makes an election under Section 83(b) of the Code (to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code), the Participant shall notify the Administrator of such election within ten days of filing notice of the election with the U.S. Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code.

9. Restricted Stock Award Agreement Subject to Plan. This Restricted Stock Award Agreement is made pursuant to all of the provisions of the Plan, which is incorporated herein by this reference, and is intended, and shall be interpreted in a manner, to comply therewith. In the event of any conflict between the provisions of this Restricted Stock Award Agreement and the provisions of the Plan, the provisions of this Restricted Stock Award Agreement shall govern.

10. No Rights to Continuation of Employment. Nothing in the Plan or this Restricted Award Agreement shall confer upon Participant any right to continue in the employ of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company or its shareholders (or of a Subsidiary or its shareholders, as the case may be) to terminate Participant's employment at any time for any reason whatsoever, with or without Cause.

11. Tax Withholding. The Company shall withhold the amount of applicable withholding taxes by having the Company deduct from any shares delivered upon vesting of the Restricted Stock Award such shares having a value equal to the statutory withholding liability with respect to the Restricted Stock Award. Such shares shall be valued at their Fair Market Value as of the date on

which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash.

12. Governing Law. This Restricted Stock Award Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choices of laws, of the State of New York applicable to agreements made and to be performed wholly within the State of New York.

13. Restricted Stock Award Agreement Binding on Successors. The terms of this Restricted Stock Award Agreement shall be binding upon Participant and upon Participant's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest, and upon the Company and its successors and assignees, subject to the terms of the Plan.

14. No Assignment. Notwithstanding anything to the contrary in this Restricted Stock Award Agreement, neither this Restricted Stock Award Agreement nor any rights granted herein shall be assignable by Participant.

15. Necessary Acts. Participant hereby agrees to perform all acts, and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Restricted Stock Award Agreement, including but not limited to all acts and documents related to compliance with federal and/or state securities and/or tax laws.

16. Entire Restricted Stock Award Agreement. This Restricted Stock Award Agreement and the Plan contain the entire agreement and understanding among the parties as to the subject matter hereof and supersede all prior agreements with respect to the subject matter thereof.

17. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or descriptive of the contents of any such Section.

18. Counterparts. This Restricted Stock Award Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

19. Amendment. No amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Restricted Stock Award Agreement as of the date set forth above.

EAGLE BULK SHIPPING INC.

By: /s/ Gary Vogel
Name: Gary Vogel
Title: Chief Executive Officer

The undersigned hereby accepts and agrees to all the terms and provisions of the foregoing Restricted Stock Award Agreement.

PARTICIPANT

/s/ Frank De Costanzo
Name: Frank De Costanzo

The following is a list of the subsidiaries of Eagle Bulk Shipping Inc. as of March 9, 2022.

| Name of Significant Subsidiary | Jurisdiction of Incorporation |
|--|-------------------------------|
| Eagle Shipping LLC | Marshall Islands |
| Eagle Bulk Management LLC | Marshall Islands |
| Eagle Shipping International (USA) LLC | Marshall Islands |
| Eagle Ship Management LLC | Delaware |
| Eagle Bulk Pte. Ltd. | Singapore |
| Eagle Bulk Holdco LLC | Marshall Islands |
| Eagle Bulk Shipco LLC | Marshall Islands |
| Eagle Bulk Ultraco LLC | Marshall Islands |
| Eagle Bulk Delaware LLC | Delaware |
| Eagle Bulk Europe A/S | Denmark |
| Antwerp Eagle LLC | Marshall Islands |
| Avocet Shipping LLC | Marshall Islands |
| Bittern Shipping LLC | Marshall Islands |
| Canary Shipping LLC | Marshall Islands |
| Cape Town Eagle LLC | Marshall Islands |
| Cardinal Shipping LLC | Marshall Islands |
| Copenhagen Eagle LLC | Marshall Islands |
| Crane Shipping LLC | Marshall Islands |
| Crested Eagle Shipping LLC | Marshall Islands |
| Crowned Eagle Shipping LLC | Marshall Islands |
| Dublin Eagle LLC | Marshall Islands |
| Egret Shipping LLC | Marshall Islands |
| Fairfield Eagle LLC | Marshall Islands |
| Gannet Shipping LLC | Marshall Islands |
| Golden Eagle Shipping LLC | Marshall Islands |
| Grebe Shipping LLC | Marshall Islands |
| Greenwich Eagle LLC | Marshall Islands |
| Groton Eagle LLC | Marshall Islands |
| Hamburg Eagle LLC | Marshall Islands |
| Hawk Shipping LLC | Marshall Islands |
| Helsinki Eagle LLC | Marshall Islands |
| Hong Kong Eagle LLC | Marshall Islands |
| Ibis Shipping LLC | Marshall Islands |
| Imperial Eagle Shipping LLC | Marshall Islands |
| Jaeger Shipping LLC | Marshall Islands |
| Jay Shipping LLC | Marshall Islands |
| Kingfisher Shipping LLC | Marshall Islands |
| Madison Eagle LLC | Marshall Islands |
| Martin Shipping LLC | Marshall Islands |
| Montauk Eagle LLC | Marshall Islands |
| Mystic Eagle LLC | Marshall Islands |
| New London Eagle LLC | Marshall Islands |
| Newport Eagle LLC | Marshall Islands |
| Nighthawk Shipping LLC | Marshall Islands |

| | |
|----------------------------|------------------|
| Oriole Shipping LLC | Marshall Islands |
| Oslo Eagle LLC | Marshall Islands |
| Owl Shipping LLC | Marshall Islands |
| Petrel Shipping LLC | Marshall Islands |
| Puffin Shipping LLC | Marshall Islands |
| Roadrunner Shipping LLC | Marshall Islands |
| Rotterdam Eagle LLC | Marshall Islands |
| Rowayton Eagle LLC | Marshall Islands |
| Sandpiper Shipping LLC | Marshall Islands |
| Sankaty Eagle LLC | Marshall Islands |
| Santos Eagle LLC | Marshall Islands |
| Shanghai Eagle LLC | Marshall Islands |
| Singapore Eagle LLC | Marshall Islands |
| Skua Shipping LLC | Marshall Islands |
| Southport Eagle LLC | Marshall Islands |
| Stamford Eagle LLC | Marshall Islands |
| Stellar Eagle Shipping LLC | Marshall Islands |
| Stockholm Eagle LLC | Marshall Islands |
| Stonington Eagle LLC | Marshall Islands |
| Sydney Eagle LLC | Marshall Islands |
| Tern Shipping LLC | Marshall Islands |
| Thrasher Shipping LLC | Marshall Islands |
| Valencia Eagle LLC | Marshall Islands |
| Westport Eagle LLC | Marshall Islands |

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-233208 and 333-254780 on Form S-3, and Registration Statements Nos. 333-215118 and 333-233203 on Form S-8 of our report dated March 11, 2022, relating to the financial statements of Eagle Bulk Shipping Inc. and the effectiveness of Eagle Bulk Shipping Inc's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2021.

/s/ DELOITTE & TOUCHE LLP

New York, New York

March 11, 2022

Exhibit 23.2

Consent of Counsel

Reference is made to the annual report on Form 10-K of Eagle Bulk Shipping Inc. (the “Company”) for the year ended December 31, 2021 (the “Annual Report”) and the registration statements on Form S-8 (Registration No. 333-215118 and No. 333-233203) and Form S-3 (Registration Nos. 333-233208 and 333-254780) of the Company, including the prospectuses contained therein (the “Registration Statements”). We hereby consent to (i) the filing of this letter as an exhibit to the Annual Report, which is incorporated by reference into the Registration Statements and (ii) each reference to us and the discussions of advice provided by us in the Annual Report under the section “Item 1. Business-Tax Considerations” and to the incorporation by reference of the same in the Registration Statements, in each case, without admitting we are “experts” within the meaning of the Securities Act of 1933, as amended, or the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder with respect to any part of the Registration Statements.

/s/ Seward & Kissel LLP
New York, New York
March 11, 2022

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

I, Gary Vogel, certify that:

1. I have reviewed this annual report on Form 10-K of Eagle Bulk Shipping Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2022

/s/ Gary Vogel
Gary Vogel
Chief Executive Officer
(Principal executive officer of the registrant)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

I, Frank De Costanzo, certify that:

1. I have reviewed this annual report on Form 10-K of Eagle Bulk Shipping Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2022

/s/ Frank De Costanzo
Frank De Costanzo
Chief Financial Officer
(Principal financial officer of the registrant)

Exhibit 32.1

**PRINCIPAL EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the annual report of Eagle Bulk Shipping Inc. (the "Company") on Form 10-K for the year ending December 31, 2021, as filed with the Securities and Exchange Commission (the "SEC") on or about the date hereof (the "Report"), I, Gary Vogel, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: March 11, 2022

/s/ Gary Vogel
Gary Vogel
Chief Executive Officer
(Principal executive officer of the registrant)

Exhibit 32.2

**PRINCIPAL FINANCIAL OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the annual report of Eagle Bulk Shipping Inc. (the "Company") on Form 10-K for the year ending December 31, 2021, as filed with the Securities and Exchange Commission (the "SEC") on or about the date hereof (the "Report"), I, Frank De Costanzo, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: March 11, 2022

/s/ Frank De Costanzo
Frank De Costanzo
Chief Financial Officer
(Principal financial officer of the registrant)